

Agenda

1. Osceola Public Schools Board of Education Information
2. Opening Procedures
 - 2.1. Call the Meeting to Order
 - 2.2. Roll Call
 - 2.3. Excuse Board Members Who Are Absent
3. Approval of Agenda
4. Recognition of Visitors/Communications from the Public
5. Kitchen/Gym/Locker room walkthrough
6. Reports
 - 6.1. Principals Reports
 - 6.1.1. Elementary Report
 - 6.1.2. MS/HS Report
 - 6.2. Superintendent's Report
 - 6.3. Board Reports
7. Action Items
 - 7.1. Consent Agenda
 - 7.1.1. Approval of the Previous Meeting's Minutes
 - 7.1.2. Treasurer's Report
 - 7.1.3. Payment of general fund claims in the amount of \$347,158.60
 - 7.1.4. Payment of depreciation fund claim of \$27,500.00
 - 7.1.5. Payment of bond fund claim of \$103,643.75
 - 7.1.6. Payment of special building fund claim of \$5,050.00
 - 7.2. Consider, discuss and take all necessary action on
 - 7.2.1. Consider, discuss, and take all necessary action on replanting the practice football field/discus area.
 - 7.2.2. Kyle from ALMQUIST MALTZAHN GALLOWAY & LUTH will connect via Zoom so he can answer any questions about the audit during the meeting on Monday November 8th
 - 7.2.3. Consider, discuss and take all necessary action to approve district audit for fiscal year 2020-2021.
 - 7.2.4. Consider, discuss, and take all necessary action to purchase a Chevrolet Malibu from Tonniges Chevrolet for \$27,500 to replace the Chevrolet Impala.
 - 7.2.5. Consider, discuss, and take all necessary action to trade in route busses '08, '09, '10, '13 and agree to a lease program through Blue Bird for replacement route busses.
 - 7.2.6. Consider, discuss, and take all necessary action to approve Mallory Zelasney as a local substitute.
 - 7.2.7. Superintendent's evaluation.
8. Discussion Items

- 8.1. Twin River is inquiring about a potential coop for baseball.
- 8.2. Christmas party
9. Executive Session
10. Next Meeting Dates and Times
 - 10.1. Regular meeting December 13, 2021, 6:00 PM at the Osceola Middle/High School Media Center.
11. Adjournment

Jeffrey Elementary

November 08, 2021

Brett Webster

- Holiday Concert will be Nov. 30th at 7 PM
- We will run the book fair the week of Nov. 29 – Dec 3rd.
- MAP v. NSCAS the state is not requiring us to change
- 4th Grade went to Ag Day in York
- Our Book Buddy Program has a lot of money and finding out no one works for Scholastic Book anymore.

Board of Education Regular Meeting
Middle School/High School Media Center
565 S. Kimmel Street
Osceola, NE 68651
October 11, 2021 @ 7:30 PM

1. Osceola Public Schools Board of Education Information

Notice of this meeting was posted at the Jeffrey Elementary School, Osceola Middle School/High School, Pinnacle Bank of Osceola, and the Osceola Post Office on October 7, 2021. This notice was also published in *The Polk County News* on the same date. A copy of the agenda items is tentative and may be changed by the Board if necessary.

2. Opening Procedures

2.1. Call the Meeting to Order

President Boruch called the regular meeting to order at 7:30 PM and informed those in attendance that a current copy of the Open Meetings Act is posted in the meeting room, then directed the public to its location.

2.2. Roll Call

Jennifer Boruch:	Present	Daisy Naber:	Present
Jena Mentink:	Present	Michael Neujahr:	Present
Anthony Mestl:	Present	Eric Yungdahl:	Present

Also, present were Superintendent Lavaley, Principal Breckner, Principal Webster, Tyler Cox from Blue Bird Bus, Tori Jelinek, and Debra Berry.

2.3. Excuse Board Members Who Are Absent

There were no board members absent.

3. Approval of Agenda

To approve the agenda as written passed with a motion by Michael Neujahr and a second by Anthony Mestl.

Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

4. Recognition of Visitors/Communications from the Public

Tori Jenilek was interested in the decision about bussing children to other homes other than their residence. Tyler Cox was present to answer questions about Blue Bird busses.

5. Reports

5.1. STUCO President Report

STUCO President Blaike Bryan gave her written and oral report about the positives of the new school year, such as late morning snacks, regaining of respect, the improvement of the breakfasts and lunches, and alacarte items. The negative is the random drug testing.

5.2. Principals Reports

5.2.1. Elementary Report

Elementary Principal Brett Webster gave his written and oral report about: the completion of MAPS testing; Fire Prevention Week will be next week (October 19th - 22nd); and the NSCAS pilot test is scheduled December 2nd.

5.2.2. MS/HS Report

MS/HS Principal Brent Breckner gave his written and oral report about: the past teacher in-service topics included MTSS work, suicide prevention training; and developing staff meetings; a review of the 2021 Homecoming; Admin Days in Kearney; a presentation about social media was given by Karen Haase of KSB School Law; a nonemergency lockdown drill was completed; MAPS testing is almost finished; and a review of upcoming events.

5.3. Superintendent's Report

Superintendent Lavaley gave his written and oral report about: building and facilities updates such as signage in the North Gym, replacing concrete in the MS/HS, and replacing some football field lights; updates from NASB; the development of strategic plans; the clarification of the "Open Meetings Act" which is any member of the public can speak, and does not have to be a patron; a review of ideas to improve future Homecoming; the potential of upcoming costs such as a vape detector; and upcoming events.

5.4. Board Reports

There were no board reports.

6. Action Items

6.1. Consent Agenda

To approve the consent agenda except for the general fund claims and any special building fund claims which will be presented on Friday, October 15, 2021 at 6:00 PM Passed with a motion by Jena Mentink and a second by Daisy Naber.

Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

6.1.1. Approval of the Previous Meeting's Minutes

6.1.2. Treasurer's Report

6.1.3. Payment of general fund claims in the amount of \$???????

6.1.4. Payment of qualified capital purpose undertaking fund claim of \$221,395.62

6.2. Consider, Discuss and Take All Necessary Action On

6.2.1. Consider, discuss, and take all necessary action on updating our route busses

To update route busses was tabled with a motion by Anthony Mestl and a second by Jena Mentink.

Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

6.2.2. Consider, discuss, and take all necessary action to continue our coop with Shelby-Rising City for JH Football for the next two seasons (2022 & 2023).

To continue the MS football coop with Shelby-Rising City Public Schools for the 2022 and 2023 seasons passed with a motion by Eric Yungdahl and a second by Jena Mentink.

Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

6.2.3. Consider, discuss, and take all necessary action in using NASB services to help in strategic planning

To use NASB services to help with strategic planning passed with a motion by Jena Mentink and a second by Eric Yungdahl.

Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

7. Discussion

7.1. Discuss an addition to the handbook about bus routes.

Superintendent Lavaley reviewed with the Board the following addition to the handbook about bus routes:

Students eligible for busing services will be contacted prior to the start of the school year to set up routes and pickup times. If you feel that you are eligible for busing services and have not been in contact with someone prior to the start of the school year, or if you move during the school year and have questions about busing eligibility, please contact the school.

If a student needs temporary busing services or to occasionally change their drop off location, parents need to contact the school, at the latest, by 9:00 AM the day before. Requests will be accommodated only if the request does not change the regular bus route or add additional stops to the bus route unless it is extenuating circumstances and the request is approved by the transportation director or administration.

Students that are not regular route riders may not ride the bus home with a friend, unless the parent of the non-route student presents written or verbal permission to the office, at the latest, by 9am the day before. The written permission may be in the form of a letter, note, or email and should include the date, the non-route rider's name, a signature if possible, and the place approved for drop off. Such requests may not be granted if they cause overcrowding of the vans or buses.

7.2. Discussion about Continuing Softball Coop with High Plains and Cross County.

A discussion about continuing the softball coop with High Plains Community Schools and Cross County Community Schools was held. Superintendent Lavaley reported that patrons have asked Osceola Public Schools to provide a coach to help.

8. Next Meeting Dates and Times

8.1. Special meeting October 15, 2021, 6:00 PM at the Osceola Middle/High School Media Center.

A special meeting will be held Friday, October 8, 2021, 6:00 PM at the Osceola Middle/High School Media Center to approve October claims.

9. Adjournment

To adjourn at 9:25 PM passed with a motion by Eric Yungdahl and a second by Daisy Naber.
Jennifer Boruch: Yea, Jena Mentink: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael
Neujahr: Yea, Eric Yungdahl: Yea

Respectfully submitted,


Debra Berry, Board Secretary Appointed

Board of Education Special Meeting

Middle School/High School Media Center

565 S. Kimmel Street

Osceola, NE 68651

October 15, 2021 @ 6:00 PM

1. Osceola Public Schools Board of Education Information

Notice of this meeting was posted at the Jeffrey Elementary School, Osceola Middle School/High School, Pinnacle Bank of Osceola, and the Osceola Post Office on October 14, 2021. This notice was also published in *The Polk County News* on the same date. A copy of the agenda items is tentative and may be changed by the Board if necessary.

2. Opening Procedures

2.1. Call the Meeting to Order

President Boruch called the special meeting to order at 6:07 PM and informed those in attendance that a current copy of the Open Meetings Act is posted in the meeting room, then directed the public to its location. This special meeting was called to approve October 2021 general fund claims and any special building fund claims.

2.2. Roll Call

Jennifer Boruch: Present

Daisy Naber: Present

Jena Mentink: Absent

Michael Neujahr: Present

Anthony Mestl: Present

Eric Yungdahl: Present

2.3. Excuse Board Members Who Are Absent

To excuse Jena Mentink passed with a motion made by Anthony Mestl and seconded by Eric Yungdahl.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

3. Approval of Agenda

Approval of the agenda as written passed with a motion made by Eric Yungdahl and seconded by Michael Neujahr

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

4. Action Items

4.1. Payment of general fund claims in the amount of \$477,421.56

To approve general fund claims in the amount of \$477,421.56 passed with a motion made by Michael Neujahr and seconded by Anthony Mestl, Passed.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

5. Next Meeting Dates and Times

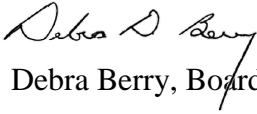
5.1. Regular meeting on November 8, 2021, 6:00PM at the Osceola Middle/High School Media Center.

6. Adjournment

To adjourn meeting at 6:09 PM passed with a motion made by Eric Yungdahl and seconded by Daisy Naber, Passed.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Eric Yungdahl: Yea

Respectfully submitted,



Debra Berry, Board Secretary Appointed

Board Report – Monthly

GENERAL FUND

Posted - During Check Cycle; Fund Number 01; Processing Month 11/2021

<u>Check #</u>	<u>Vendor Name</u>	<u>Description</u>	<u>Check Total</u>
33901	BARCEL LANDSCAPE PRODUCTS, INC.	PLAYGROUND COVER	1,360.00
33902	CENTRAL NEBRASKA REHABILITATION SERVICES	PT/OT SERVICES	7,646.61
33903	ESSENTIAL SCREENS	BACKGROUND CHECKS	544.00
33904	ESU #7	COMPUTER SYSTEM MAINTENANCE	330.00
33905	FRONTIER COOPERATIVE COMPANY	FUEL	7,849.72
33906	GLOWFORGE, INC.	SHOP EQUIPMENT	995.00
33907	GLUNZ, BRENDA	PSYCHOLOGIST SERVICES	3,820.53
33908	GREAT MINDS	MATH TEXTBOOKS AND WORKBOOKS	4,574.40
33909	HEARTLAND COMMUNICATIONS	WIRELESS EQUIPMENT REPAIR	1,750.00
33910	MATHESON TRI-GAS, INC.	SUPPLIES	211.53
33911	MIDWEST BUS PARTS	BUS PARTS	38.95
33912	OPTUM	FLEX PLAN FUNDING	300.00
33913	OSCEOLA PUBLIC SCHOOLS	PRESCHOOL MILK REIMB.	460.00
33914	SCHMIDT SPEECH LANGUAGE PATHOLOGY SERVICES, LLC	SPEECH SERVICES	5,264.77
33915	TONNIGES CHEVROLET, INC.	PARTS/LABOR/REPAIRS	2,226.84
33916	TRUCK CENTER COMPANIES	PARTS/LABOR/REPAIRS	<u>9,668.16</u>
Checking Account Total:			47,040.51
<u>Checking</u>	1		
540	GLOWFORGE, INC.	SHOP EQUIPMENT	<u>5,995.00</u>
Checking Account Total:			<u>5,995.00</u>
TOTAL CHECKS & PREPAIDS			53,035.51
TOTAL PAYROLL			<u>294,123.09</u>
GRAND TOTAL			<u>347,158.60</u>
DEPRECIATION/EQUIPMENT FUND			
1036	TONNIGES CHEVROLET, INC.	CAR PURCHASE	<u>27,500.00</u>
GRAND TOTAL:			<u>27,500.00</u>
BOND FUND			
115	BOK FINANCIAL, NA	INTEREST	<u>103,643.75</u>
GRAND TOTAL:			<u>103,643.75</u>
SPECIAL BUILDING			
1377	MEYER GRADING - CEDAR VIEW BISON, LLC	PROPERTY GRADING	<u>5,050.00</u>
GRAND TOTAL:			<u>5,050.00</u>

To the Board of Education
Osceola Public Schools – District #19
Osceola, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 for the year ended August 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Osceola Public Schools – District #19 are described in Note A to the financial statements. The District adopted GASB 84, *Fiduciary Activities*, during the year ended August 31, 2021 and now reports the Activity Fund as a governmental fund rather than a fiduciary fund. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the allocation of expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Eleven audit adjustments increased the fund balance of the School District's governmental funds by \$934,062. One audit adjustment did not affect the net position of the Nutrition Fund. The following material misstatement detected as a result of audit procedures was corrected by management:

- 1) The county treasurer cash balance and property taxes were increased \$763,083 on the General Fund, increased \$160,500 on the Bond Fund, and increased \$7,239 on the Qualified Capital Purpose Undertaking Fund to reflect August 31, 2021, balances held by the County.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 5, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of Osceola Public Schools – District #19 as of August 31, 2021, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. At August 31, 2021, there was one organization with a negative Activity Fund cash balance totaling (\$7,576). We recommend working with this organization to develop a plan to cover their cash deficits.
2. Bank reconciliations for October 2020 to January 2021 were not completed until the day of the audit (October 11th) and the remaining bank reconciliations for the fiscal year were completed on October 30th. We recommend implementing procedures to provide oversight to ensure reconciliations are being done timely and also working on cross training staff in order to ensure functionality of the District in the event the current bookkeeper has medical issues.

Other Matters

We were engaged to report on the combining nonmajor fund financial statements and statement of cash receipts, disbursements and fund balance – Activity Fund, which accompany the financial statements but are not required supplementary information (RSI). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the management's discussion and analysis, budgetary comparison schedules, and county treasurer statements of receipts and disbursements, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Education and administration of Osceola Public Schools – District #19 and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, PC.

Grand Island, Nebraska
November 5, 2021

To the Board of Education
Osceola Public Schools – District #19
Osceola, Nebraska

In planning and performing our audit of the financial statements of Osceola Public Schools – District #19 as of and for the year ended August 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in the School District’s internal control to be a significant deficiency:

The size of the School District’s accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the Board of Education remain involved in the financial affairs of the School District to provide oversight and independent review functions.

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This communication is intended solely for the information and use of management, the Board of Education, and others within the School District, and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, PC.

Grand Island, Nebraska
November 5, 2021

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

August 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Osceola Public Schools - District #19
Polk County, Nebraska

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the School District's 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 A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19, as of August 31, 2021, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Osceola Public Schools – District #19's financial statements. The management's discussion and analysis and supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements and Activity Fund statement of cash receipts, disbursements, and fund balance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

The management's discussion and analysis, budgetary comparison schedules, and county treasurer statements of receipts and disbursements, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, on our consideration of Osceola Public Schools – District #19’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Osceola Public Schools – District #19’s 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 Osceola Public Schools – District #19’s internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
November 5, 2021

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended August 31, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Osceola Public Schools - District #19's annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2021. Please read the MD&A in conjunction with the entire financial report, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues were \$4,177,576, \$346,739 less than expenses.
- General Fund operational costs were \$4,524,315, a 7.1 percent increase from the prior year.
- Osceola Public Schools - District #19's Average Daily Membership (ADM) of 203 for the year ended August 31, 2021 increased 5 students from the year ended August 31, 2020, a 2.5 percent increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2021

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was lower on August 31, 2021 than it was the year before, decreasing 56.0 percent to \$2,861,939. The decrease in the District's financial position came from its governmental activities, the net position of which decreased \$3,644,787 to \$2,798,304 in 2021. In 2021, the net position of the District's business-type activities increased \$9,187 to \$63,635.

Summary Statements of Net Position

	August 31, <u>2021</u>	August 31, <u>2020</u>
Assets	\$ 2,861,939	\$ 6,497,539
Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted	1,236,003	4,549,281
Unrestricted	<u>1,625,936</u>	<u>1,948,258</u>
Total Net Position	<u><u>\$ 2,861,939</u></u>	<u><u>\$ 6,497,539</u></u>

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2021

Governmental Activities

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

	Year Ended August 31, <u>2021</u>	Year Ended August 31, <u>2020</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 156,571	\$ 136,530	\$ 20,041
Operating grants	310,673	361,609	(50,936)
Taxes (property, motor vehicle, and other)	4,525,701	4,340,534	185,167
State aid	34,992	33,382	1,610
Other revenue	86,452	198,501	(112,049)
Total receipts	<u>5,114,389</u>	<u>5,070,556</u>	<u>43,833</u>
Expenses:			
Instruction	2,520,609	2,450,136	70,473
Summer school/driver's education	1,324	772	552
Support services:			
Pupils	45,312	46,527	(1,215)
Special education	95,381	83,808	11,573
Staff	50,904	50,175	729
General administration	303,272	285,866	17,406
School administration	366,641	347,114	19,527
Business	145,193	109,186	36,007
Building and grounds	770,963	461,882	309,081
Pupil transportation	118,401	111,849	6,552
Other support services	159,311	300,456	(141,145)
State categorical programs	5,442	6,960	(1,518)
Facilities	3,418,564	4,179,688	(761,124)
Federal programs	108,721	131,615	(22,894)
Transfer to other funds	20,000	24,631	(4,631)
Debt service	629,138	640,727	(11,589)
Total expenses	<u>8,759,176</u>	<u>9,231,392</u>	<u>(472,216)</u>
Decrease in net position - governmental funds	<u>\$ (3,644,787)</u>	<u>\$ (4,160,836)</u>	<u>\$ 516,049</u>

Total receipts increased \$43,833 (0.8 percent) due to timing of property tax payments.

Total expenses decreased \$472,216 (5.1 percent), primarily due to a \$761,124 decrease in facilities and a \$309,081 increase in building and grounds.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2021

Business-type Activities

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

	Year Ended August 31, <u>2021</u>	Year Ended August 31, <u>2020</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 9,073	\$ 39,286	\$ (30,213)
Operating grants	120,822	52,007	68,815
Other income	3,666	2,430	1,236
Transfer from other funds	20,000	24,631	(4,631)
Total receipts	<u>153,561</u>	<u>118,354</u>	<u>35,207</u>
Expenses:			
Nutrition Services	<u>144,374</u>	<u>116,481</u>	<u>27,893</u>
Increase in net position	<u>\$ 9,187</u>	<u>\$ 1,873</u>	<u>\$ 7,314</u>

In 2021, revenues of the District's business-type activities (nutrition program) increased 29.7 percent to \$153,561 primarily due to a \$68,815 increase in operating grants attributable to all student meals being free for the entire school year. The District's expenses increased 23.9 percent to \$144,374 due to the District being open for the entire school year compared to the prior year COVID-19 closure.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$2,798,304, \$3,644,787 less than last year's ending combined fund balances of \$6,443,091.

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2021:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 4,177,576	\$ 4,524,315	\$ (346,739)
Depreciation	207	-	207
Special Building	6,702	3,476,412	(3,469,710)
Qualified Capital Purpose			
Undertaking	36,668	115,820	(79,152)
Employee Benefit	33	-	33
Bond	748,902	513,318	235,584
Activity	174,301	159,311	14,990
Eliminations	(30,000)	(30,000)	-
Totals	<u>\$ 5,114,389</u>	<u>\$ 8,759,176</u>	<u>\$ (3,644,787)</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2021**

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2020:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 4,178,506	\$ 4,222,437	\$ (43,931)
Depreciation	58,559	139,527	(80,968)
Special Building	140,952	4,195,888	(4,054,936)
Qualified Capital Purpose			
Undertaking	77,429	112,650	(35,221)
Employee Benefit	186	-	186
Bond	537,935	511,877	26,058
Activity	188,905	160,929	27,976
Eliminations	(60,000)	(60,000)	-
Totals	<u>\$ 5,122,472</u>	<u>\$ 9,283,308</u>	<u>\$ (4,160,836)</u>

As mentioned, the business-type activities' receipts exceeded expenses for 2021. In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary fund statements.

BUDGET ANALYSIS

In 2021, General Fund disbursements were \$118,639 less than budgeted appropriations, with instructional and special education actual costs \$309,581 less than the budget. Actual General Fund receipts were \$36,434 more than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Significant additions (more than \$10,000 each) were:

- School renovations - \$3,326,419
- Kitchen equipment - \$226,908
- Security cameras and shooter detection system - \$53,876
- 35 iMac computers - \$23,139
- Carbonmax volleyball system - \$11,870
- Phone system - \$10,995

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2021**

Long-term Debt

A summary of the District's debt follows:

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Limited tax obligation bonds	\$ 220,000	\$ 330,000	\$ (110,000)
General obligation building bonds	7,080,000	7,380,000	(300,000)
Total long-term debt	<u>\$ 7,300,000</u>	<u>\$ 7,710,000</u>	<u>\$ (410,000)</u>

Long-term debt decreased \$410,000 (5.3 percent) due to scheduled debt payments.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The General Fund tax asking for the year ending August 31, 2022 of \$3,642,739 is \$132,077 (3.8 percent) higher than the tax asking for the prior year (\$3,510,662). The District's Special Building Fund increased its tax asking \$33,838 (100.0 percent) to \$33,838, the Qualified Capital Purpose Undertaking Fund decreased its tax asking \$33,838 (100.0 percent) to \$0, and the Bond Fund tax asking decreased \$12,980 (1.7 percent).
- Certified state aid for next year is \$36,810 compared to \$34,992 for the prior year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Jason Lavaley
Superintendent

Osceola Public Schools
PO Box 198
565 S. Kimmel Street
Osceola, NE 68651
(402) 747-3121

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

August 31, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash (note C)	\$ 799,218	\$ 63,635	\$ 862,853
Cash restricted for building projects (note C)	445,669	-	445,669
Cash restricted for bond payments (note C)	394,159	-	394,159
Cash restricted for qualified capital purpose undertakings (note C)	228,437	-	228,437
Cash with County Treasurers (note D)	930,821	-	930,821
Total assets	2,798,304	63,635	2,861,939
LIABILITIES			
	-	-	-
NET POSITION			
Restricted	1,236,003	-	1,236,003
Unrestricted	1,562,301	63,635	1,625,936
Total net position	\$ 2,798,304	\$ 63,635	\$ 2,861,939

See notes to financial statements.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended August 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Receipts</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
Instruction	\$ 2,520,609	\$ 12,270	\$ 197,167
Summer school/driver's education	1,324	-	-
Support services:			
Pupils	45,312	-	-
Special education	95,381	-	-
Staff	50,904	-	-
General administration	303,272	-	-
School administration	366,641	-	-
Business	145,193	-	-
Building and grounds	770,963	-	-
Pupil transportation	118,401	-	2,435
Other support services	159,311	144,301	-
State categorical programs	5,442	-	-
Facilities	3,418,564	-	-
Federal programs	108,721	-	111,071
Principal on long-term debt	410,000	-	-
Interest and fees on long-term debt	219,138	-	-
	8,739,176	156,571	310,673
Business-type activities:			
Nutrition services	144,374	9,073	120,822
	\$ 8,883,550	\$ 165,644	\$ 431,495
	\$ 8,883,550	\$ 165,644	\$ 431,495

See notes to financial statements.

<u>Program Receipts</u> Capital Grants and Contributions	Net (Expenses) Receipts and Changes in Net Position		Total
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	
\$ -	\$ (2,311,172)		\$ (2,311,172)
-	(1,324)		(1,324)
-	(45,312)		(45,312)
-	(95,381)		(95,381)
-	(50,904)		(50,904)
-	(303,272)		(303,272)
-	(366,641)		(366,641)
-	(145,193)		(145,193)
-	(770,963)		(770,963)
-	(115,966)		(115,966)
-	(15,010)		(15,010)
-	(5,442)		(5,442)
-	(3,307,493)		(3,307,493)
-	(108,721)		(108,721)
-	(410,000)		(410,000)
-	(219,138)		(219,138)
-	(8,271,932)	\$ -	(8,271,932)
-	-	(14,479)	(14,479)
<u>\$ -</u>	<u>(8,271,932)</u>	<u>(14,479)</u>	<u>(8,286,411)</u>
General receipts:			
Taxes:			
Property	3,864,875	-	3,864,875
Motor vehicle	190,373	-	190,373
Other taxes	470,453	-	470,453
Fines and licenses	11,154	-	11,154
State aid	34,992	-	34,992
State apportionment	29,697	-	29,697
Interest income	8,505	21	8,526
Interfund transfers	(20,000)	20,000	-
Other	37,096	3,645	40,741
Total general receipts	<u>4,627,145</u>	<u>23,666</u>	<u>4,650,811</u>
Change in net position	<u>(3,644,787)</u>	<u>9,187</u>	<u>(3,635,600)</u>
Net position - August 31, 2020			
As previously reported	6,359,328	54,448	6,413,776
Restatement	83,763	-	83,763
As restated	<u>6,443,091</u>	<u>54,448</u>	<u>6,497,539</u>
Net position - August 31, 2021	<u>\$ 2,798,304</u>	<u>\$ 63,635</u>	<u>\$ 2,861,939</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

August 31, 2021

	<u>General Fund</u>	<u>Special Building Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash	\$ 379,026	\$ 445,669	\$ 394,159	\$ 648,629	\$ -	\$ 1,867,483
Cash with County Treasurers	763,083	-	160,500	7,238	-	930,821
Due from other funds	-	266,841	-	3,398	(270,239)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,142,109	\$ 712,510	\$ 554,659	\$ 659,265	\$(270,239)	\$ 2,798,304
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ 270,239	\$ -	\$(270,239)	\$ -
Fund balances:						
Restricted for:						
Building additions	-	712,510	-	-	-	712,510
Bond payments	-	-	284,420	-	-	284,420
Qualified capital purpose	-	-	-	239,073	-	239,073
Assigned for:						
Capital outlay	-	-	-	283,212	-	283,212
Extracurricular activities	-	-	-	98,753	-	98,753
Employee benefits	-	-	-	38,227	-	38,227
Budgetary stabilization	564,572	-	-	-	-	564,572
Unassigned	577,537	-	-	-	-	577,537
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	1,142,109	712,510	284,420	659,265	-	2,798,304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 1,142,109	\$ 712,510	\$ 554,659	\$ 659,265	\$(270,239)	\$ 2,798,304

See notes to financial statements.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS**

For the year ended August 31, 2021

	General <u>Fund</u>	Special Building <u>Fund</u>
RECEIPTS		
Taxes:		
Property	\$ 3,164,493	\$ 1,671
Motor vehicle	190,373	-
Homestead exemption	31,338	(1)
Property tax credit	310,502	-
Personal property tax credit	1,270	-
Pro-rate motor vehicle	6,965	18
Carline	1,412	-
Public power district tax	23,345	15
Nameplate capacity	4,935	-
Penalties and interest on taxes	4,979	59
Fines and licenses	11,154	-
ESU receipts	922	-
Tuition and driver's education fees	12,270	-
State aid and grants	263,369	-
Federal grants	111,071	-
Interest income	2,082	4,940
Transfer from other funds	-	-
Extracurricular receipts	-	-
Other	37,096	-
Total receipts	<u>4,177,576</u>	<u>6,702</u>
DISBURSEMENTS		
Instruction	2,073,343	-
Special education programs	447,266	-
Summer school/driver's education	1,324	-
Support services:		
Pupils	45,312	-
Special education	95,381	-
Staff	50,904	-
General administration	303,272	-
School administration	366,641	-
Business	145,193	-
Building and grounds	713,115	57,848
Pupil transportation	118,401	-
Other support services	-	-
State categorical programs	5,442	-
Facilities	-	3,418,564
Federal programs	108,721	-
Transfer to other funds	50,000	-
Debt service:		
Principal	-	-
Interest	-	-
Bond fees	-	-
Total disbursements	<u>4,524,315</u>	<u>3,476,412</u>
Excess (deficiency) of receipts over disbursements	(346,739)	(3,469,710)
Fund balances - August 31, 2020		
As previously reported	1,488,848	4,182,220
Restatement	-	-
As restated	<u>1,488,848</u>	<u>4,182,220</u>
Fund balances - August 31, 2021	<u>\$ 1,142,109</u>	<u>\$ 712,510</u>

See notes to financial statements.

Bond Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
\$ 666,009	\$ 32,702	\$ -	\$ 3,864,875
-	-	-	190,373
6,703	301	-	38,341
66,362	2,993	-	379,857
271	12	-	1,553
1,375	92	-	8,450
302	14	-	1,728
4,989	225	-	28,574
1,055	48	-	6,038
770	104	-	5,912
-	-	-	11,154
-	-	-	922
-	-	-	12,270
-	-	-	263,369
-	-	-	111,071
1,066	417	-	8,505
-	30,000	(30,000)	-
-	144,301	-	144,301
-	-	-	37,096
<u>748,902</u>	<u>211,209</u>	<u>(30,000)</u>	<u>5,114,389</u>
-	-	-	2,073,343
-	-	-	447,266
-	-	-	1,324
-	-	-	45,312
-	-	-	95,381
-	-	-	50,904
-	-	-	303,272
-	-	-	366,641
-	-	-	145,193
-	-	-	770,963
-	-	-	118,401
-	159,311	-	159,311
-	-	-	5,442
-	-	-	3,418,564
-	-	-	108,721
-	-	(30,000)	20,000
300,000	110,000	-	410,000
212,088	5,775	-	217,863
1,230	45	-	1,275
<u>513,318</u>	<u>275,131</u>	<u>(30,000)</u>	<u>8,759,176</u>
235,584	(63,922)	<u>\$ -</u>	(3,644,787)
48,836	639,424	-	6,359,328
-	83,763	-	83,763
<u>48,836</u>	<u>723,187</u>	-	<u>6,443,091</u>
<u>\$ 284,420</u>	<u>\$ 659,265</u>	-	<u>\$ 2,798,304</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

August 31, 2021

	<u>Nutrition Fund</u>
ASSETS	
Cash	\$ 63,635
LIABILITIES	
	<u>-</u>
NET POSITION	
Unrestricted	<u><u>\$ 63,635</u></u>

See notes to financial statements.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

For the year ended August 31, 2021

	<u>Nutrition Fund</u>
Operating receipts:	
Lunch sales	\$ 9,073
State sources	455
Federal sources	110,689
USDA commodities	9,678
Other revenue	3,645
Total operating receipts	133,540
 Operating disbursements:	
Salaries and employee benefits	68,436
Food and food service supplies	73,812
Capital outlay	104
Other	2,022
Total operating disbursements	144,374
Operating disbursements in excess of receipts	(10,834)
 Nonoperating receipts:	
Transfer from General Fund	20,000
Interest income	21
Total nonoperating receipts	20,021
Receipts in excess of disbursements	9,187
Net position - August 31, 2020	54,448
Net position - August 31, 2021	\$ 63,635

See notes to financial statements.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

August 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

Osceola Public Schools - District #19 is a tax-exempt political subdivision and a Class III school district of the State of Nebraska. The District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the District and has concluded that no organization should be included. Therefore, the financial statements present the District as the primary government.

2. Basis of Presentation

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

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

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. The effect of interfund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e., generally supported by taxes and intergovernmental revenues) and business-type (i.e., generally supported by fees for service).

The statement of net position presents the financial position of the District's governmental and business-type activities at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued –

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

3. Basis of Accounting/Measurement Focus

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

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

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

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

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Basis of Accounting/Measurement Focus, continued

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

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

4. Fund Types

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

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

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

Special Building Fund: Accounts for taxes levied and other revenue specifically maintained for acquiring and improving sites and buildings.

The other governmental funds are:

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

Qualified Capital Purpose Undertaking Fund: Accounts for taxes levied to facilitate the removal of the environmental hazards and the reduction or elimination of accessibility barriers in school district buildings.

Employee Benefit Fund: The Employee Benefit Fund was established in order to specifically reserve General Fund money for early retirement benefits and unemployment claims.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types, continued

Activity Fund: This fund is used to account for assets held by the District for various school organizations and activities.

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

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

5. Net Position

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

6. Estimates

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

7. Equity Restatement

During the year ended August 31, 2021, the District adopted GASB Statement 84, *Fiduciary Activities*, which addresses when a government should report assets in a fiduciary fund. Prior to the adoption of GASB 84, the District reported the Activity Fund as a fiduciary fund. However, based on GASB 84, this fund has been reclassified to a governmental fund. As a result, governmental activities net position and governmental fund balance as of August 31, 2020, were increased \$83,763.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE B – BUDGET PROCESS AND PROPERTY TAXES

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

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

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

1. As of August 1, or shortly thereafter, Administration of the District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Total actual expenditures may not legally exceed the Total Budget of Expenditures. Appropriations for expenditures lapse at year end and any revisions require a public hearing and Board approval.
5. The county clerk certifies a preliminary property tax rate for each fund of the School District, which levied property taxes in the county the previous year. For school systems with multiple school districts, the county clerk certifies to each school district the combined valuation of the school system and the proportion of valuation of each district. The county clerk also certifies the preliminary levies based on the combined valuation and the amount requested for the school system for the prior year. The preliminary levy shall be the final levy unless the School Board passes, by a majority vote, a resolution setting a levy at a different amount. For school systems with multiple school districts, the School Board of the Class III school district, or kindergarten through grade twelve district, shall have the authority to set the tax rate for the school system.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

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

The assessed value for Osceola Public Schools - District #19 at August 31, 2020, upon which the 2020 levy was based, was \$505,896,633.

The property taxes collected during the year ended August 31, 2021, were taxes assessed for the 2020 calendar year and previously uncollected taxes. The 2020 tax levy per \$100 of assessed valuation of taxable property was as follows:

General Fund levy subject to levy limit	\$ 0.693948
Bond Fund	0.148313
Qualified Capital Purpose Undertaking Fund	<u>0.006689</u>
	<u>\$ 0.848950</u>

NOTE C – CASH

Cash

At August 31, 2021, the carrying value of the District's deposits was \$1,931,118 and the bank balance was \$2,096,181. For reporting purposes, the collateral on the School District bank deposits is classified in these categories:

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

The bank balances of the School District's deposits as of August 31, 2021 are entirely insured or collateralized. All securities are held by the pledging financial institution, but not in the School District's name.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE C – CASH, continued

Cash, continued

Cash for the School District at August 31, 2021 consisted of the following:

Cash on hand	\$ 1,175
Demand deposits and money market accounts	<u>1,929,943</u>
Total cash	<u>\$ 1,931,118</u>

Summary of Carrying Values

The carrying values of cash shown above are included in the fund financial statements at August 31, 2021, as follows:

Carrying value:	
Cash	<u><u>\$ 1,931,118</u></u>

Included in the following fund financial statements captions:

Statement of Net Position – Governmental Funds –	
Cash	\$ 799,218
Cash restricted for building projects	445,669
Cash restricted for bond payments	394,159
Cash restricted for qualified capital purposes	228,437
Statement of Net Position – Proprietary Fund –	
Cash	<u>63,635</u>
	<u><u>\$ 1,931,118</u></u>

NOTE D – FUNDS HELD BY COUNTY TREASURERS

The following receipts were held by the County Treasurers for the School District at August 31, 2021. The receipts were transferred subsequent to the fiscal year ended August 31, 2021.

General Fund	\$ 763,083
Bond Fund	160,500
Qualified Capital Purpose Undertaking Fund	<u>7,238</u>
Total cash with County Treasurers at August 31, 2021	<u><u>\$ 930,821</u></u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE E – LONG-TERM DEBT

Following is a summary of changes in the District’s governmental activities long-term debt for the year ended August 31, 2021:

	Balance August 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2021</u>	Due Within <u>One Year</u>
Limited tax obligation bonds	\$ 330,000	\$ -	\$ (110,000)	\$ 220,000	\$ 110,000
General obligation building bonds	<u>7,380,000</u>	<u>-</u>	<u>(300,000)</u>	<u>7,080,000</u>	<u>305,000</u>
	<u>\$ 7,710,000</u>	<u>\$ -</u>	<u>\$ (410,000)</u>	<u>\$ 7,300,000</u>	<u>\$ 415,000</u>

The principal and interest payments on the limited tax obligation bonds will be paid by the Qualified Capital Purpose Undertaking Fund and the general obligation bonds will be paid by the Bond Fund.

Limited Tax Obligation Bonds – On August 29, 2012, the District issued \$490,000 limited tax obligation bonds. Interest is payable semi-annually on June 15 and December 15 of each year through maturity at rates ranging from 0.50 – 2.25 percent. Principal payments are due beginning December 15, 2013 through December 15, 2022.

General Obligation School Building Bonds - On July 30, 2019, the District issued \$7,700,000 general obligation bonds. Interest is payable semi-annually on June 15 and December 15 of each year through maturity at rates ranging from 2.0 – 5.0 percent. Principal payments are due beginning December 15, 2019 through June 15, 2039.

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

Year Ending <u>August 31,</u>	<u>Other Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 415,000	\$ 210,518	\$ 625,518
2023	420,000	202,025	622,025
2024	325,000	185,288	510,288
2025	335,000	178,787	513,787
2026	345,000	168,738	513,738
2027-2031	1,865,000	694,355	2,559,355
2032-2036	2,145,000	414,300	2,559,300
2037-2039	<u>1,450,000</u>	<u>87,750</u>	<u>1,537,750</u>
Totals	<u>\$ 7,300,000</u>	<u>\$ 2,141,761</u>	<u>\$ 9,441,761</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN

Plan Description

Osceola Public Schools – District #19 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, 2020, 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, Community Colleges), are members of the plan.

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

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

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

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN, continued

Plan Description, continued

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

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

For the District's year ended August 31, 2021, the District's total payroll for all employees was \$2,476,177. Total covered payroll was \$2,385,883. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a nonemployer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2019, to June 30, 2020 (and from July 1, 2020 through August 31, 2021). The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2021, was \$235,673.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN, continued

Pension Liabilities

At June 30, 2020 the District had a liability of \$1,426,525 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS School Plan was 88.71% funded as of June 30, 2020 based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the District’s proportion was 0.091522 percent, which was a decrease of 0.006644 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District’s allocated pension expense was \$272,091.

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases, including wage inflation	3.5-8.5 percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.25% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00% with no floor benefit
Investment Rate of Return, net of investment expense, including inflation	7.5 percent

The School Plan’s pre-retirement mortality rates were based on the RP-2014 White Collar Table for Employees (100% of male rates for males, 55% of female rates for female), projected generationally with MP-2015.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN, continued

Actuarial Assumptions, continued

The School Plan's post-retirement mortality rates were based on the RP-2014 White Collar Table for Employees, set back two years, scaled (males: under 80, 1.008; over 80, 1.449; females: under 85, 0.924; over 85, 1.5855; geometrically blended), projected generationally with a Society of Actuaries projection scale tool using 0.5% ultimate rate in 2035.

The School Plan's disability mortality rates were based on the RP-2014 Disabled Lives table (static table).

The actuarial assumptions used in the July 1, 2019, valuations for the School plan are based on the results of the most recent actuarial experience study, which covered the four year period ending June 30, 2015. The experience study report is dated November 17, 2016.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, (see the discussion of the pension plan's investment policy) are summarized in the following table:

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN, continued

Actuarial Assumptions, continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap US Equity	26.10%	5.8%
Small Cap US Equity	2.90%	7.6%
Global Equity	15.00%	6.5%
International Developed Equity	10.80%	6.8%
Emerging Markets Equity	2.70%	10.6%
Core Bonds	20.00%	1.6%
High Yield	3.50%	5.2%
Bank Loans	5.00%	2.8%
Intenational Bonds	1.50%	1.4%
Private Equity	5.00%	9.7%
Real Estate	7.50%	5.2%
Total	100.00%	

*Arithmetic mean, net of investment expenses.

Discount Rate

The discount rate used to measure the Total Pension Liability at June 30, 2020 was 7.5 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2011, through June 30, 2015. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2119.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE F – PENSION PLAN, continued

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	Discount rate	District's proportionate Share of net pension liability
1% decrease	6.5%	\$3,167,790
Current discount rate	7.5%	\$1,426,525
1% increase	8.5%	\$ (10,908)

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 via the internet at http://www.auditors.nebraska.gov/APA_Reports.

NOTE G – RISK MANAGEMENT

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

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE G – RISK MANAGEMENT, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the School District’s investments at August 31, 2021 are held in the name of the School District. The underlying securities consist of money market accounts.

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

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

Concentration of Credit Risk. The School District’s investment policy places no limit on the amount that may be invested in any one issuer. At August 31, 2021, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Pinnacle Bank	\$ 1,929,859
Nebraska Liquid Asset Fund	<u>84</u>
	<u>\$ 1,929,943</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District’s investments had no exposure to foreign currency risk and the School District held no investments denominated in foreign currency at August 31, 2021.

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE H – INTERFUND TRANSFERS AND BALANCES

During the year ended August 31, 2021, the General Fund transferred \$20,000 to the Nutrition Fund for operating support.

At August 31, 2021, the Bond Fund owed \$266,841 to the Special Building Fund. This interfund loan is expected to be repaid by August 31, 2022.

At August 31, 2021, the Bond Fund owed \$3,398 to the Qualified Capital Purpose Undertaking Fund. This interfund loan was repaid in September 2021.

During the year ended August 31, 2021, the General Fund transferred \$30,000 to the Activity Fund. This transfer was eliminated on page 14.

NOTE I – TAX ABATEMENT

The District is subject to a tax abatement granted by the City of Osceola who has entered into tax increment financing (TIF) agreement with the local grain cooperative for an improvement project. This TIF program has the stated purpose of increasing business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the City to finance the project for a period of up to 15 years.

Information relevant to the abatements impacting the District for the year ended August 31, 2021 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	\$ 21,089

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2021

NOTE J – OPERATING LEASE

On August 9, 2019, the District entered into a lease agreement with Office Net for use of copiers. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires monthly payments of \$105 until termination of the lease on October 9, 2024.

On August 7, 2019, the District entered into a lease agreement with Mail Finance for the use of a postage machine. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires monthly payments of \$92 until termination of the lease on November 7, 2024.

Rent expense was \$2,358 for the year ended August 31, 2021.

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

2022	\$ 2,358
2023	2,358
2024	2,358
2025	<u>485</u>
	<u>\$ 7,559</u>

NOTE K – CONTINGENCIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen worldwide. While the disruption this pandemic is causing is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the financial impact to the District that could occur as a result of this issue is unknown and cannot be reasonably estimated at this time.

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 5, 2021, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended August 31, 2021

Function Code	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RECEIPTS			
Local receipts:			
1110	\$ 3,475,555	\$ 3,164,493	\$ (311,062)
1115	1,000	1,412	412
1125	150,000	190,373	40,373
1120	20,000	23,345	3,345
1140	-	4,979	4,979
1311	9,000	5,880	(3,120)
1370	-	6,390	6,390
1510	2,500	2,082	(418)
1911	-	1,340	1,340
1920	-	12,000	12,000
1990	10,000	-	(10,000)
	Total local receipts	3,412,294	(255,761)
County receipts:			
2110	7,500	9,814	2,314
2210	-	922	922
	Total county and ESU receipts	10,736	3,236
State receipts:			
3110	34,992	34,992	-
3120	240,000	196,245	(43,755)
3125	7,250	2,435	(4,815)
3130	-	31,338	31,338
3131	-	310,502	310,502
3132	-	1,270	1,270
3133	-	4,935	4,935
3180	5,000	6,965	1,965
3400	34,000	29,697	(4,303)
3512	2,000	-	(2,000)
3535	3,500	-	(3,500)
	Total state receipts	618,379	291,637
4000	138,845	111,071	(27,774)
Non-revenue receipts:			
5301	-	12,747	12,747
5690	-	12,349	12,349
	Total non-revenue receipts	25,096	25,096
	Total receipts	4,177,576	36,434
DISBURSEMENTS			
1100	2,251,236	2,073,343	(177,893)
1200	578,954	447,266	(131,688)
1300	877	1,324	447
Support services:			
2100	48,714	45,312	(3,402)
2141-2183	91,461	95,381	3,920
2200	52,556	50,904	(1,652)
2300	300,483	303,272	2,789
2400	363,294	366,641	3,347
2500	104,832	145,193	40,361
2600	460,547	713,115	252,568
2700	120,556	118,401	(2,155)
3500	7,334	5,442	(1,892)
6000	192,110	108,721	(83,389)
8000	70,000	50,000	(20,000)
	Total disbursements	4,524,315	(118,639)
	RECEIPTS OVER (UNDER)	DISBURSEMENTS	\$ 155,073
	\$ (501,812)	(346,739)	\$ 155,073
Fund balances - August 31, 2020		1,488,848	
Fund balances - August 31, 2021		\$ 1,142,109	
Composition of fund balance:			
Cash		8/31/2020 \$ 744,893	8/31/2021 \$ 379,026
County treasurer cash		743,955	763,083
Total fund balance		\$ 1,488,848	\$ 1,142,109

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL BUILDING FUND**

Year ended August 31, 2021

Function Code	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Local receipts:			
1110	Property	\$ -	\$ 1,671
1120	Public power district sales tax	-	15
1140	Penalties and interest on taxes	-	59
1510	Interest income	20,000	4,940
1990	Other local receipts	1,500	-
	Total local receipts	21,500	6,685
State receipts:			
3130	Homestead exemption	-	(1)
3180	Pro-rate motor vehicle	300	18
	Total state receipts	300	17
	Total receipts	21,800	6,702
DISBURSEMENTS			
2600	Building and grounds	-	57,848
4500	Facilities	3,879,465	3,418,564
	Total disbursements	3,879,465	3,476,412
RECEIPTS OVER (UNDER)			
DISBURSEMENTS			
		\$ (3,857,665)	(3,469,710)
	Fund balances - August 31, 2020	4,182,220	
	Fund balances - August 31, 2021	\$ 712,510	
Composition of fund balance:		<u>8/31/2020</u>	<u>8/31/2021</u>
	Cash	\$ 3,664,943	\$ 445,669
	County treasurer cash	5,400	-
	Due from other funds	511,877	266,841
	Total fund balance	\$ 4,182,220	\$ 712,510

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
BOND FUND**

Year ended August 31, 2021

Function Code	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>	
RECEIPTS				
Local receipts:				
1110	Property	\$ 742,810	\$ 666,009	\$ (76,801)
1115	Carline	150	302	152
1120	Public power district sales tax	3,000	4,989	1,989
1140	Penalties and interest on taxes	-	770	770
1410	Interest income	-	1,066	1,066
1990	Other local receipts	-	1,055	1,055
	Total local receipts	<u>745,960</u>	<u>674,191</u>	<u>(71,769)</u>
State receipts:				
3130	Homestead exemption	-	6,703	6,703
3131	Property tax credit	1,500	66,362	64,862
3132	Personal property tax credit	-	271	271
3180	Pro-rate motor vehicle	500	1,375	875
	Total state receipts	<u>2,000</u>	<u>74,711</u>	<u>72,711</u>
	Total receipts	747,960	748,902	942
DISBURSEMENTS				
Debt service:				
5000	Principal	300,000	300,000	-
5000	Interest	212,888	212,088	(800)
5000	Bond fees	349,208	1,230	(347,978)
	Total disbursements	<u>862,096</u>	<u>513,318</u>	<u>(348,778)</u>
RECEIPTS OVER (UNDER)				
	DISBURSEMENTS	<u>\$ (114,136)</u>	235,584	<u>\$ 349,720</u>
Fund balances - August 31, 2020			<u>48,836</u>	
Fund balances - August 31, 2021			<u>\$ 284,420</u>	
Composition of fund balance:		<u>8/31/2020</u>	<u>8/31/2021</u>	
	Cash	\$ 438,426	\$ 394,159	
	County treasurer cash	122,287	160,500	
	Due to other funds	(511,877)	(270,239)	
	Total fund balance	<u>\$ 48,836</u>	<u>\$ 284,420</u>	

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

August 31, 2021

	Employee Benefit <u>Fund</u>	Depreciation <u>Fund</u>	Qualified Capital Purpose Undertaking <u>Fund</u>	Activity <u>Fund</u>	Total Other Governmental <u>Funds</u>
ASSETS					
Cash	\$ 38,227	\$ 283,212	\$ 228,437	\$ 98,753	\$ 648,629
Cash with County Treasurers	-	-	7,238	-	7,238
Due from other funds	-	-	3,398	-	3,398
	<u>38,227</u>	<u>283,212</u>	<u>239,073</u>	<u>98,753</u>	<u>659,265</u>
	<u>\$ 38,227</u>	<u>\$ 283,212</u>	<u>\$ 239,073</u>	<u>\$ 98,753</u>	<u>\$ 659,265</u>
LIABILITIES AND FUND BALANCES					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Restricted for:					
Qualified capital purpose	-	-	239,073	-	239,073
Assigned for:					
Capital outlay	-	283,212	-	-	283,212
Extracurricular activities	-	-	-	98,753	98,753
Employee benefits	38,227	-	-	-	38,227
Total fund balances	<u>38,227</u>	<u>283,212</u>	<u>239,073</u>	<u>98,753</u>	<u>659,265</u>
Total liabilities and fund balances	<u>\$ 38,227</u>	<u>\$ 283,212</u>	<u>\$ 239,073</u>	<u>\$ 98,753</u>	<u>\$ 659,265</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

Year ended August 31, 2021

	Employee Benefit <u>Fund</u>	Depreciation <u>Fund</u>	Qualified Capital Purpose Undertaking <u>Fund</u>	Activity <u>Fund</u>	Total Other Governmental <u>Funds</u>
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ 32,702	\$ -	\$ 32,702
Homestead exemption	-	-	301	-	301
Pro-rate motor vehicle	-	-	92	-	92
Carline	-	-	14	-	14
Property tax credit	-	-	2,993	-	2,993
Personal property tax credit	-	-	12	-	12
Public power district tax	-	-	225	-	225
Nameplate capacity	-	-	48	-	48
Penalties and interest on taxes	-	-	104	-	104
Extracurricular receipts	-	-	-	144,301	144,301
Interest income	33	207	177	-	417
Transfer from other funds	-	-	-	30,000	30,000
Total receipts	<u>33</u>	<u>207</u>	<u>36,668</u>	<u>174,301</u>	<u>211,209</u>
DISBURSEMENTS					
Other support services	-	-	-	159,311	159,311
Debt service:					
Principal	-	-	110,000	-	110,000
Interest	-	-	5,775	-	5,775
Bond fees	-	-	45	-	45
Total disbursements	<u>-</u>	<u>-</u>	<u>115,820</u>	<u>159,311</u>	<u>275,131</u>
Receipts over (under) disbursements	33	207	(79,152)	14,990	(63,922)
Fund balances - August 31, 2020					
As previously reported	38,194	283,005	318,225	-	639,424
Restatement	-	-	-	83,763	83,763
As restated	<u>38,194</u>	<u>283,005</u>	<u>318,225</u>	<u>83,763</u>	<u>723,187</u>
Fund balances - August 31, 2021	<u>\$ 38,227</u>	<u>\$ 283,212</u>	<u>\$ 239,073</u>	<u>\$ 98,753</u>	<u>\$ 659,265</u>

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -
ACTIVITY FUND
Year ended August 31, 2021

	Balance August 31, <u>2020</u>	Receipts and <u>Transfers</u>	<u>Disbursements</u>	Balance August 31, <u>2021</u>
<u>District-wide</u>				
Adult education	\$ 1,420	\$ -	\$ -	\$ 1,420
Annual	1,920	2,155	1,847	2,228
Athletics	(2,376)	70,663	75,863	(7,576)
Book club	1,306	1,464	2,166	604
Boys basketball	-	12,026	9,130	2,896
Business	1,703	-	-	1,703
Class of 2017	365	-	-	365
Class of 2018	43	-	-	43
Class of 2019	260	-	-	260
Class of 2020	790	-	-	790
Class of 2021	3,200	432	2,262	1,370
Class of 2022	-	6,672	2,525	4,147
Class of 2023	-	2,564	52	2,512
College access	81	-	-	81
Crossroads conference	400	100	-	500
Dazzlers	-	9,920	5,999	3,921
Drama	10,603	2,311	7,072	5,842
Elementary	-	3,956	576	3,380
Elementary principal	-	368	66	302
Embroidery	7,843	1,351	559	8,635
Engineering	188	-	-	188
Ethan Gustafson	1,178	3	-	1,181
FBLA	1,990	-	-	1,990
FFA	5,446	9,061	7,604	6,903
Football	11,449	9,446	12,979	7,916
General	7,470	23,068	19,410	11,128
Girls basketball	-	1,246	775	471
HS/MS principal account	103	853	855	101
Miscellaneous	816	-	-	816
MS student council	371	1,859	837	1,393
Music	9,148	-	-	9,148
National honor society	-	568	385	183
Parent advisory committee	2,145	6,392	2,498	6,039
Quiz bowl	791	1,678	1,345	1,124
Shop	859	648	628	879
Spanish club	213	-	-	213
Spelling bee	6,411	800	438	6,773
Striv TV	500	-	-	500
Student council	3,669	485	662	3,492
SWAG	2,577	821	-	3,398
Volleyball	743	2,932	2,181	1,494
Weight room fund	138	459	597	-
Total	<u>\$ 83,763</u>	<u>\$ 174,301</u>	<u>\$ 159,311</u>	<u>\$ 98,753</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

**Year ended August 31, 2021
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2020	\$ 743,955
Receipts:	
Local property taxes	3,163,929
Motor vehicle taxes	190,373
Carline	1,412
Pro-rate motor vehicle	6,965
Homestead exemption	31,338
Property tax credit	310,502
Personal property tax credit	1,270
5% gross	23,345
Payments in lieu of taxes	564
Nameplate capacity	4,935
Fines and licenses	9,814
Penalties and interest	4,979
Total receipts	<u>3,749,426</u>
Total funds available	4,493,381
Disbursements:	
To School District	<u>3,730,298</u>
Fund Balance - August 31, 2021	<u><u>\$ 763,083</u></u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

**Year ended August 31, 2021
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2020	\$ 5,400
Receipts:	
Local property taxes	1,671
Pro-rate motor vehicle	18
Homestead exemption	(1)
5% gross	15
Penalties and interest	59
Total receipts	<u>1,762</u>
Total funds available	7,162
Disbursements:	
To School District	<u>7,162</u>
Fund Balance - August 31, 2021	<u><u>\$ -</u></u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND**

**Year ended August 31, 2021
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2020	\$ 14,412
Receipts:	
Local property taxes	32,702
Carline	14
Pro-rate motor vehicle	92
Homestead exemption	301
Property tax credit	2,993
Personal property tax credit	12
Nameplate capacity	48
5% gross	225
Penalties and interest	104
Total receipts	36,491
Total funds available	50,903
Disbursements:	
To School District	43,665
Fund Balance - August 31, 2021	\$ 7,238

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA**

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

**Year ended August 31, 2021
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2020	\$ 122,287
Receipts:	
Local property taxes	666,009
Carline	302
Pro-rate motor vehicle	1,375
Homestead exemption	6,703
Property tax credit	66,362
Personal property tax credit	271
Nameplate capacity	1,055
5% gross	4,989
Penalties and interest	770
Total receipts	747,836
Total funds available	870,123
Disbursements:	
To School District	709,623
Fund Balance - August 31, 2021	\$ 160,500

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Osceola Public Schools - District #19
Polk County, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the School District’s financial statements, and have issued our report thereon dated November 5, 2021. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Osceola Public Schools – District #19’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Osceola Public Schools – District #19’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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osceola Public Schools – District #19’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Osceola Public Schools – District #19’s Response to Findings

Osceola Public Schools – District #19’s response to the findings identified above is that it is impractical to further segregate duties due to the small size of the District. The District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
November 5, 2021

**OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA**

**SCHEDULE OF CLASSIFICATION OF
PAYROLLS BY NCCI CODES AND
PAYROLLS IN TOTAL**

August 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Osceola Public Schools – District #19
Osceola, Nebraska

We have audited the accompanying schedule of classification of payrolls by NCCI Codes and payrolls in total for Osceola Public Schools – District #19, Osceola, Nebraska, for the year ended August 31, 2021.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the provisions of the interlocal agreement between the District and NASB All Lines Interlocal Cooperative Aggregate Pool (ALICAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 schedule.

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

Opinion

In our opinion, the schedule of classification of payrolls by NCCI codes and payrolls in total of Osceola Public Schools – District #19 presents fairly, in all material respects, the information required to be set forth therein for the year ended August 31, 2021, in accordance with the provisions of the agreement referred to above.

Basis of Accounting

The schedule of classification of payrolls by NCCI codes and payrolls in total was prepared by Osceola Public Schools – District #19 on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the agreement referred to above. Our opinion is not modified with respect to that matter.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Osceola Public Schools – District #19 as of and for the year ended August 31, 2021, and our report thereon dated November 5, 2021, expressed an unmodified opinion on those financial statements.

Restriction on Use

This report is intended solely for the information of the school board and administration of Osceola Public Schools – District #19 and NASB ALICAP and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, P.C.

Grand Island, Nebraska
November 5, 2021

**OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA**

**SCHEDULE OF CLASSIFICATION OF PAYROLLS
BY NCCI CODES AND PAYROLLS IN TOTAL
For the Year Ended August 31, 2021**

<u>Class Code</u>	<u>Total Payroll*</u>
8868 Professional Employees, Teachers, Administrators, Aides and Clerical	\$ 2,215,310
9101 Custodians, Cooks, and all other employees	209,148
7380 Bus Drivers	<u>52,719</u>
Total Payroll	\$ <u><u>2,477,177</u></u>

*Total gross payroll before deductions.

**OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA**

Signature

Date

November 5, 2021

Nebraska Department of Education
PO Box 94987
Lincoln, NE 68509-4987

RE: Osceola Public Schools (#72-0019-000)

During the performance of our audit fieldwork for the year ended August 31, 2021, we performed the following procedures regarding Osceola Public Schools' student membership and attendance reporting:

- 1) We documented the District's policies and procedures for collecting student membership and attendance data.
- 2) We determined that the District was following its policies and procedures for collecting student census data.
- 3) We determined attendance at the District is collected at least daily and calculated to the nearest hundredth of a day.
- 4) We determined the District maintains a cumulative attendance and membership record for each student.
- 5) We determined the cumulative attendance and membership records contain the date of enrollment, number of days or partial days in attendance and absent during each school year enrolled, and the date of withdrawal or graduation.
- 6) We traced student attendance reported in the Nebraska Department of Education's approved ADVISER data collection system to the District's student information system for the 2020-2021 school year. The ADVISER report total days matched the District's information system, however ADVISER reported 312.48 more days present and 312.48 fewer days absent than the District's information system.
- 7) We sampled 15 students from the ADVISER report for the year ended August 31, 2021 and traced the days enrolled, present, and absent to the District's census report. The ADVISER report had 5.81 fewer days present, and 5.81 more days absent and the same amount of days enrolled. There were variances on nine of the 15 students sampled

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P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

- 8) Using the same sample of 15 students, we traced the students to their student enrollment files to verify that the student was documented as an enrolled student of the District for the dates claimed in the attendance record.
- 9) We sampled 25 General Fund disbursements, noting the District's allocation to the school district/building level. The District's allocation for 25 items sampled was appropriate. We noted no items in our sample that were not allocated appropriately.

If you need additional information please call me at (308) 381-1810 or email me at koverturf@gicpas.com.

Sincerely,

AMGL, P.C.

A handwritten signature in black ink that reads "KRO, CPA". The signature is written in a cursive, somewhat stylized font.

Kyle R. Overturf, CPA

ko/dkk/15773



OSCEOLA PUBLIC SCHOOLS

P.O. Box 198
565 S. Kimmel Street
Osceola, NE 68651-0198
Phone (402) 747-3121 Fax (402) 747-3041
<https://osceolaschools.org>

Dr. Jason Lavaley
Superintendent
Dale Maynard
Secondary Principal
Brett Webster
Elementary Principal

November 3, 2021

Teacher Certification
PO Box 94987
Lincoln, NE 68509-4987

Dear Teacher Certification

Please consider this an official request on the part of the Osceola Public School District to the NDE Teacher Certification office to issue a Local Substitute Teaching Certificate to Mallory Zelasney for the Osceola Public School District #19, Polk County.

The School Board of District #19 approved the use of Local Substitute Teaching Certificates in our district several years ago and will reaffirmed this at its November 8, 2021 meeting with a specific motion to allow Mrs. Zelasney this certificate based upon approval from the Nebraska Department of Education.

I appreciate your time and efforts. If you have any questions, please feel free to contact me.

Educationally yours,

A handwritten signature in black ink that reads 'Dr. Jason Lavaley'.

Dr. Jason Lavaley, Superintendent
Osceola Public Schools



Osceola Public Schools, 72-0019

2021-2022

2021-2022 Projections

11/4/2020

2021-2022 Projections:								
	Contract Days	Staff Index	Base Salary	Benefit Costs	Schedule Costs	Total Costs	\$ Increase	% Increase
Current Costs	185	37.7284	37,100	413,744	1,644,336	2,058,080		
Projection for \$37,100	185	38.4452	37,100	425,636	1,675,570	2,101,206	\$43,126	2.10%
Projection for \$37,200	185	38.4452	37,200	425,651	1,680,093	2,105,744	\$47,664	2.32%
Projection for \$37,300	185	38.4452	37,300	425,666	1,684,616	2,110,283	\$52,203	2.54%
Projection for \$37,400	185	38.4452	37,400	425,682	1,689,139	2,114,821	\$56,741	2.76%
Projection for \$37,500	185	38.4452	37,500	425,697	1,693,662	2,119,359	\$61,279	2.98%
Projection for \$37,601	185	38.4452	37,601	425,713	1,698,185	2,123,898	\$65,818	3.20%
Projection for \$37,701	185	38.4452	37,701	425,728	1,702,708	2,128,436	\$70,356	3.42%
Projection for \$37,801	185	38.4452	37,801	425,743	1,707,231	2,132,974	\$74,894	3.64%
Projection for \$37,901	185	38.4452	37,901	425,759	1,711,754	2,137,513	\$79,433	3.86%
Projection for \$38,001	185	38.4452	38,001	425,774	1,716,277	2,142,051	\$83,971	4.08%
Projection for \$38,101	185	38.4452	38,101	425,790	1,720,800	2,146,589	\$88,509	4.30%
Projection for \$38,201	185	38.4452	38,201	425,805	1,725,322	2,151,127	\$93,047	4.52%
Projection for \$38,301	185	38.4452	38,301	425,820	1,729,845	2,155,666	\$97,586	4.74%
Projection for \$38,401	185	38.4452	38,401	425,836	1,734,368	2,160,204	\$102,124	4.96%

Projection for \$38,501	185	38.4452	38,501	425,851	1,738,891	2,164,742	\$106,662	5.18%
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Information from the Contract Settlement Form, both for you and your School peer array, is used to come up with the information in this Negotiation Module. If you feel your information is not accurate please go to the Contract Settlement Form and correct it. If you feel a peer's information is inaccurate, please contact Sparq Data Solutions.

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 Have a question? Ask Sparq Data Solutions. Or view the User Manual.



Jason Lavaley @ Osceola Public Schools



Osceola Public Schools, 72-0019

2021-2022

Array School Selection

11/4/2020

Array School Selection Criteria

2.00
394

9

0.50
98

30

197

Upper Limit:

Area Schools:

Lower Limit:

Proximity:

Enrollment:

School	District	Class	County	Size	Ratio	Miles
Hampton Public Schools	41-0091	3	Hamilton	150	0.76	27
Osceola Public Schools	72-0019	3	Polk	197	1.00	--
Shelby-Rising City Public Schools	72-0032	3	Polk	376	1.91	7
Cross County Community Schools	72-0015	3	Polk	358	1.82	7
High Plains Community Schools	72-0075	3	Polk	230	1.17	14
Fullerton Public Schools	63-0001	3	Nance	311	1.58	26
East Butler Public Schools	12-0502	3	Butler	260	1.32	28
McCool Junction Public Schools	93-0083	2	York	246	1.25	30
Heartland Community Schools	93-0096	3	York	317	1.61	30

This array includes 8 Schools and has a total geography of 30 miles. [View as Map](#)

Enrollment values come from NDE. New Enrollment numbers are loaded on-or-around December 1st. You will receive an email from us when they are available in the system.

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Osceola Public Schools, 72-0019

2021-2022

Midpoint Analysis

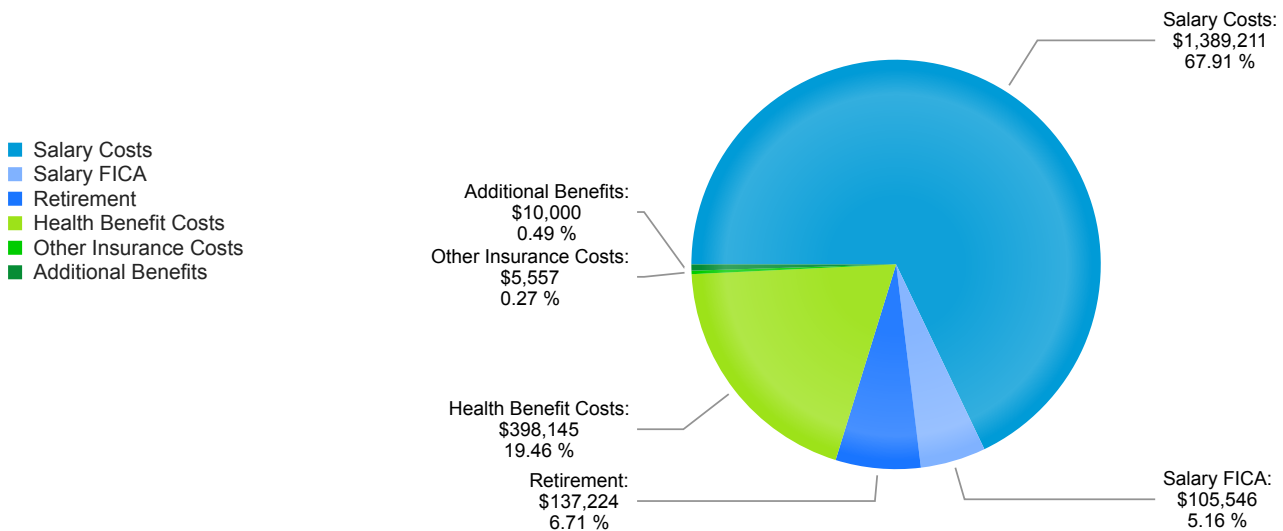
10/28/2020

2020-2021 Osceola Public Schools Comparison Results:							
	Contract Days	Staff Index	Base Salary	Benefit Costs	Schedule Costs	Total Costs	Percentile
Current Costs	185	37.7284	37,100	413,744	1,644,336	2,058,080	View Current Costs Projections 100.61%
Comparable Benchmark	185	37.7284	36,821	413,702	1,631,981	2,045,683	100% ▾
Difference			-279	-42	-12,355	-12,397	-0.61%
Compensation Range	Base Salary		98% 35,902		100% 36,821		102% 37,741
	Total Costs		98% 2,004,770		100% 2,045,683		102% 2,086,597

[Download Contract](#)

The Benchmark data contains adjustments, made via its Schedule Costs link (which is the Staff Summary page).

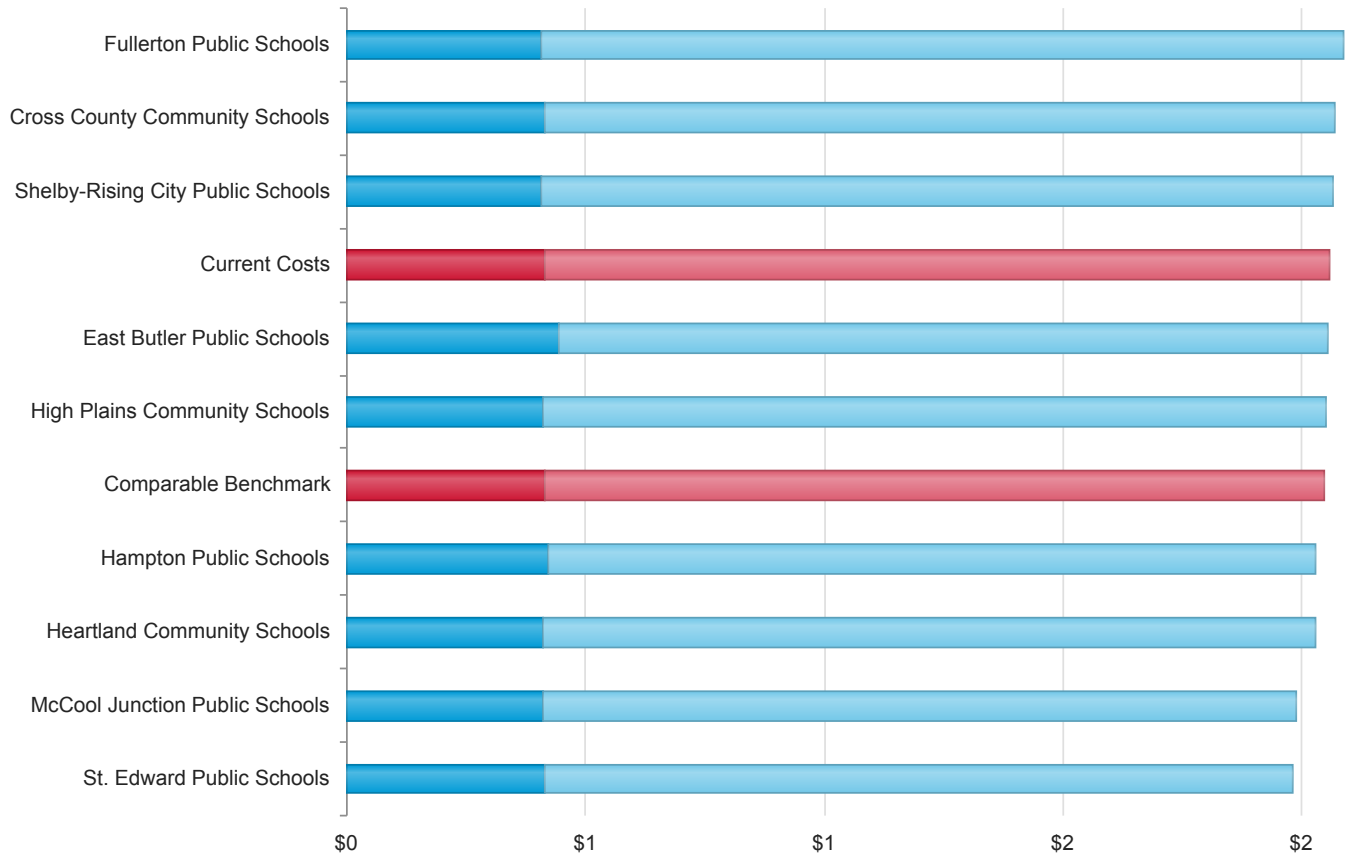
Calculated Comparable Benchmark for Osceola Public Schools



2020-2021 Osceola Public Schools Changed Data Rows:							
	Contract Days	Staff Index	Base Salary	Benefit Costs	Schedule Costs	Total Costs	Percentile
Changed Data Row	185	37.9550	37,168	388,423	1,657,261	2,045,683	\$1200 Deductible/\$3500 Deductible HSA Insurance 100.00%

Array School Comparison Information:										
School	Contract Days	Staff Index	Base Salary	Benefit Costs	Schedule Costs	Total Costs	Adj Benefit Costs	Adj Schedule Costs	Adj Total Costs	Percentile
Fullerton Public Schools	185	38.3760	37,200	408,420	1,677,083	2,085,504	408,420	1,677,083	2,085,504	101.95%
Cross County Community Schools	185	38.0260	37,000	415,455	1,652,843	2,068,298	415,455	1,652,843	2,068,298	101.11%
Shelby-Rising City Public Schools	185	38.6758	36,450	407,280	1,656,828	2,064,108	407,280	1,656,828	2,064,108	100.90%
East Butler Public Schools	190	37.8358	37,219	443,023	1,655,039	2,098,062	442,918	1,611,485	2,054,403	100.43%
<i>High Plains Community Schools</i>	185	36.8484	37,950	409,099	1,642,829	2,051,928	409,099	1,642,829	2,051,928	100.31%
Hampton Public Schools	185	37.0008	37,000	421,273	1,608,990	2,030,263	421,273	1,608,990	2,030,263	99.25%
Heartland Community Schools	185	36.1808	38,033	411,917	1,615,950	2,027,867	411,917	1,615,950	2,027,867	99.13%
McCool Junction Public Schools	184	35.7334	37,450	409,313	1,572,047	1,981,360	409,329	1,580,591	1,989,920	97.27%
St. Edward Public Schools	184	36.3484	36,500	415,612	1,558,532	1,974,144	415,656	1,567,003	1,982,659	96.92%

Subject and Array School Comparison
(scale is millions of dollars)



Descriptive Statistics:										
9 Records	Contract Days	Staff Index	Base Salary	Benefit Costs	Schedule Costs	Total Costs	Adj Benefit Costs	Adj Schedule Costs	Adj Total Costs	Percentile
Array Average	185.33	37.2250	37,200	415,710	1,626,682	2,042,393	415,705	1,623,734	2,039,439	99.69%
Array High	190	38.6758	38,033	443,023	1,677,083	2,098,062	442,918	1,677,083	2,085,504	101.95%
Array Low	184	35.7334	36,450	407,280	1,558,532	1,974,144	407,280	1,567,003	1,982,659	96.92%

Adj Total Costs
 Mean 2,039,439 Median 2,051,928 Midpoint 2,045,683

- There are no contracts

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