

Board of Education Regular Meeting

Monday, November 4, 2019 7:00 AM

District Conference Room
1322 Avenue I
Gothenburg, NE 69138

The mission of Gothenburg Public Schools is to prepare all students to become lifelong learners within a positive and innovative learning environment.

Attendance Taken at :

Present Board Members: Other Present:

Seth Ryker

Ellen Mortenson -- Times

Allison Jonas

Jay Holmes

James Widdifield

Tyler Herman

Mary Meisinger

Michael Teahon, Superintendent

Kay Streeter, Business Manager

1. **2018-2019 Audit Report**
2. **2019-2020 State Aid Recalculation**
3. **Current classified openings**
4. **Elementary Marquee**

5. **Water Bottle filler**

6. **PAC Upgrades**

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

FINANCIAL REPORT
(Audited)

AUGUST 31, 2019

DAWSON COUNTY SCHOOL DISTRICT NO. 20
AUGUST 31, 2019

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**DAWSON COUNTY SCHOOL DISTRICT NO. 20
AUGUST 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Dawson County School District No. 20
Gothenburg, Nebraska

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, and each major fund of Dawson County School District No. 20, Gothenburg, Nebraska, (the "School District"), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Dawson County School District No. 20's management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and each major fund of the School District as of August 31, 2019, and the respective changes in financial position – cash basis thereof for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The Combined Schedule of Cash Receipts, Disbursements and Fund Balances – Cash Basis, the Schedule of Cash Disbursements for Operational Expenses – Cash Basis – General Fund and the Individual Fund Schedules of Cash Receipts, Transfers, Disbursements and Fund Balances – Cash Basis as listed on pages 32 and 42 through 49 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these

schedules are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Management's discussion and analysis on pages 4 through 8, the budgetary comparison information on pages 33 and 34 and the Analysis of Tax Accounts with County Treasurers – General Fund, Analysis of Tax Accounts with County Treasurers – Special Building Fund, and Analysis of Tax Accounts with County Treasurers – Bond Fund on pages 50 through 52 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

KSO CPA's, P.C.



Kearney, Nebraska

October 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)
DAWSON COUNTY SCHOOL DISTRICT #20
(Gothenburg Public Schools)

This section of the Gothenburg Public Schools annual audit report presents our discussion and analysis of the school district's financial performance during the fiscal year that ended on August 31, 2019. Please read it in conjunction with the school district's financial statements, which follow this section.

OVERVIEW OF THE DISTRICT

- a. Facilities - The Gothenburg Public Schools is a K-12 school system located in central Nebraska with land located in Custer, Dawson, and Lincoln Counties. Students attend at Dudley Elementary and the Junior/Senior High School.
- b. Students – The average daily membership decreased slightly from 886 in 2017-18 to 879 in 2018-19. This decrease has occurred in two consecutive years. A review of students leaving the district indicated that most were relocating to other communities in the state. Over 90% of the student population is Caucasian with Hispanic, Native American, African American, and Asian American students making up the population.
- c. Personnel - The district employs 82 certificated and 39 classified staff.
- d. Statutory Lids - The Nebraska Legislature has enacted statutes that provide two restrictions on school district budgets; a certified budget authority and a restriction (lid) on tax levies.

Certified Budget Authority is the greater of the Budget Based Calculation, the Student Growth Adjustment Calculation, or the Formula Needs Calculation. Budget Based Calculation method applies to District #20. The Certified Budget Authority represents the maximum allowable budget for the district not including Special Grant Funds, Special Education Disbursements, and General Fund Exclusions. The Certified Budget Authority for District #20 was \$11,297,607 for 2018-19.

In addition to the spending lid, the Nebraska Legislature provided for a lid on the tax levies of affiliated school systems. The 18-19 District #20 fiscal year tax levy was \$0.978520 on the combined levy for the general fund and the building fund, which was below the 1.09 limit. The combined general, building and bond fund levy set by the Gothenburg Schools Affiliated System was 1.089979 which was an increase from 1.041863 in 17-18. The relatively level levy is due to the additional state aid that was able to offset increase in costs.

If the district does not utilize all of the spending authority available to it, unused budget authority is generated and included in the Certificated Budget Authority of the District for the next budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the presentation requirements of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into three components: (a) net investment in capital assets; (b) restricted; and (c) unrestricted.

This annual report consists of three parts: (1) Management's Discussion and Analysis; (2) the Basic Financial Statements – Cash Basis; and (3) Supplemental Schedules.

The accompanying basic financial statements have been prepared on the cash basis of accounting. Accordingly, the financial statements and supplemental 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 use of the cash basis of accounting is permissible under Title 92, Nebraska Administrative Code, Chapter 2 for school districts such as Dawson County School District #20.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Each individual governmental and each individual proprietary fund 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 non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements. The Nutrition Fund is considered a proprietary fund.

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data about the financial statements and School District commitments, contingencies, and long-term debt obligations that are not reported in the cash basis financial statements. The statements are followed by a section of Other Information that further explains and supports the information in the financial statements.

FINANCIAL HIGHLIGHTS

The following chart gives fund balances as of the end of the fiscal year. The total position of the district for the 2018-2019 fiscal year decreased by \$214,109.

	<u>Aug. 31, 2018</u>	<u>Aug. 31, 2019</u>
General Fund	\$ 5,605,247	\$ 5,596,491
Building Fund	1,102,042	1,263,919
Employee Benefit	62,333	93,382
Depreciation	611,455	268,656
Bond Fund	935,240	939,575
Other Funds	<u>359,108</u>	<u>299,293</u>
TOTAL FUND BALANCES	<u>\$ 8,675,425</u>	<u>\$ 8,461,316</u>

The increase in total receipts is primarily due to taxes requested in the building fund for future capital projects. During the year, the school district general fund receipts were \$10,393,649, which were less than disbursements of \$10,402,405 by \$8,756.

The 18-19 certified taxable value for the Gothenburg Public Schools was \$873,819,396; a decrease of 0.01% from the 17-18 valuation, a lower percentage than in previous years. The ag land valuation increases have begun to level off due to lower commodity prices resulting in lower priced land sales and expected to decrease in future years.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Governmental Activities

The largest single source of receipts for the district is property tax. The following table shows the property tax rates by fund. The levies are expressed in dollars and cents per \$100 valuation.

	2017-2018	2018-2019	
	<u>Levy</u>	<u>Levy</u>	Change
General Fund	0.9220	0.9612	0.0392
Building Fund	0.0086	0.0174	0.0088
Bond Fund	<u>0.1113</u>	<u>0.1115</u>	<u>0.0002</u>
TOTAL LEVY	<u>1.0419</u>	<u>1.0901</u>	<u>0.0482</u>

The levy in the General Fund was increased despite valuation decreases.

General Fund Budgetary Highlights

Receipts (p.30)	<u>Actual</u>	<u>Distribution by Percentage</u>
Local Sources	\$8,071,103	77.7%
County Sources	62,969	0.6%
State Sources	1,868,411	18.0%
Federal Sources	348,724	3.3%
<u>Non-Program</u>	<u>42,442</u>	<u>0.4%</u>
	\$10,393,649	

State Aid decreased from \$620,722 to \$404,409 (34.85%). The decrease was due to a change in the basic cost portion of the formula which is tied directly to the spending patterns of school districts immediately smaller and immediately larger than District #20.

Program disbursements (p.34)	<u>Actual</u>	<u>Distribution by Percentage</u>
All Instruction	\$6,078,232	58.9%
Support Services – Pupils	953,042	9.2%
Support Services – Staff	416,244	4.0%
General Administration & Board	416,223	4.0%
Office of Principal	338,180	3.3%
Business Services	158,590	1.5%
Building Maintenance	1,112,298	10.8%
Transportation/Vehicle Purchase	337,360	3.3%
Community	1,667	0.0%
State Categorical	143,159	1.4%
Federal Programs	314,857	3.1%
<u>Summer School</u>	<u>57,553</u>	<u>0.5%</u>
	\$10,327,405	

DEBT ADMINISTRATION

Refunding General Obligation bonds totaling \$10,155,000 were issued on Feb. 10, 2005, as an advance refunding of Series 2001 Bonds. The bonds bear interest at the rate of 2.25% to 4.5% and are amortized over 22 years.

On March 15, 2010, general obligation bonds were issued in the amount of \$9,395,000 for the purpose of constructing additions to and renovations of the existing school facilities. The bonds had interest rates ranging from 2.00% to 3.8%.

On January 20, 2015, the School District refinanced the above-mentioned bonds in the amount of \$6,600,000. The current bonds have interest rates ranging from 0.30% to 2.1%. Principal is due annually in December.

The district made payments of \$660,000 to retire principal and \$76,310 to pay interest on the general obligation debt during the 2018-19 fiscal year.

The district had \$4,165,000 million in outstanding debt as of Aug. 31, 2019 with six years of payments remaining. The last payment is scheduled for December of 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and bond-buyers a general overview of the District's finances and to demonstrate the District's accountability for the money with which it is entrusted. If you have questions about this report or need additional financial information, contact the District Office of Gothenburg Public Schools, 1322 Ave I, Gothenburg, NE 69138. You may reach the office at (308) 537-3651 or by fax at (866) 430-5324.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF NET POSITION - CASH BASIS
August 31, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 6,054,423	\$ 10,047	\$ 6,064,470
Cash at County Treasurer	<u>2,107,600</u>	<u>-</u>	<u>2,107,600</u>
Total assets	<u>\$ 8,162,023</u>	<u>\$ 10,047</u>	<u>\$ 8,172,070</u>
 NET POSITION			
Restricted for:			
Debt service	\$ 939,575	\$ -	\$ 939,575
Capital projects and improvements	1,263,919	-	1,263,919
Unrestricted	<u>5,958,529</u>	<u>10,047</u>	<u>5,968,576</u>
Total net position	<u>\$ 8,162,023</u>	<u>\$ 10,047</u>	<u>\$ 8,172,070</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended August 31, 2019**

Functions/Programs	Program Receipts			Net (Disbursement) Receipt and Changes in Net Position		Total	
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities		Business-type Activities
Primary government:							
Governmental activities:							
Regular instruction	\$ 4,760,261	\$ -	\$ -	\$ -	\$ (4,760,261)	\$ (4,760,261)	
Support services	3,139,440	-	-	-	(3,139,440)	(3,139,440)	
Office of principal	338,180	-	-	-	(338,180)	(338,180)	
General business support services	158,590	-	-	-	(158,590)	(158,590)	
Plant operation and maintenance	1,112,298	-	-	-	(1,112,298)	(1,112,298)	
Regular pupil transportation	287,360	-	-	-	(287,360)	(287,360)	
Summer school	57,553	-	-	-	(57,553)	(57,553)	
Community services	1,667	-	-	-	(1,667)	(1,667)	
State categorical programs	143,159	-	439,965	-	296,806	296,806	
Federal programs	314,857	-	348,724	-	33,867	33,867	
Capital outlay	395,574	-	-	-	(395,574)	(395,574)	
Debt service	738,840	-	-	-	(738,840)	(738,840)	
Total governmental activities	\$ 11,447,779	\$ -	\$ 788,689	\$ -	\$ (10,659,090)	\$ (10,659,090)	
Business-type activities:							
School nutrition fund	\$ 526,812	\$ 269,707	\$ 192,727	\$ -	\$ -	\$ (64,378)	
Total business-type activities	\$ 526,812	\$ 269,707	\$ 192,727	\$ -	\$ -	\$ (64,378)	
Total primary government	\$ 11,974,591	\$ 269,707	\$ 981,416	\$ -	\$ (10,659,090)	\$ (10,723,468)	
General receipts:							
Taxes:							
Property	\$ 8,333,606	\$ -	\$ -	\$ -	\$ -	\$ 8,333,606	
Property tax credit	622,226	-	-	-	-	622,226	
Personal property tax credit	32,010	-	-	-	-	32,010	
Personal property tax credit - railroad and public service	9,582	-	-	-	-	9,582	
Motor vehicle	449,131	-	-	-	-	449,131	
Homestead exemption	135,280	-	-	-	-	135,280	
Pro-rate motor vehicle	24,256	-	-	-	-	24,256	
Carline	24,453	-	-	-	-	24,453	
Public power district sales tax	20,041	-	-	-	-	20,041	
Fines and licenses	84,331	-	-	-	-	84,331	
Rental of school equipment and facilities	450	-	-	-	-	450	
Employee benefit withholdings and reimbursements	67,009	-	-	-	-	67,009	
Tuition	4,540	-	-	-	-	4,540	
Transfers in (out)	(75,000)	50,000	-	-	50,000	(25,000)	
State aid	676,943	-	-	-	-	676,943	
Interest income	54,259	-	22	-	22	54,281	
Other	41,679	-	-	-	1,379	43,058	
Total general receipts	\$ 10,504,796	\$ 51,401	\$ -	\$ -	\$ 51,401	\$ 10,556,197	
Change in net position					(154,294)	(167,271)	
Net position - beginning					8,316,317	8,339,341	
Net position - ending					\$ 8,162,023	\$ 8,172,070	

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
August 31, 2019**

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Special Building Fund</u>	<u>Depreciation Fund</u>	<u>Employee Benefit Fund</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash	\$ 3,688,656	\$ 772,075	\$ 1,231,654	\$ 268,656	\$ 93,382	\$ 6,054,423
Cash at County Treasurer	<u>1,907,835</u>	<u>167,500</u>	<u>32,265</u>	-	-	<u>2,107,600</u>
Total assets	<u>\$ 5,596,491</u>	<u>\$ 939,575</u>	<u>\$ 1,263,919</u>	<u>\$ 268,656</u>	<u>\$ 93,382</u>	<u>\$ 8,162,023</u>
FUND BALANCES						
Assigned to:						
Debt service	\$ -	\$ 939,575	\$ -	\$ -	\$ -	\$ 939,575
Capital projects	-	-	1,263,919	-	-	1,263,919
Special revenue funds	-	-	-	268,656	93,382	362,038
Unassigned, reported in:						
General fund	<u>5,596,491</u>	-	-	-	-	<u>5,596,491</u>
Total fund balances	<u>\$ 5,596,491</u>	<u>\$ 939,575</u>	<u>\$ 1,263,919</u>	<u>\$ 268,656</u>	<u>\$ 93,382</u>	<u>\$ 8,162,023</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2019**

	General Fund	Bond Fund	Special Building Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total Governmental Funds
RECEIPTS							
Taxes:							
Property	\$ 7,539,627	\$ 674,508	\$ 119,471	\$ -	\$ -	\$ -	\$ 8,333,606
Property tax credit	572,723	40,944	8,559	-	-	-	622,226
Personal property tax credit	28,914	2,574	522	-	-	-	32,010
Personal property tax credit - railroad and public service	8,482	947	153	-	-	-	9,582
Motor vehicle	431,826	-	17,305	-	-	-	449,131
Homestead exemption	119,521	13,603	2,156	-	-	-	135,280
Pro-rate motor vehicle	21,863	1,993	400	-	-	-	24,256
Carline tax	21,818	2,241	394	-	-	-	24,453
Public power district sales tax	20,041	-	-	-	-	-	20,041
Fines and licenses	84,331	-	-	-	-	-	84,331
Rental of school equipment and facilities	450	-	-	-	-	-	450
Employee benefit withholdings and reimbursements	-	-	-	-	67,009	-	67,009
Tuition	4,540	-	-	-	-	-	4,540
Other state sources	1,116,908	-	-	-	-	-	1,116,908
Federal sources	348,724	-	-	-	-	-	348,724
Interest income	31,439	7,128	13,410	2,282	-	-	54,259
Other	41,679	-	-	-	-	-	41,679
Total receipts	\$ 10,392,886	\$ 743,938	\$ 162,370	\$ 2,282	\$ 67,009	\$ -	\$ 11,368,485
DISBURSEMENTS							
Regular instruction	\$ 4,724,301	\$ -	\$ -	\$ -	\$ 85,960	\$ (50,000)	\$ 4,760,261
Support services:							
Poverty programs	411,338	-	-	-	-	-	411,338
Special education instruction programs	942,593	-	-	-	-	-	942,593
Pupils	891,446	-	-	-	-	-	891,446
Security	60,616	-	-	-	-	-	60,616
Safety	980	-	-	-	-	-	980
Staff	416,244	-	-	-	-	-	416,244
Board of Education	145,322	-	-	-	-	-	145,322
Executive administration services	270,901	-	-	-	-	-	270,901
Office of principal	338,180	-	-	-	-	-	338,180
General business support services	158,590	-	-	-	-	-	158,590
Vehicle acquisition and maintenance	50,000	-	-	-	-	(50,000)	-
Plant operation and maintenance	1,112,298	-	-	-	-	-	1,112,298
Regular pupil transportation	287,360	-	-	-	-	-	287,360
Summer school	57,553	-	-	-	-	-	57,553
Community services	1,667	-	-	-	-	-	1,667
State categorical programs	143,159	-	-	-	-	-	143,159
Federal programs	314,857	-	-	-	-	-	314,857
Capital outlay	-	-	493	395,081	-	-	395,574
Debt service	-	738,840	-	-	-	-	738,840
Total disbursements	\$ 10,327,405	\$ 738,840	\$ 493	\$ 395,081	\$ 85,960	\$ (100,000)	\$ 11,447,779
Excess (deficiency) of receipts over (under) disbursements	\$ 65,481	\$ 5,098	\$ 161,877	\$ (392,799)	\$ (18,951)	\$ 100,000	\$ (79,294)
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 763	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ (100,000)	\$ 763
Transfers out	(75,000)	(763)	-	-	-	-	(75,763)
Total other financing sources (uses)	\$ (74,237)	\$ (763)	\$ -	\$ 50,000	\$ 50,000	\$ (100,000)	\$ (75,000)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	\$ (8,756)	\$ 4,335	\$ 161,877	\$ (342,799)	\$ 31,049	\$ -	\$ (154,294)
Fund balances - beginning	\$ 5,605,247	\$ 935,240	\$ 1,102,042	\$ 611,455	\$ 62,333	\$ -	\$ 8,316,317
Fund balances - ending	\$ 5,596,491	\$ 939,575	\$ 1,263,919	\$ 268,656	\$ 93,382	\$ -	\$ 8,162,023

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUND
August 31, 2019**

	<u>School Nutrition Fund</u>
ASSETS	
Cash	\$ 10,047
Total assets	<u>\$ 10,047</u>
NET POSITION	
Unrestricted	\$ 10,047
Total net position	<u>\$ 10,047</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

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

For the Year Ended August 31, 2019

	<u>School Nutrition Fund</u>
Operating receipts:	
Charges for sales and services:	
Lunchroom sales	\$ 269,707
Other	1,379
Total operating receipts	<u>\$ 271,086</u>
Operating disbursements:	
Cost of sales and services	\$ 526,812
Total operating disbursements	<u>\$ 526,812</u>
Operating income (loss)	<u>\$ (255,726)</u>
Nonoperating receipts:	
Federal and State reimbursements	\$ 192,727
Interest income	22
Transfer from general fund	50,000
Total nonoperating receipts	<u>\$ 242,749</u>
Increase (decrease) in net position	<u>\$ (12,977)</u>
Total net position - beginning	<u>23,024</u>
Total net position - ending	<u><u>\$ 10,047</u></u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
August 31, 2019**

	<u>Activities Fund</u>	<u>Student Fees Fund</u>	<u>Total Fiduciary Funds</u>
ASSETS			
Cash	\$ 286,453	\$ 2,793	\$ 289,246
Total assets	<u>\$ 286,453</u>	<u>\$ 2,793</u>	<u>\$ 289,246</u>
 NET POSITION	 <u>\$ 286,453</u>	 <u>\$ 2,793</u>	 <u>\$ 289,246</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**STATEMENT OF CHANGES IN NET POSITION - CASH BASIS
FIDUCIARY FUNDS
For the Year Ended August 31, 2019**

	Activities Fund	Student Fees Fund	Total Fiduciary Funds
ADDITIONS			
Activities receipts	\$ 510,965	\$ 17,154	\$ 528,119
Transfer from general	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total additions	<u>\$ 535,965</u>	<u>\$ 17,154</u>	<u>\$ 553,119</u>
DEDUCTIONS			
Activities expenditures	\$ 582,811	\$ 17,146	\$ 599,957
Total deductions	<u>\$ 582,811</u>	<u>\$ 17,146</u>	<u>\$ 599,957</u>
Increase (decrease) in net position	\$ (46,846)	\$ 8	\$ (46,838)
Net position - beginning	<u>333,299</u>	<u>2,785</u>	<u>336,084</u>
Net position - ending	<u>\$ 286,453</u>	<u>\$ 2,793</u>	<u>\$ 289,246</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting – The School District prepares its financial statements on the cash basis, which is consistent with the requirements of the Commissioner of Education and Nebraska Department of Education. Under the cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial information in accordance with accounting principles generally accepted in the United States of America.

Organization – Dawson County School District No. 20 – Gothenburg Public Schools (the “School District”) is a tax exempt political subdivision and a Class III school district of the State of Nebraska.

Reporting Entity – All significant activities and organizations on which the School exercises oversight responsibility have been included in the School District's financial statements. The School District has no component units.

Basis of Presentation – On September 1, 2003, the School District 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.” Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net position into two components – restricted and unrestricted.

Government-wide and Fund Financial Statements – The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Taxes and other items not properly included among program revenues are reported instead as general receipts.

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

Proprietary funds are used to account for the School District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements. The School Nutrition Fund is considered a proprietary fund.

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

Major funds of the school are the General, Bond, Special Building, Depreciation and Employee Benefit Funds for the governmental funds and the School Nutrition Fund for the proprietary funds.

Fund Types – The accounts of the School District are organized on the basis of funds which are grouped into the following fund types:

Governmental Funds

General Fund – Accounts for the financing of all facets of services rendered by the School District, inclusive of operation and maintenance.

Depreciation Fund – Accumulates funds for eventual significant future capital outlays.

Employee Benefit Fund – Accounts for money utilized to make contributions on behalf of and pay benefits to participants in the School District's medical reimbursement plan.

Special Building Fund – Accounts for the acquisition, erection, alteration, or improvement of buildings and sites.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Bond Fund – Accounts for tax receipts, investment interest, and the payment of Bond principal, interest, and other related costs.

Proprietary Fund

School Nutrition Fund – Accounts for the proceeds of breakfast and lunch receipts, U.S. Department of Agriculture reimbursements and commodities receipts which are restricted to disbursements for specific purposes.

Fiduciary Funds

Activities Fund – Accounts for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities not accounted for in another fund.

Student Fees Fund – Accounts for fees collected for participation in extracurricular activities and summer school.

General Statement – The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The School District has applied all applicable GASB pronouncements.

Reclassifications – Certain amounts in prior year columns have been reclassified to conform with the current year financial statement presentation.

Accounts Receivable – As a result of the use of the cash basis of accounting, accounts receivable and other revenue-related receivables are not reported in the financial statements.

Inventory – Inventories of expendable supplies held for consumption have been recorded as expenditures at the time the items were purchased.

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

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

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Compensated Absences – The School District has entered into negotiated agreements with certified and noncertified personnel. In those agreements they have agreed to benefits for vacation and sick leave. In accordance with the cash basis of accounting, these benefits are recorded as expenses when paid.

Equity – In the government-wide statements, equity is classified as unrestricted and restricted net position. In the governmental fund statements, equity is classified as non-spendable, restricted, committed, assigned, and unassigned. See detail below.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions,” the School District classifies governmental fund balances as follows:

Non-spendable:

Fund balance amounts are considered non-spendable if they cannot be spent either because they are not in spendable form or because of legal or contractual constraints.

Restricted:

Fund balance amounts are considered restricted if they are constrained for specific purposes which are externally imposed by providers, such as creditors, or constrained due to constitutional provisions or enabling legislation.

Committed:

Fund balance amounts are considered committed if they are constrained for specific purposes that are internally imposed by the government through formal action of the Board of Education and the constraints do not lapse at year-end.

Assigned:

Fund balance amounts are considered assigned if they are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balances may be assigned by management.

Unassigned:

Fund balance amounts are considered unassigned if they are positive fund balances within the General Fund that are not classified as one of the above or negative fund balances in other governmental funds.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The School District's policy is to spend restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal restrictions that prohibit doing so. Additionally, the School District is to first spend committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The School District does not have a formal minimum fund balance policy.

2. BUDGET PROCESS

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

Prior to September 1, the Board of Education prepares a proposed operating budget on the cash basis for the general, building and bond funds for the fiscal year commencing on September 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at a public meeting to obtain taxpayer comments.

Prior to September 20, the budget is legally adopted by the Board of Education through passage of a resolution.

Total expenditures may not legally exceed total appropriations. Appropriations lapse at year-end and any revisions require Board approval.

The property tax requirement resulting from the budget process is utilized by the County Assessor to establish the tax levy, which attaches as an enforceable lien on property within the School District as of January 1. Taxes are due as of that date. All unpaid taxes are delinquent as of September 1.

3. CASH AND INVESTMENTS

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

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

3. CASH AND INVESTMENTS (continued)

Deposits – At year-end, the School District’s carrying amount of bank deposits was \$6,353,716 and the bank balance was \$6,684,019. All balances were covered by federal depository insurance or collateralized with securities held by the pledging financial institution’s trust department or agent in the School District’s name.

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.

Deposits and investments of the School District at August 31, 2019, consisted of the following:

	Level 1	Level 2	Level 3
Cash - demand deposits	\$ 250,000	\$ 3,482,201	\$ -
Certificates of deposit	250,000	2,701,818	-
	\$ 500,000	\$ 6,184,019	\$ -

The School District attempts to mitigate the following types of deposit and investment risks through compliance with the State Statutes. The types of deposit and investment risks are the following:

Interest rate risk – As a means of limiting its exposure to fair value losses arising from interest rate risk, 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.

Credit risk – The School District’s investment policies regarding credit risk are governed by state statutes as described above.

Concentration of credit risk – The School District’s investment policy places no limits on the amounts that may be invested in any one issuer.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

3. CASH AND INVESTMENTS (continued)

Custodial credit risk – deposits – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District’s deposits may not be returned to it. The School District’s policy regarding custodial credit risk is determined by state statute as described above.

Custodial credit risk – investments – Custodial credit risk for investments 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 investments or collateral securities that are in possession of an outside party. The School District’s policy regarding custodial credit risk is determined by state statute as described above.

None of the School District’s deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be allowed to accumulate in any financial institution unless (a) the financial institution gives a surety bond, (b) the financial institution provides the School District with securities as collateral on the excess funds or (c) the financial institution issues a joint custody receipt to the benefit of the School District where a third party financial institution actually holds the security.

4. RETIREMENT PLAN

Plan Description – Dawson County School District No. 20 contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2018, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Nebraska Community Colleges), are members of the plan.

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

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

4. RETIREMENT PLAN (continued)

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

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, 2019, the District's total payroll for all employees was \$6,273,263. Total covered payroll was \$6,073,898. 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, 2017, to June 30, 2018, and from July 1, 2018, to August 31, 2019. 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, 2019, was \$599,967.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

4. RETIREMENT PLAN (continued)

Pension Liabilities – At June 30, 2018, the District had a liability of \$3,464,770 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying cash basis financial statements.) The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined using an actuarial valuation as of that date. The NPERS School Plan was 89.50% funded as of June 30, 2018, 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, 2018, the District’s proportion was 0.2548 percent, which was a decrease of 0.0043 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the District’s allocated pension expense was \$361,332.

Actuarial Assumptions – The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, including wage inflation	3.5 – 8.5%
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%

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 and 55% of female rate for females), projected generationally with MP-2015.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

4. RETIREMENT PLAN (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, 2018, 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, 2018, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	26.1%	5.83%
Small Cap U.S. Equity	2.9%	7.56%
Global Equity	15.0%	6.51%
International Developed Equity	10.8%	6.80%
Emerging Markets	2.7%	10.55%
Core Bonds	20.0%	1.63%
High Yield	3.5%	5.22%
Bank Loans	5.0%	2.78%
International Bonds	1.5%	1.41%
Private Equity	5.0%	9.70%
Real Estate	7.5%	5.18%
Total	100%	

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

4. RETIREMENT PLAN (continued)

The long-term expected real rate of return is an arithmetic mean, net of investment expenses.

Discount Rate – The discount rate used to measure the Total Pension Liability at June 30, 2018 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 required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2117.

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 (Asset)
1% decrease	6.5%	\$7,909,893
Current discount rate	7.5%	\$3,464,770
1% increase	8.5%	\$(208,385)

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

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

5. LONG-TERM DEBT

On March 15, 2010, general obligation bonds were issued in the amount of \$9,395,000 for the purpose of constructing additions to and renovations of the existing school facilities. The bonds had interest rates ranging from 2.00% to 3.80%. Principal was due annually in December.

On January 20, 2015, the School District refinanced the above-mentioned bonds in the amount of \$6,600,000. The new bonds have interest rates ranging from 0.30% to 2.10%. Principal is due annually in December.

The schedule of maturities is as follows:

	Principal	Interest	Total
August 31, 2020	\$ 670,000	\$ 68,658	\$ 738,658
2021	675,000	59,407	734,407
2022	690,000	48,308	738,308
2023	700,000	35,795	735,795
2024	710,000	22,220	732,220
2025	720,000	7,560	727,560
	\$ 4,165,000	\$ 241,948	\$ 4,406,948

Total interest paid during the year ending August 31, 2019, on bonds outstanding was \$76,310.

6. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and to the public; or natural disasters. For the fiscal year ended August 31, 2019, the School has approved insurance coverage through a commercial insurance company. The School's insurance coverage is as follows for various insurance policies: General Liability exposure, Umbrella Liability coverage, and Public Officials Errors and Omission exposure.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

7. INTERFUND TRANSFERS

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. A transfer of \$50,000 to the Depreciation Fund has been recorded as an operational disbursement in the General Fund in accordance with the basis of accounting described above. The transfer was used to accumulate funds for future capital purchases. A transfer of \$50,000 to the Employee Benefit Fund has been recorded as an operational disbursement in the General Fund in accordance with the basis of accounting described above. The transfer was used to accumulate funds for future employee benefits. A transfer of \$25,000 to the Activities Fund was recorded to help cover operating expenses. A transfer of \$50,000 to the School Nutrition Fund was recorded to help cover operating expenses. A transfer of \$763 of property taxes from the bond fund to the general fund also occurred.

8. COMMITMENTS AND CONTINGENCIES

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

The School District has elected to be a reimbursable employer with regard to unemployment claims filed by former employees. Therefore, the School District is required to reimburse the State of Nebraska for any claims paid on behalf of the School District. The School District maintains a separate Employee Benefit Fund to pay any claims. The maximum payment to reimburse the state unemployment agency under current Statute would not exceed \$11,076 (26 weeks at \$426/week) per claimant. During the year ended August 31, 2019, claims of \$0 were paid.

9. MAJOR REVENUE SOURCES AND DEPENDENCY OF OPERATIONS

The School District's ability to operate is dependent on the funding sources continuing to provide funds to the School District. Changes by the funding sources due to economic, regulatory or other factors could have an adverse effect on the District's ability to continue to operate at its current level.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

**9. MAJOR REVENUE SOURCES AND DEPENDENCY OF OPERATIONS
(continued)**

During the year ending August 31, 2019, the composition of the School District's general fund receipts is as follows:

	Receipts	% of Total
Local sources	\$ 8,071,103	77.7
County sources	62,969	0.6
State sources	1,868,411	18.0
Federal sources	348,724	3.3
Other sources	42,442	0.4
Total general fund	\$ 10,393,649	100.0

10. LEASES

On August 15, 2017, Dawson County School District No. 20 entered into a lease agreement with Eakes Office Products for several photocopiers. Monthly payments of \$1,591 began in September of 2017 and will continue for 5 years.

On June 20, 2017, Dawson County School District No. 20 entered into a lease agreement with Midwest Connect for a postage machine. Monthly payments of \$370 began September of 2017 and will continue for 5 years.

On August 15, 2019, Dawson County School District No. 20 entered into a lease agreement with Titan Machinery for a skid steer. A one-time payment of \$3,750 was made on August 31, 2019 and the lease will end on August 6, 2020.

Future minimum lease payments follow:

	Copiers	Postage Machine	Total
August 31, 2020	\$ 19,090	\$ 4,440	\$ 23,530
2021	19,090	4,440	23,530
2022	17,500	3,330	20,830
	\$ 55,680	\$ 12,210	\$ 67,890

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

11. TAX ABATEMENT

The School District is subject to tax abatements granted by Gothenburg Community Redevelopment Authority, a component unit of the City of Gothenburg, who has entered into tax increment financing (TIF) agreements with various redevelopers. 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 CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements impacting the School District for the year ended August 31, 2019 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	\$184,156

12. RELATED PARTIES

The School District entered into related party transactions when they contracted physical therapy services from a Board member's business. For the year ended August 31, 2019, the School District paid \$824 to this related party.

13. SUBSEQUENT EVENTS

Upon evaluation, management notes that there were no material subsequent events between the date of the financial statements and October 31, 2019, the date that the financial statements were available to be issued.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

OTHER INFORMATION

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA
SUPPLEMENTAL SCHEDULE
COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND FUND BALANCES - CASH BASIS
Year Ended August 31, 2019**

	Fund Balances At Beginning of Year	Receipts	Disbursements	Transfers In (Out)	Excess (Deficiency) Of Receipts Over (Under) Disbursements	Fund Balances At End Of Year	Fund Balance Composition	
							Cash in Bank and on Hand	Cash at County Treasurer
GENERAL FUND	\$ 5,605,247	\$ 10,393,649	\$ 10,327,405	\$ (75,000)	\$ (8,756)	\$ 5,596,491	\$ 3,688,656	\$ 1,907,835
ACTIVITIES FUND	333,299	510,965	582,811	25,000	(46,846)	286,453	286,453	-
SCHOOL NUTRITION FUND	23,024	463,835	526,812	50,000	(12,977)	10,047	10,047	-
BOND FUND	935,240	743,938	739,603	-	4,335	939,575	772,075	167,500
DEPRECIATION FUND	611,455	52,282	395,081	-	(342,799)	268,656	268,656	-
SPECIAL BUILDING FUND	1,102,042	162,370	493	-	161,877	1,263,919	1,231,654	32,265
EMPLOYEE BENEFIT FUND	62,333	117,009	85,960	-	31,049	93,382	93,382	-
STUDENT FEES FUND	2,785	17,154	17,146	-	8	2,793	2,793	-
GRAND TOTAL - ALL FUNDS	\$ 8,675,425	\$ 12,461,202	\$ 12,675,311	\$ -	\$ (214,109)	\$ 8,461,316	\$ 6,353,716	\$ 2,107,600

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - CASH BASIS - GENERAL FUND
ACTUAL AND BUDGET**

For the Fiscal Year Ended August 31, 2019

	Actual	Budget Original and Final
Fund Balance, August 31, 2018	\$ 5,605,247	
RECEIPTS		
LOCAL SOURCES		
1100 Local property taxes	\$ 7,539,627	\$ 6,127,582
1115 Carline tax	21,818	-
1120 Public power district sales tax	20,041	-
1125 Motor vehicle taxes	431,826	410,000
1312 Tuition received from individuals - summer school	1,690	5,000
1370 Preschool tuition and fees	2,850	-
1510 Interest received	31,439	25,000
1910 Rental of school equipment and facilities	450	1,000
1911 Local license fees	2,780	3,000
1921 Police court fines	18,582	-
1990 Other local receipts	-	1,000
Total local sources	\$ 8,071,103	\$ 6,572,582
COUNTY SOURCES		
2110 Fines and licenses	\$ 62,969	\$ 71,000
Total county sources	\$ 62,969	\$ 71,000
STATE SOURCES		
3110 State aid	\$ 404,409	\$ 404,409
3120 Special education programs	432,199	425,000
3125 Special education transportation	4,345	2,500
3400 State apportionment	118,189	130,000
3130 Homestead exemption	119,521	-
3131 Property tax credit	572,723	-
3132 Personal property tax credit	28,914	-
3134 Personal property tax credit - railroad and public service	8,482	-
3180 Pro-rate motor vehicle	21,863	20,000
3535 High ability learner	7,766	8,500
3540 State early childhood	150,000	75,000
Total state sources	\$ 1,868,411	\$ 1,065,409
FEDERAL SOURCES		
4505 Title I, Part A	\$ 54,178	\$ 100,000
4506 Title I, Accountability	24,172	15,000
4509 Title II, Part A	22,778	25,000
4512 IDEA Part B, Base	72,634	50,000
4516 IDEA Part B, Preschool	4,566	4,500
4519 IDEA Enrollment Poverty	140,974	120,000
4525 Carl Perkins grant	1,000	1,500
4708 Medicaid in Public Schools (MIPS)	18,514	10,000
4709 Medicaid Administrative Activities (MAAPS)	9,908	-
Total federal sources	\$ 348,724	\$ 326,000

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - CASH BASIS - GENERAL FUND
ACTUAL AND BUDGET (CONTINUED)
For the Fiscal Year Ended August 31, 2019**

	Actual	Budget Original and Final
NON-REVENUE RECEIPTS		
5301 Insurance adjustments	\$ 37,005	\$ -
5200 Transfers from other funds	763	20,000
5690 Other non-revenue receipts	4,674	7,500
Total non-revenue receipts	\$ 42,442	\$ 27,500
Total receipts from all sources	\$ 10,393,649	\$ 8,062,491
DISBURSEMENTS		
PROGRAM		
1100 Regular instruction programs	\$ 4,724,301	\$ 7,357,050
1160 Poverty programs	411,338	410,000
1200, 2141-2183 Special education instruction programs	942,593	1,005,400
2100 Support services - pupils	891,446	809,100
2660 Security	60,616	2,000
2670 Safety	980	1,000
2200 Support services - staff	416,244	409,770
2310 Board of Education	145,322	219,000
2320 Executive administration services	270,901	258,650
2410 Office of principal	338,180	346,050
2510 General administration	158,590	163,650
2710 Vehicle acquisition and maintenance	50,000	25,000
2600 Plant operation and maintenance	1,112,298	1,093,400
2700 Regular pupil transportation	287,360	266,000
1300 Summer school	57,553	29,500
3300 Community services	1,667	3,000
3500 State categorical programs	143,159	120,850
6000 Federal programs	314,857	311,200
Total program disbursements	\$ 10,327,405	\$ 12,830,620
8000 Transfers to other funds	75,000	50,000
Total disbursements	\$ 10,402,405	\$ 12,880,620
Fund Balance, August 31, 2019	\$ 5,596,491	
ANALYSIS OF FUND BALANCE		
	August 31, 2019	August 31, 2018
Cash at First State Bank, Gothenburg, NE		
Cash in checking and money market accounts	\$ 1,001,480	\$ 1,199,553
Cash in certificates of deposit	1,200,876	1,200,876
Cash at Flatwater Bank, Gothenburg, NE		
Cash in certificates of deposit	1,484,300	1,484,300
Petty cash checking account	2,000	2,000
Cash at County Treasurer		
Dawson County	1,508,303	1,369,173
Lincoln County	254,273	250,550
Custer County	145,259	98,795
Total Fund Balance	\$ 5,596,491	\$ 5,605,247

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**NOTES TO OTHER INFORMATION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

1. BUDGETARY ACCOUNTING

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

2. BUDGETED DISBURSEMENTS AND TRANSFERS

As a whole, the District's disbursements and transfers out did not exceed the approved budgeted disbursements and transfers of \$17,395,220 for the fiscal year ended August 31, 2019.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND**

For the Fiscal Years Ended August 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REGULAR INSTRUCTION PROGRAMS		
Regular salaries	\$ 2,982,855	\$ 2,649,232
Substitute salaries	78,663	91,507
Clerical and aide salaries	3,730	7,313
Payroll taxes	226,707	206,204
Employee benefits	1,082,728	979,867
Purchased services	68,739	62,707
Teaching supplies and materials	111,663	89,925
Textbooks	25,235	13,198
Furniture and equipment replacement	30,823	50,677
Computer hardware	82,269	72,329
Travel and mileage	16,221	38,360
Other expense	14,668	11,188
Vocal music	-	16,976
Instrumental music	-	10,341
Industrial arts	-	68,178
Agriculture	-	206,713
Home economics	-	95,658
Business education	-	190,407
Total regular instruction programs	<u>\$ 4,724,301</u>	<u>\$ 4,860,780</u>
POVERTY PROGRAMS		
Regular salaries	\$ 282,654	\$ 171,984
Payroll taxes	20,978	12,841
Employee benefits	107,706	55,566
Total poverty programs	<u>\$ 411,338</u>	<u>\$ 240,391</u>
EARLY CHILDHOOD EDUCATIONAL PROGRAMS		
Preschool matching	\$ -	\$ 6,152
Total early childhood educational programs	<u>\$ -</u>	<u>\$ 6,152</u>
SPECIAL EDUCATION INSTRUCTION PROGRAMS		
Physical therapy	\$ 4,766	\$ 28,085
Hearing conservation	-	24,007
Vision therapy	4,831	-
Supervisor	-	13,719
Psychologist	98,243	104,424
Speech therapy	98,861	89,334
General special education	716,754	600,118
Occupational therapy	19,138	7,161
Total special education instruction programs	<u>\$ 942,593</u>	<u>\$ 866,848</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND (CONTINUED)
For the Fiscal Years Ended August 31, 2019 and 2018**

	2019	2018
SUPPORT SERVICES - PUPILS		
GUIDANCE		
Regular salaries	\$ 199,138	\$ 195,156
Payroll taxes	14,664	14,343
Employee benefits	62,297	63,982
Purchased services	423	1,549
Supplies and materials	1,179	2,143
Travel and mileage	888	569
Total guidance	\$ 278,589	\$ 277,742
HEALTH SERVICES		
Regular salaries	\$ 40,631	\$ 42,464
Payroll taxes	2,960	3,248
Employee benefits	24,855	24,082
Supplies and materials	2,477	5,427
Other expense	600	-
Total health services	\$ 71,523	\$ 75,221
ACTIVITIES		
Regular salaries	\$ 346,003	\$ 361,979
Substitute salaries	11,770	15,043
Clerical and aide salaries	36,876	8,984
Payroll taxes	29,747	28,909
Employee benefits	107,732	111,955
Purchased services	5,585	6,207
Travel and mileage	2,858	-
Other expense	763	-
Total activities	\$ 541,334	\$ 533,077
Total support services - pupils	\$ 891,446	\$ 886,040
SECURITY		
Purchased services	\$ 3,239	\$ 737
Supplies	1,125	505
Furniture and equipment	56,252	15,437
Total security	\$ 60,616	\$ 16,679
SAFETY		
Purchased services	\$ 980	\$ -
Total safety	\$ 980	\$ -

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND (CONTINUED)
For the Fiscal Years Ended August 31, 2019 and 2018**

	2019	2018
SUPPORT SERVICES - STAFF		
INSTRUCTIONAL STAFF		
Purchased services	\$ -	\$ 3,247
Total instructional staff	\$ -	\$ 3,247
LIBRARY AND TECHNOLOGY SERVICES		
Regular salaries	\$ 167,037	\$ 160,672
Clerical and aide salaries	26,166	25,259
Payroll taxes	14,250	13,859
Employee benefits	41,455	36,567
Purchased services	7,435	11,603
Supplies and materials	4,612	5,125
Library books	9,017	6,920
Periodicals	-	446
Furniture and equipment replacement	-	261
Travel and mileage	1,018	410
Total library and technology services	\$ 270,990	\$ 261,122
TEACHING AND LEARNING		
Regular salaries	\$ 82,872	\$ 94,452
Payroll taxes	5,890	6,590
Employee benefits	25,089	29,216
Purchased services	23,958	32,972
Supplies	525	1,221
Furniture and equipment	5,470	-
Travel and mileage	893	453
Other expense	557	1,319
Total teaching and learning	\$ 145,254	\$ 166,223
Total support services - staff	\$ 416,244	\$ 430,592
BOARD OF EDUCATION		
Audit services	\$ 6,925	\$ 5,850
Legal services	2,279	1,317
Liability and property insurance	105,766	30,155
Advertising and printing	-	5,393
Dues and fees	7,541	7,545
Workers' compensation pool	20,773	25,222
Travel and mileage	201	1,907
Other expense	1,837	500
Total board of education	\$ 145,322	\$ 77,889

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND (CONTINUED)
For the Fiscal Years Ended August 31, 2019 and 2018**

	2019	2018
EXECUTIVE ADMINISTRATION SERVICES		
Administrative salaries	\$ 177,684	\$ 176,308
Clerical and aide salaries	21,035	20,919
Payroll taxes	12,025	12,865
Employee benefits	26,345	20,605
Supplies and materials	9,191	14,500
Furniture and equipment replacement	385	-
Dues and fees	12,347	1,785
Travel and mileage	4,424	9,796
Other expense	7,465	6,349
Total executive administration services	\$ 270,901	\$ 263,127
OFFICE OF PRINCIPAL		
Salaries	\$ 194,496	\$ 199,836
Clerical and aide salaries	41,340	41,419
Payroll taxes	17,141	17,977
Employee benefits	75,477	66,548
Purchased services	1,643	469
Supplies and materials	6,089	7,772
Dues and fees	625	2,315
Travel and mileage	139	1,684
Other expense	1,230	345
Total office of principal	\$ 338,180	\$ 338,365
GENERAL BUSINESS SUPPORT SERVICES		
Salaries	\$ 53,496	\$ 50,166
Payroll taxes	3,950	3,686
Employee benefits	20,560	20,231
Purchased services	33,934	27,498
Postage	10,150	8,920
Furniture and equipment replacement	33,369	-
Data processing	2,673	918
Other expense	458	-
Total general business support services	\$ 158,590	\$ 111,419
VEHICLE ACQUISITION AND MAINTENANCE		
Equipment	\$ 50,000	\$ -
Tires and parts	-	1,412
Repairs and maintenance	-	764
Total vehicle acquisition and maintenance	\$ 50,000	\$ 2,176

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND (CONTINUED)
For the Fiscal Years Ended August 31, 2019 and 2018**

	2019	2018
PLANT OPERATION AND MAINTENANCE		
OPERATION OF PLANT		
Custodial salaries	\$ 212,624	\$ 296,863
Payroll taxes	16,129	22,665
Employee benefits	69,330	109,573
Fuel	29,494	49,327
Electricity	145,844	144,989
Water and sewer	8,903	9,532
Custodial supplies	67,162	52,891
Workers' compensation pool	8,993	17,754
Other expense	19,903	17,642
Total operation of plant	\$ 578,382	\$ 721,236
MAINTENANCE OF PLANT		
Salaries	\$ 87,156	\$ -
Payroll taxes	6,517	-
Employee benefits	44,397	-
Purchased services	213,178	130,088
Furniture and equipment replacement	171,304	145,785
Property insurance	-	62,754
Capital outlay	-	75,000
Other expense	11,364	310
Total maintenance of plant	\$ 533,916	\$ 413,937
Total plant operation and maintenance	\$ 1,112,298	\$ 1,135,173
REGULAR PUPIL TRANSPORTATION		
Salaries	\$ 110,787	\$ 91,348
Payroll taxes	7,380	6,925
Employee benefits	29,801	34,997
Vehicle insurance	20,000	28,052
Tires and parts	33,430	19,931
Purchase service	58	9,626
Mileage to parents	3,579	3,600
Gas and oil	46,041	47,611
Repairs and maintenance	34,074	22,032
Other expense	2,210	2,217
Total regular pupil transportation	\$ 287,360	\$ 266,339
SUMMER SCHOOL		
Salaries	\$ 51,096	\$ 29,966
Payroll taxes	3,655	2,153
Employee benefits	2,702	4,791
Purchased services	100	2,085
Total summer school	\$ 57,553	\$ 38,995
COMMUNITY SERVICES		
Salaries	\$ -	\$ 665
Payroll taxes	-	49
Employee benefits	-	66
Tuition	1,667	1,040
Total community services	\$ 1,667	\$ 1,820

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
CASH BASIS - GENERAL FUND (CONTINUED)
For the Fiscal Years Ended August 31, 2019 and 2018**

	2019	2018
STATE CATEGORICAL PROGRAMS		
EARLY CHILDHOOD		
Salaries	\$ 74,357	\$ 51,940
Payroll taxes	5,066	4,150
Employee benefits	29,498	20,514
Purchase services	4,706	1,289
Supplies and materials	2,095	4,509
Equipment	49	-
Other expense	640	-
Total early childhood	\$ 116,411	\$ 82,402
HIGH ABILITY LEARNERS		
Salaries	\$ 22,644	\$ 22,200
Employee benefits	4,104	-
Total high ability learners	\$ 26,748	\$ 22,200
 Total state categorical programs	 \$ 143,159	 \$ 104,602
FEDERAL PROGRAMS		
TITLE I		
Salaries	\$ 70,965	\$ 76,580
Payroll taxes	5,239	5,645
Employee benefits	22,930	25,624
Supplies and materials	638	46,517
Other expense	-	6,201
Total Title I	\$ 99,772	\$ 160,567
TITLE II-A		
Salaries	\$ 16,639	\$ 58,272
Payroll taxes	1,273	4,458
Employee benefits	6,532	22,821
Total Title II-A	\$ 24,444	\$ 85,551
IDEA		
Salaries	\$ 114,346	\$ 114,168
Payroll taxes	8,337	8,374
Employee benefits	55,684	48,758
Purchased services	-	11,916
Total IDEA	\$ 178,367	\$ 183,216
CARL PERKINS		
Title IV - Drug Free Schools	\$ 2,274	\$ 1,488
	10,000	-
Total other federal programs	\$ 12,274	\$ 1,488
 Total federal programs	 \$ 314,857	 \$ 430,822
TRANSFERS		
Transfers to school nutrition fund	\$ 50,000	\$ 50,000
Transfers to activities fund	25,000	25,000
Total transfers	\$ 75,000	\$ 75,000
 Total disbursements	 \$ 10,402,405	 \$ 10,153,209

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, TRANSFERS, DISBURSEMENTS
AND FUND BALANCE - CASH BASIS - ACTIVITIES FUND
For the Fiscal Year Ended August 31, 2019**

	Balance (Deficit) 8/31/2018	Function Codes:			Balance (Deficit) 8/31/2019
		1710 Receipts	5200 Transfers	2900 Disbursements	
Athletics	\$ 51,020	106,910	\$ 25,000	169,429	\$ 13,501
Adult education	1,943	40	-	-	1,983
Annual	5,104	1,905	-	8,910	(1,901)
Helping hands	6,654	925	-	1,513	6,066
History grant	1,435	-	-	-	1,435
Family & consumers sciences	(146)	1,255	-	1,314	(205)
Industrial arts	17,863	5,438	-	8,424	14,877
Life skills	157	18	-	89	86
Renaissance	19,715	3,211	-	9,177	13,749
Flag corp	695	-	-	-	695
Band	1,934	14,824	-	8,952	7,806
Vocal	10,670	7,181	-	3,964	13,887
Special music	2,724	-	-	-	2,724
Arts/ceramics	4,000	845	-	728	4,117
Junior High art club	(41)	45	-	-	4
Pop	(2,652)	157	-	1,229	(3,724)
General	21,727	22,370	-	23,502	20,595
Chromebook repair	12,615	8,377	-	4,671	16,321
Candy	(4,896)	23,202	-	26,893	(8,587)
Seniors	1,069	1,723	-	-	2,792
Juniors	2,105	8,239	-	8,014	2,330
Sophomores	1,220	870	-	1,570	520
Freshmen	920	1,340	-	1,420	840
8th grade	20	-	-	20	-
Cheerleaders	4,899	28,042	-	34,726	(1,785)
Elem circle of friends	213	579	-	571	221
HS circle of friends	4	296	-	296	4
English activities	(259)	187	-	-	(72)
Entrepreneurship	1,663	2,022	-	1,385	2,300
FFA	11,139	70,117	-	75,117	6,139
Fit kids	125	-	-	-	125
Senior High quiz bowl	164	951	-	894	221
Junior High quiz bowl	368	-	-	67	301
Media production	4,958	439	-	-	5,397
NFL	(139)	7,396	-	6,918	339
National honor society	659	-	-	-	659
One acts	2,713	18,092	-	16,353	4,452
Destination imagination	(220)	-	-	-	(220)
Sigma Phi Beta	1,953	110	-	-	2,063
SADD	1,155	-	-	-	1,155
Student council	4,281	5,214	-	5,868	3,627
Drivers education	4,290	-	-	-	4,290
School gala	(989)	-	-	-	(989)
Improv	757	-	-	-	757
Math A.P.	(4,143)	444	-	671	(4,370)
Media	4,170	264	-	206	4,228
Science club	454	695	-	-	1,149
Post prom	-	2,097	-	1,897	200
Subtotal	\$ 194,070	\$ 345,820	\$ 25,000	\$ 424,788	\$ 140,102

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, TRANSFERS, DISBURSEMENTS
AND FUND BALANCE - CASH BASIS - ACTIVITIES FUND (CONTINUED)
For the Fiscal Year Ended August 31, 2019**

	Balance (Deficit) 8/31/2018	Function Codes:			Balance (Deficit) 8/31/2019
		1710 Receipts	5200 Transfers	2900 Disbursements	
Walk fit	\$ 105	\$ -	\$ -	\$ -	\$ 105
C country club	1,858	272	-	714	1,416
Legends Scholarship	-	5,000	-	-	5,000
6th Grade	-	1,191	-	100	1,091
Boys future basketball	1	8,560	-	5,988	2,573
Football camp	4,324	2,863	-	2,153	5,034
Girls future basketball	4,130	5,791	-	3,532	6,389
Golf-boys	45	850	-	103	792
Golf-girls	3,258	354	-	520	3,092
Gburg bball club	(1,108)	5,062	-	4,860	(906)
Junior High football club	658	-	-	14	644
Jr power wt lifting	(467)	50	-	252	(669)
Softball	2,704	3,920	-	3,357	3,267
Mat maids	220	-	-	-	220
Volleyball	(179)	6,737	-	7,505	(947)
7th-8th volleyball	43	-	-	-	43
Youth volleyball	526	1,894	-	1,537	883
Wrestling boosters	1,507	4,840	-	6,180	167
Summer wrestling	35,360	60,714	-	80,703	15,371
Elementary book fair	3,659	6,478	-	6,381	3,756
Elementary art program	-	2,920	-	2,128	792
Elementary fundraising	24,553	985	-	3,097	22,441
Kindergarten	394	536	-	350	580
1st grade	3,709	1,256	-	605	4,360
2nd grade	2,871	316	-	147	3,040
3rd grade	1,289	-	-	252	1,037
4th grade	102	566	-	595	73
5th grade	6,850	2,692	-	2,719	6,823
Elementary lounge	2,649	10	-	315	2,344
Elementary student council	234	-	-	-	234
Elementary outdoor education	(4,561)	-	-	-	(4,561)
DDA interest	3,802	138	-	-	3,940
CD interest	8,788	400	-	-	9,188
Athletics count	211	-	-	-	211
Alberts memorial	2,677	14	-	-	2,691
Greene memorial	6,461	20,578	-	273	26,766
Uehling scholarship	(352)	547	-	-	195
J.L. Brock scholarship	105	-	-	-	105
FFA sod project	22,803	19,611	-	23,643	18,771
Subtotal	\$ 139,229	\$ 165,145	\$ -	\$ 158,023	\$ 146,351
Totals	\$ 333,299	\$ 510,965	\$ 25,000	\$ 582,811	\$ 286,453

ANALYSIS OF FUND BALANCE

	August 31, 2019	August 31, 2018
Cash in Flatwater Bank checking accounts	\$ 205,098	\$ 247,912
Cash in Flatwater Bank savings accounts	1,946	1,946
Cash in Flatwater Bank certificates of deposit	56,719	56,719
Cash in Flatwater Bank Sod Project checking account	18,771	22,803
Cash on hand	3,919	3,919
Total Fund Balance	\$ 286,453	\$ 333,299

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, TRANSFERS, DISBURSEMENTS
AND FUND BALANCE - CASH BASIS - STUDENT FEES FUND
For the Fiscal Year Ended August 31, 2019**

	Balance (Deficit) 8/31/2018	Function Codes:			Balance (Deficit) 8/31/2019
		1000 Receipts	Transfers	2100 Disbursements	
Athletics	\$ 2,699	\$ 12,685	\$ -	\$ 12,685	\$ 2,699
Miscellaneous	399	8	-	-	407
Science fair	(313)	111	-	111	(313)
Driver's ed	-	4,350	-	4,350	-
Totals	<u>\$ 2,785</u>	<u>\$ 17,154</u>	<u>\$ -</u>	<u>\$ 17,146</u>	<u>\$ 2,793</u>

ANALYSIS OF FUND BALANCE

	August 31, 2019	August 31, 2018
Cash in Flatwater Bank checking account	\$ 2,793	\$ 2,785
Total Fund Balance	<u>\$ 2,793</u>	<u>\$ 2,785</u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE - CASH BASIS - BOND FUND
For the Fiscal Year Ended August 31, 2019**

Fund Balance, August 31, 2018					\$ 935,240
CASH RECEIPTS:					
1100	Property taxes	\$	674,508		
1115	Carline tax		2,241		
1510	Interest		7,128		
3130	Homestead exemption		13,603		
3180	Pro-rate motor vehicle		1,993		
3131	Property tax credit		40,944		
3132	Personal property tax credit		2,574		
3134	Personal property tax credit - railroad and public service		<u>947</u>		
	Total cash receipts				<u>743,938</u>
	Total funds available				\$ 1,679,178
CASH DISBURSEMENTS:					
5000	Debt services				
	Redemption of principal	\$	660,000		
	Debt service interest		76,310		
	Miscellaneous		2,530		
8000	Transfers to other funds		<u>763</u>		
	Total cash disbursements				<u>739,603</u>
	Fund Balance, August 31, 2019				<u>\$ 939,575</u>
ANALYSIS OF FUND BALANCE					
			August 31, 2019	August 31, 2018	
	Cash at Flatwater Bank, Gothenburg, NE				
	Cash in checking	\$	772,075	\$ 770,037	
	Cash held at County Treasurer				
	Dawson County		134,046	132,886	
	Lincoln County		25,035	25,800	
	Custer County		<u>8,419</u>	<u>6,517</u>	
	Total Fund Balance	\$	<u>939,575</u>	<u>\$ 935,240</u>	

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE - CASH BASIS - SCHOOL NUTRITION FUND
For the Fiscal Year Ended August 31, 2019**

Fund Balance, August 31, 2018		\$	23,024
CASH RECEIPTS:			
1510 Interest	\$		22
1611 Daily sales for reimbursable meals		253,515	
1630 Special functions food sales		16,192	
1990 Other receipts		1,379	
3150 State reimbursements		4,985	
4210 Federal reimbursements		187,742	
5200 Transfers from general fund		50,000	
Total cash receipts			513,835
Total funds available			\$ 536,859
CASH DISBURSEMENTS:			
3100 Support services			
Food purchases	\$	257,705	
Furniture and equipment		2,364	
Salaries and benefits		154,260	
Employee benefits		83,276	
Supplies and materials		20,717	
Other expenses		8,490	
Total cash disbursements			526,812
Fund Balance, August 31, 2019			\$ 10,047
ANALYSIS OF FUND BALANCE			
	August 31,	August 31,	
	2019	2018	
Cash at Flatwater Bank, Gothenburg, NE			
Cash in checking account	\$ 9,604	\$ 22,581	
Cash on hand	443	443	
Total Fund Balance	\$ 10,047	\$ 23,024	

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE - CASH BASIS - DEPRECIATION FUND
For the Fiscal Year Ended August 31, 2019**

	Actual	Budget (Original and Final)
Fund Balance, August 31, 2018	\$ 611,455	
CASH RECEIPTS:		
1510 Interest income	\$ 2,282	\$ -
5200 Transfer from General Fund	50,000	47,327
Total cash receipts	\$ 52,282	\$ 47,327
Total funds available	\$ 663,737	
CASH DISBURSEMENTS:		
2710 Equipment	\$ 395,081	\$ 640,000
Total cash disbursements	\$ 395,081	\$ 640,000
Fund Balance, August 31, 2019	\$ 268,656	
ANALYSIS OF FUND BALANCE		
	August 31, 2019	August 31, 2018
Cash at Flatwater Bank, Gothenburg, NE		
Cash in checking account	\$ 58,733	\$ 401,532
Cash in certificates of deposit	150,000	150,000
Cash at First State Bank, Gothenburg, NE		
Cash in certificates of deposit	59,923	59,923
Total Fund Balance	\$ 268,656	\$ 611,455

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE - CASH BASIS - SPECIAL BUILDING FUND
For the Fiscal Year Ended August 31, 2019**

Fund Balance, August 31, 2018		\$ 1,102,042
CASH RECEIPTS:		
1100 Property taxes	\$ 119,471	
1125 Motor vehicle taxes	17,305	
1115 Carline tax	394	
1510 Interest	13,410	
3131 Property tax credit	8,559	
3132 Personal property tax credit	522	
3134 Personal property tax credit - railroad and public service	153	
3180 Pro-rate motor vehicle tax	400	
3130 Homestead exemption	<u>2,156</u>	
Total cash receipts		<u>162,370</u>
Total funds available		\$ 1,264,412
CASH DISBURSEMENTS:		
9000 Non-program expenditures	<u>493</u>	
Total cash disbursements		<u>493</u>
Fund Balance, August 31, 2019		<u><u>\$ 1,263,919</u></u>
ANALYSIS OF FUND BALANCE		
	August 31, 2019	August 31, 2018
Cash at First State Bank, Gothenburg, NE		
Cash in checking account	\$ 1,231,654	\$ 1,070,296
Cash at County Treasurer		
Dawson County	25,070	25,202
Lincoln County	4,591	4,709
Custer County	<u>2,604</u>	<u>1,835</u>
Total Fund Balance	<u><u>\$ 1,263,919</u></u>	<u><u>\$ 1,102,042</u></u>

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE - CASH BASIS - EMPLOYEE BENEFIT FUND
For the Fiscal Year Ended August 31, 2019**

	Actual	Budget (Original and Final)
Fund Balance, August 31, 2018	\$ 62,333	
CASH RECEIPTS:		
5690 Employee benefit withholdings and reimbursements	\$ 67,009	\$ -
5200 Transfer from General Fund	50,000	100,000
Total cash receipts	\$ 117,009	\$ 100,000
Total funds available	\$ 179,342	
CASH DISBURSEMENTS:		
2510 Employee benefits	\$ 85,960	\$ 140,000
Total cash disbursements	\$ 85,960	\$ 140,000
Fund Balance, August 31, 2019	\$ 93,382	
ANALYSIS OF FUND BALANCE		
	August 31, 2019	August 31, 2018
Cash at First State Bank, Gothenburg, NE		
Cash in checking account	\$ 93,382	\$ 62,333
Total Fund Balance	\$ 93,382	\$ 62,333

See notes to the financial statements.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**ANALYSIS OF TAX ACCOUNTS WITH COUNTY TREASURERS - GENERAL FUND
For the Fiscal Year Ended August 31, 2019**

	<u>Dawson County</u>	<u>Lincoln County</u>	<u>Custer County</u>	<u>Totals</u>
Cash Balance - September 1, 2018	\$ 1,369,173	\$ 250,550	\$ 98,795	\$ 1,718,518
Collections:				
Local property taxes	\$ 5,752,487	\$ 958,606	\$ 919,737	\$ 7,630,830
Motor vehicle taxes	416,598	15,227	1	431,826
Homestead exemption	117,784	1,023	714	119,521
Pro-rate motor vehicle	17,213	2,763	1,887	21,863
Public power district sales tax	1,126	33	18,882	20,041
Carline tax	16,996	4,822	-	21,818
Property tax credit	438,779	65,116	68,828	572,723
Personal property tax credit	20,730	5,361	2,823	28,914
Personal property tax credit - railroad and public service	8,446	-	36	8,482
Fines and licenses	77,964	2,014	1,573	81,551
Total collections	<u>\$ 6,868,123</u>	<u>\$ 1,054,965</u>	<u>\$ 1,014,481</u>	<u>\$ 8,937,569</u>
Disbursements:				
To school district withdrawals	\$ 6,658,303	\$ 1,040,650	\$ 958,096	\$ 8,657,049
County treasurer fees	70,690	10,592	9,921	91,203
Total disbursements	<u>\$ 6,728,993</u>	<u>\$ 1,051,242</u>	<u>\$ 968,017</u>	<u>\$ 8,748,252</u>
Cash Balance - August 31, 2019	<u>\$ 1,508,303</u>	<u>\$ 254,273</u>	<u>\$ 145,259</u>	<u>\$ 1,907,835</u>

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**ANALYSIS OF TAX ACCOUNTS WITH COUNTY TREASURERS - SPECIAL BUILDING FUND
For the Fiscal Year Ended August 31, 2019**

	<u>Dawson County</u>	<u>Lincoln County</u>	<u>Custer County</u>	<u>Totals</u>
Cash Balance - September 1, 2018	\$ 25,202	\$ 4,709	\$ 1,835	\$ 31,746
Collections:				
Local property taxes	\$ 104,212	\$ 39	\$ 16,716	\$ 120,967
Motor vehicle taxes	-	17,305	-	17,305
Homestead exemption	2,125	18	13	2,156
Pro-rate motor vehicle	315	51	34	400
Carline tax	307	87	-	394
Property tax credit	6,234	1,083	1,242	8,559
Personal property tax credit	374	97	51	522
Personal property tax credit - railroad and public service	152	-	1	153
Total collections	<u>\$ 113,719</u>	<u>\$ 18,680</u>	<u>\$ 18,057</u>	<u>\$ 150,456</u>
Disbursements:				
To school district withdrawals	\$ 112,721	\$ 18,612	\$ 17,108	\$ 148,441
County treasurer fees	1,130	186	180	1,496
Total disbursements	<u>\$ 113,851</u>	<u>\$ 18,798</u>	<u>\$ 17,288</u>	<u>\$ 149,937</u>
Cash Balance - August 31, 2019	<u>\$ 25,070</u>	<u>\$ 4,591</u>	<u>\$ 2,604</u>	<u>\$ 32,265</u>

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**ANALYSIS OF TAX ACCOUNTS WITH COUNTY TREASURERS - BOND FUND
For the Fiscal Year Ended August 31, 2019**

	<u>Dawson County</u>	<u>Lincoln County</u>	<u>Custer County</u>	<u>Totals</u>
Cash Balance - September 1, 2018	\$ 132,886	\$ 25,800	\$ 6,517	\$ 165,203
Collections:				
Local property taxes	\$ 529,937	\$ 94,848	\$ 57,114	\$ 681,899
Homestead exemption	13,444	119	40	13,603
Pro-rate motor vehicle	1,597	277	119	1,993
Carline tax	1,971	270	-	2,241
Property tax credit	30,193	6,489	4,262	40,944
Personal property tax credit	1,934	467	173	2,574
Personal property tax credit - railroad and public service	944	-	3	947
Total collections	<u>\$ 580,020</u>	<u>\$ 102,470</u>	<u>\$ 61,711</u>	<u>\$ 744,201</u>
Disbursements:				
To school district withdrawals	\$ 573,106	\$ 102,214	\$ 59,193	\$ 734,513
County treasurer fees	5,754	1,021	616	7,391
Total disbursements	<u>\$ 578,860</u>	<u>\$ 103,235</u>	<u>\$ 59,809</u>	<u>\$ 741,904</u>
Cash Balance - August 31, 2019	<u>\$ 134,046</u>	<u>\$ 25,035</u>	<u>\$ 8,419</u>	<u>\$ 167,500</u>

**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**

Board of Education
Dawson County School District No. 20
Gothenburg, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, and each major fund of Dawson County School District No. 20, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 31, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dawson County School District No. 20's internal control over financial reporting (internal control) to determine the 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 Dawson County School District No. 20's internal control. Accordingly, we do not express an opinion on the effectiveness of Dawson County School District No. 20's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dawson County School District No. 20'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 that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the School District in a separate letter dated, October 31, 2019.

Dawson County School District No. 20's Response to Findings

Dawson County School District No. 20's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Dawson County School District No. 20'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.

KSO CPA's, P.C.



Kearney, Nebraska
October 31, 2019

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2019**

I. FINANCIAL STATEMENT FINDINGS

Finding 2019-001: Lack of Segregation of Duties in One or More Areas

Criteria: Proper internal controls require that an entity has adequate segregation of duties within a significant account process.

Condition: The entity does not have adequate personnel to assign responsibilities in such a way that different employees handle different portions of a transaction.

Context: We reviewed the District's internal control environment and noted that the District's financial recording duties are concentrated with one individual.

Questioned Cost: None.

Effect or Potential Effect: An individual controlling a transaction from beginning to conclusion does not have oversight from other individuals to ensure that the transaction was properly executed and recorded.

Cause: The entity has a limited number of personnel.

Repeat Findings: Immediately preceding year.

Recommendation: We would recommend that the Board of Education take an active part in internal controls and closely monitor all accounting functions, while seeking ways to continue to strengthen compensating controls.

Views of Responsible Officials and Planned Corrective Actions: The entity's Board continually evaluates the distribution of duties to employees and closely monitors all accounting functions.

**DAWSON COUNTY SCHOOL DISTRICT NO. 20
GOTHENBURG, NEBRASKA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2019**

II. FINDINGS FOR THE YEAR ENDED AUGUST 31, 2018

Finding 2018-001 for the year ended August 31, 2018: Lack of segregation of duties in one or more areas.

Views of Responsible Officials and Planned Corrective Actions: The entity's Board continually evaluates the distribution of duties to employees and closely monitors all accounting functions.

Finding 2018-002 for the year ended August 31, 2018: Deficiency in internal control over credit card charges.

Views of Responsible Officials and Planned Corrective Actions: The entity's Board continually evaluates the distribution of duties to employees and closely monitors all accounting functions.



MANUFACTURING AGREEMENT

121 WEST 8TH STREET
NORTH PLATTE, NE 69101
PHONE: 308-532-8774
FAX: 308-532-8774

Form with fields: In Agreement With (Gothenburg Public Schools), Street (1322 Ave. I), City, State and Zip Code (Gothenburg, NE 69138), Phone (308-529-0475), Date (10-31-2019), Job Name, Job Location (Dudley Elementary), Job Phone.

Condots, L.L.C., by its acceptance, hereof agrees to furnish the following work hereafter and on page two referred to as the Display System and according to the print attached hereto and made a part of this agreement.

We hereby propose to furnish all labor, materials, and equipment to install one new 3'5" x 7'3" 10mm WatchFire LED message center with a pixel matrix of 90x210. Sign Includes Ignite graphics software capable of full color video, animated text and graphics, and life of sign web based training. Sign will operate on customer supplied 120 volt / 20 amp electrical circuit. Communications included are 4G wireless 5 year cellular data plan. Includes WatchFire signs 5 year parts warranty and Condon signs 5 year labor warranty.

Cost for sign and installation.....\$25,411.50

Plus tax and permits.

*Final electrical hookup to be done by others

All signs are custom built products and, at the option of seller, require payment in advance with order. Installation price is due upon installation. 50% due upon acceptance and the balance due upon installation. 2% discount if paid in full upon acceptance. Contract prices are guaranteed for 60 days and may be subject to change after that time.

This contract, with all conditions as noted, is herewith accepted by both parties.

Signature of Chad Condon, Sales Representative

Condots, L.L.C.

By CHAD CONDON

Title President / Owner

Purchaser

By

Title

Guaranteed By

Acceptance Date

Client:

Dudley Elementary

Project Name:

3' x 7'

Produced By:



121 West 8th Street
North Platte, NE 69101
(308) 532-8774
chadc@condonsign.com
seanc@condonsigns.com

Designer: Sean Condon

Sales: Chad Condon

Location: North Platte, NE

Date:

Please make note of any changes or corrections. Condon, LLC is not liable for any errors after proof is signed.

Approved

Revisions Needed.

Accepted by (Client Signature)

Date Signed

NOTICE: ALL RIGHTS RESERVED, NO PART OF THIS DRAWING MAY BE DISTRIBUTED TO OTHERS OR REPRODUCED IN ANY FORM WITHOUT WRITTEN PERMISSION FROM CONDONS, LLC.



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