

**HALL COUNTY SCHOOL DISTRICT #2  
(GRAND ISLAND PUBLIC SCHOOLS)  
GRAND ISLAND, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**August 31, 2018**

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
FINANCIAL STATEMENTS - MODIFIED CASH BASIS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	17
Statement of Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Fund	20
Reconciliation of the Statement of Net Position - Proprietary Fund to the Government-wide Statement of Net Position	21
Statement of Receipts, Disbursements, and Changes in Fund Net Position - Proprietary Fund	22
Reconciliation of the Statement of Receipts, Disbursements, and Changes in Fund Net Position - Proprietary Funds to the Statement of Activities	23
Statement of Net Position - Fiduciary Fund	24
Notes to Financial Statements	25
SUPPLEMENTARY AND OTHER INFORMATION	
Budgetary Comparison Schedules	
General Fund	59
Special Building Fund	61
Depreciation Fund	62
Qualified Capital Purpose Fund	63
Cooperative Fund	64
Bond Fund	65

## TABLE OF CONTENTS, Continued

	Page
SUPPLEMENTARY AND OTHER INFORMATION, continued	
Combined Balance Sheet - Other Governmental Funds	66
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances - Other Governmental Funds	67
Statement of Cash Receipts, Disbursements, and Fund Balance - Fiduciary Fund - Activity Fund	68
Statement of Accounts with County Treasurers - Hall and Merrick County Treasurers	78
Comparative Statistical Data and Graphs	79
SINGLE AUDIT REPORTS	
Schedule of Expenditures of Federal Awards	84
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 <i>Government Auditing Standards</i>	86
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	88
Schedule of Findings and Questioned Costs	90
Summary Schedule of Prior Audit Findings	91



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Hall County School District #2  
Grand Island, Nebraska

We have audited the accompanying financial statements of the governmental activities – modified cash basis, the business-type activities – modified cash basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis, and the aggregate remaining fund information – modified cash basis of Hall County School District #2 as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the School District's financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

#### SHAREHOLDERS

Robert D. Almquist  
Phillip D. Maltzahn  
Terry T. Galloway  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities – modified cash basis, the business-type activities – modified cash basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis, and the aggregate remaining fund information – modified cash basis of Hall County School District #2, as of August 31, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with the basis of accounting described in Note A.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hall County School District #2's financial statements. The management's discussion and analysis and supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The management's discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, fiduciary fund statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph and the

schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The county treasurer statement of receipts and disbursements and the comparative statistical data and graphs have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018, on our consideration of Hall County School District #2'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 Hall County School District #2's internal control over financial reporting and compliance.

Amquist, Maltzman,  
Galloway & Luthi, P.C.

Grand Island, Nebraska  
October 25, 2018

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended August 31, 2018**

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Grand Island Public Schools' annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2018. Please read the MD&A in combination with the entire financial report, which immediately follows this section. For information on the Grand Island Education Foundation, Inc. component unit included in these financial statements, please see the separate audit report for the Foundation.

**FINANCIAL HIGHLIGHTS**

- The District decreased its governmental funds cash reserves by \$17.9 million, with the Special Building Fund cash reserves making up \$19 million of the decrease offset by a \$1.3 million increase in the General Fund. The difference represents the overall decrease in cash reserves for the remaining governmental funds of \$0.2 million.
- General Fund revenues were \$104.8 million, \$1.3 million more than expenses.
- General Fund operational costs were \$103.5 million, a 1.6 percent increase, primarily due to increased spending for instruction, building and grounds, and federal programs.
- Major capital improvement projects were completed to further ensure viable, clean, safe and secure facilities:
  - Replaced several building roofs due to major hail storm damage in 2014
  - Purchased new vehicles (activity buses, sedans, trucks) for the District usage
  - Install fire sprinkler system at Knickrehm and Seedling Mile Elementary Schools
  - Upgraded fire alarm system at Kneale Administration Building
  - Installed divider curtain in the middle gym at Grand Island Senior High School
  - Invested over \$400,000 in new kitchen equipment at various locations across the District as phase one of at least three phases
  - Reroof entire building at West Lawn Elementary School
  - Installed or revised security vestibules at Dodge and Knickrehm Elementary Schools
  - Upgraded phone system at Lincoln Elementary School
  - Replaced and upgraded scoreboards and sound system in the west gym at Grand Island Senior High School
  - Replaced windows at Howard Elementary School
  - Replaced sound system and updated camera system at Board of Education meeting room in the Kneale Administration Building

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

---

- Installed carpet at Barr Middle School in the three story structure – twelve classrooms
- Upgraded Lincoln Elementary playground with repurposed equipment from the old Stolley Park Elementary School
- During the 2017-2018 school year construction on the seven projects included in the \$69.9 million September 9, 2014 bond issue were as follows:
  - Engleman Elementary School addition – completed prior to FY16-17
  - Shoemaker Elementary School – additions and renovations – completed prior to FY16-17
  - Starr Elementary School – all new construction – completed prior to FY17-18
  - Barr Middle School – additions and renovations – completed prior to FY17-18
  - GISH 100 Wing Renovation – completed Phase I, Phase II & III – completed
  - Jeffersen Elementary – all new construction – construction in process (CIP) and on schedule to open for FY19-20 school year
  - Stolley Park Elementary – all new construction – construction in process (CIP) and on schedule to open for FY19-20 school year
- Major additional capital investment in both new and renovated spaces currently under design and development include but are not limited to:
  - Memorial Stadium replacement and renovation
  - Career Pathways Institute addition and renovation
  - Grand Island Senior High School (Academies of Grand Island Senior High School) renovation(s)
  - Lease hold improvements for specific Academies of Grand Island Senior High School at other possible locations to be determined

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more detail* than the district-wide statements.



**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

---

- The *governmental funds statements* show how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates *like a business*, such as Nutrition Services.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's combined net position was higher on August 31, 2018 than it was the year before, increasing 4.0 percent to \$98.5 million. This improvement in the District's financial position came primarily from its governmental activities, the net position of which increased \$3.2 million to \$94.9 million. The net position of the District's business-type activities also increased \$0.6 million to \$3.6 million.

A summary of the District's assets, liabilities, and net position follows:

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

	August 31, <u>2018</u>	August 31, <u>2017</u>	Increase (Decrease)
<b>Assets:</b>			
Current assets	\$ 61,411,671	\$ 78,260,724	\$ (16,849,053)
Capital assets	<u>134,326,769</u>	<u>116,224,336</u>	<u>18,102,433</u>
Total assets	<u>195,738,440</u>	<u>194,485,060</u>	<u>1,253,380</u>
<b>Liabilities:</b>			
Current liabilities	3,259,224	2,933,202	326,022
Long-term liabilities	<u>94,017,901</u>	<u>96,868,126</u>	<u>(2,850,225)</u>
Total liabilities	<u>97,277,125</u>	<u>99,801,328</u>	<u>(2,524,203)</u>
<b>Net position:</b>			
Net investment in capital assets	37,049,644	50,842,505	(13,792,861)
<b>Restricted for:</b>			
Debt service	6,733,980	6,768,924	(34,944)
Building additions/ improvements	12,852,304	1,284,338	11,567,966
Qualified capital purposes	3,670,008	372,844	3,297,164
Capital outlay	409,000	-	409,000
Unrestricted	<u>37,746,379</u>	<u>35,415,121</u>	<u>2,331,258</u>
Total net position	<u>\$ 98,461,315</u>	<u>\$ 94,683,732</u>	<u>\$ 3,777,583</u>

**Governmental Activities**

Revenues for the District's governmental activities were \$129.3 million, while total expenses were \$126.1 million. The increase in net position for governmental activities was \$3.2 million in 2018.

The decrease in cash reserves for the year ended August 31, 2018 was due primarily to the Special Building Fund having capital outlay expenditures that exceeded current year receipts. Cash reserves for the Special Building Fund decreased \$19 million.

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

**Governmental Activities, continued**

Strong economic growth, as measured by investment in real estate and building, coupled with aggressive reassessment practices, led to a 1.8 percent increase in property valuation. This contributed in General Fund tax asking increasing \$0.6 million (1.8 percent).

The cost of all governmental activities this year was \$126.1 million. Federal and State governments subsidized certain programs with grants and contributions (\$14.1 million). Most of the District's costs (\$97.4 million), however, were financed by District and State taxpayers. This portion of governmental activities was financed with \$43.2 million in property taxes and \$54.6 million of unrestricted State Aid based on the Statewide Education Aid Formula.

A comparison of governmental activities' receipts and expenses follows:

	Years Ended August 31,		Increase (Decrease)
	2018	2017	
Receipts:			
Charges for services	\$ 14,506,104	\$ 16,772,855	\$ (2,266,751)
Operating grants	14,126,766	14,048,310	78,456
Capital grants	74,467	99,704	(25,237)
Property and other taxes	43,181,595	41,634,921	1,546,674
State aid	54,551,630	52,965,142	1,586,488
Investment income	446,841	312,339	134,502
Other	2,420,748	2,332,750	87,998
Total receipts	129,308,151	128,166,021	1,142,130
Expenses:			
Instruction	71,054,787	68,179,833	2,874,954
Support services:			
Pupils	2,782,258	2,665,091	117,167
Staff	2,761,572	2,919,750	(158,178)
General Administration	2,110,987	2,335,107	(224,120)
School Administration	4,311,881	4,219,597	92,284
Business	411,331	532,452	(121,121)
Building and grounds	8,734,585	9,973,183	(1,238,598)
Pupil transportation	705,137	542,953	162,184
State categorical programs	681,764	517,856	163,908
Federal programs	7,283,866	6,580,688	703,178
Activity Fund support	250,000	656,000	(406,000)
CNSSP program	16,497,828	16,018,591	479,237
Interest expense	4,220,228	3,215,701	1,004,527
Depreciation	4,311,988	4,828,295	(516,307)
Total expenses	126,118,212	123,185,097	2,933,115
Increase in net position	\$ 3,189,939	\$ 4,980,924	\$ (1,790,985)

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

---

**Business-type Activities**

Revenues of the District's business-type activities increased 3.1 percent to \$6.1 million, and expenses also increased 1.1 percent to \$5.5 million.

Food services revenues exceeded expenses by \$0.6 million.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds reported combined fund balances of \$59.4 million, \$17.9 million less than last year's ending fund balances of \$77.3 million.

The General Fund had \$1.3 million more revenues than expenditures for the year. The Special Building Fund had \$19 million more expenditures than revenues for the year, accounting for most of the decrease in governmental fund balances.

As mentioned, the business-type activities revenue exceeded expenses. In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary funds statements.

**General Fund Budgetary Highlights**

The District's budget for the General Fund anticipated that expenditures would exceed revenues by \$10,900,651. Actual revenues exceeded expenditures by \$1.3 million for the year. Actual revenues were \$5.1 million lower than expected. The actual expenditures were \$17.3 million below budget, due primarily to a \$13.8 million favorable variance in regular instructional services.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2018, the District had invested \$223.9 million in a broad range of capital assets, including land, buildings, athletic/sports facilities and computer and audio-visual equipment. The net book value after depreciation was \$134.3 million at August 31, 2018.

The amount represents a net increase of \$18.1 million or 15.6 percent from last year. (More detailed information about capital assets can be found in Note E to the financial statements.) Total depreciation expense for the year was \$4.4 million, while building improvements and additions to equipment and furniture amounted to \$22.5 million.

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

---

**Capital Assets, continued**

Construction in progress totaled \$18.5 million at August 31, 2018. This balance consists of \$9.5 million of construction in progress on the Stolley Park new building, \$8.0 million of construction in progress on the Jefferson new building, \$0.3 million on the Kneale administration building elevator project, \$0.1 million on the West Lawn roof, \$0.5 million of architectural fees on the Grand Island Senior High (GISH) stadium project, and \$0.1 million on the GISH academies construction project.

**Long-term Debt**

At year end, the District had \$97.3 million (principal only) in General Obligation Bonds and other debt outstanding – a decrease of 2.5 percent from last year – as shown in the table below. (More detailed information about the District’s long-term liabilities is presented in Note F to the financial statements.)

<u>Fund</u>	<u>Balance at</u> <u>8/31/2018</u>	<u>Balance at</u> <u>8/31/2017</u>	<u>\$ Change</u> <u>Increase</u> <u>(Decrease)</u>	<u>% Change</u> <u>Increase</u> <u>(Decrease)</u>
General	\$ 298,125	\$ 396,328	\$ (98,203)	(24.8) %
Bond	88,685,000	91,095,000	(2,410,000)	(2.6)
Qualified	7,885,000	8,310,000	(425,000)	(5.1)
Total governmental	<u>\$ 96,868,125</u>	<u>\$ 99,801,328</u>	<u>\$ (2,933,203)</u>	(2.9)
Nutrition	<u>\$ 409,000</u>	<u>\$ -</u>	<u>\$ 409,000</u>	n/a

**FACTORS BEARING ON THE DISTRICT’S FUTURE**

- The District will continue to pay for improvements to facilities through the use of the Special Building Fund, Qualified Capital Purpose Fund, and General Fund, along with the appropriate use of near-term and long-term debt instruments and/or lease purchase arrangements.
- The end of fiscal year 2018 marked the end of a one-year agreement with the District’s recognized local teachers union, the Grand Island Education Association (GIEA). A new negotiated agreement was reached during the 2017-2018 fiscal year for the 2018-2019 fiscal year.

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2018**

---

- The City of Grand Island continues to annex land in response to economic growth within the community of Grand Island. In large measure, Grand Island Public Schools’ boundaries follow the City of Grand Island’s boundaries. However, the Grand Island Public Schools are mandated by State law to meet and negotiate in good faith over several specific factors with other Districts that are affected by the annexation process. When annexation occur, this process is ongoing with Hall County School District 40-0082-000 dba Northwest Public Schools, a Class III school district that lies, in part, within Grand Island Public Schools’ boundaries.
- The District realized increased revenue from state aid and a twenty-year low 1.8 percent valuation growth. However, that revenue growth along with other revenue increases were just enough to cover increased cost due to the impact of negotiated salaries, health care including PPACA, additional staffing needs due to enrollment growth and programming needs, and general inflationary trends.
- Tax Increment Financing (TIF) projects are becoming more frequent and larger within the Grand Island community (\$30+ million for a new hospital). The impact on the District is both positive and negative in the near and long term. Grand Island Public Schools will continue to seek understanding and express our concerns regarding the use of TIF for residential projects that place additional burden on the District’s resources.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

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

Mr. Virgil D. Harden, MBA, SFO  
Chief Financial Officer

Grand Island Public Schools  
123 South Webb Road  
P.O. Box 4904  
Grand Island, NE 68802-4904

(308) 385-5900 x144  
(308) 385-5949 – facsimile  
[vharden@gips.org](mailto:vharden@gips.org) – e-mail

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**August 31, 2018**

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments (notes A6 and C)	\$ 27,426,565	\$ 2,006,209	\$ 29,432,774	\$ 16,128,102
Cash restricted for building projects (note C)	12,772,059	-	12,772,059	-
Cash restricted for debt service (note C)	5,048,712	-	5,048,712	-
Cash restricted for qualified capital purpose undertakings (note C)	3,428,627	-	3,428,627	-
Cash with County Treasurers (note D)	10,729,499	-	10,729,499	-
Current portion of pledges receivable (note O)	-	-	-	211,143
Interest receivable	-	-	-	11,862
Total current assets	59,405,462	2,006,209	61,411,671	16,351,107
Noncurrent assets:				
Noncurrent portion of pledges receivable (note O)	-	-	-	140,280
Cash surrender value life insurance	-	-	-	15,884
Capital assets (notes A5 and E):				
Land	3,190,462	-	3,190,462	-
Construction in progress	18,533,906	-	18,533,906	-
Buildings	178,383,728	2,558,555	180,942,283	-
Furniture and equipment	19,453,112	1,780,633	21,233,745	-
Less: Accumulated depreciation	(87,238,991)	(2,334,636)	(89,573,627)	-
Net capital assets	132,322,217	2,004,552	134,326,769	-
Total noncurrent assets	132,322,217	2,004,552	134,326,769	156,164
<b>Total assets</b>	191,727,679	4,010,761	195,738,440	16,507,271
<b>LIABILITIES</b>				
Current liabilities:				
Long-term debt due within one year (note F):				
Capital lease payable	100,224	-	100,224	-
Certificates of participation	-	54,000	54,000	-
Limited tax obligation bonds payable	720,000	-	720,000	-
General obligation bonds payable	2,385,000	-	2,385,000	-
Accounts payable	-	-	-	87,853
Scholarships and grants payable	-	-	-	414,674
Payroll taxes payable	-	-	-	705
Total current liabilities	3,205,224	54,000	3,259,224	503,232
Long-term liabilities, net of current portion (note F):				
Capital lease payable	197,901	-	197,901	-
Certificates of participation	-	355,000	355,000	-
Limited tax obligation bonds payable	7,165,000	-	7,165,000	-
General obligation bonds payable	86,300,000	-	86,300,000	-
Scholarships and grants payable	-	-	-	690,937
Total long-term liabilities	93,662,901	355,000	94,017,901	690,937
<b>Total liabilities</b>	96,868,125	409,000	97,277,125	1,194,169
<b>NET POSITION</b>				
Net investment in capital assets	35,454,092	1,595,552	37,049,644	-
Restricted for:				
Debt service	6,733,980	-	6,733,980	-
Building additions/improvements	12,852,304	-	12,852,304	-
Qualified capital purposes	3,670,008	-	3,670,008	-
Capital outlay	-	409,000	409,000	-
Scholarships and programs	-	-	-	14,314,019
Unrestricted	36,149,170	1,597,209	37,746,379	999,083
<b>Total net position</b>	\$ 94,859,554	\$ 3,601,761	\$ 98,461,315	\$ 15,313,102

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For the year ended August 31, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Receipts Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
Instruction	\$ 71,054,787	\$ -	\$ 6,144,695
Support services:			
Pupils	2,782,258	-	-
Staff	2,761,572	-	-
General administration	2,110,987	-	-
School administration	4,311,881	-	-
Business	411,331	-	-
Building and grounds	8,734,585	-	-
Pupil transportation	705,137	-	-
State categorical programs	681,764	-	316,776
Federal programs	7,283,866	-	5,676,564
Activity Fund support	250,000	-	-
CNSSP program	16,497,828	14,506,104	1,988,731
Interest on long-term debt	4,220,228	-	-
Depreciation - unallocated	4,311,988	-	-
	126,118,212	14,506,104	14,126,766
<b>Business-type activities:</b>			
Nutrition services	5,436,224	1,384,785	4,669,901
Depreciation	97,564	-	-
Total business-type activities	5,533,788	1,384,785	4,669,901
<b>Total primary government</b>	<b>\$ 131,652,000</b>	<b>\$ 15,890,889</b>	<b>\$ 18,796,667</b>
<b>Component unit:</b>			
Grand Island Education Foundation, Inc.	\$ 1,785,064	\$ 102,240	\$ 9,955,813

See notes to financial statements.



Capital Grants and Contributions	Net (Expenses) Receipts and Changes in Net Position			Component Unit (Accrual Basis)
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (64,910,092)		\$ (64,910,092)	
-	(2,782,258)		(2,782,258)	
-	(2,761,572)		(2,761,572)	
-	(2,110,987)		(2,110,987)	
-	(4,311,881)		(4,311,881)	
-	(411,331)		(411,331)	
74,467	(8,660,118)		(8,660,118)	
-	(705,137)		(705,137)	
-	(364,988)		(364,988)	
-	(1,607,302)		(1,607,302)	
-	(250,000)		(250,000)	
-	(2,993)		(2,993)	
-	(4,220,228)		(4,220,228)	
-	(4,311,988)		(4,311,988)	
74,467	(97,410,875)		(97,410,875)	
-	-	\$ 618,462	618,462	
-	-	(97,564)	(97,564)	
-	-	520,898	520,898	
\$ 74,467	(97,410,875)	520,898	(96,889,977)	
\$ -				\$ 8,272,989
General receipts:				
Taxes:				
Property	37,692,766	-	37,692,766	-
Motor vehicle	3,783,282	-	3,783,282	-
Other taxes	1,705,547	-	1,705,547	-
Fines and licenses	854,577	-	854,577	-
State aid	54,551,630	-	54,551,630	-
State apportionment	1,541,170	-	1,541,170	-
Investment income (loss)	446,841	9,933	456,774	383,708
Unrealized gain on investments	-	-	-	379,918
Other	25,001	56,813	81,814	-
Total general receipts	100,600,814	66,746	100,667,560	763,626
Change in net position	3,189,939	587,644	3,777,583	9,036,615
Net position - August 31, 2017	91,669,615	3,014,117	94,683,732	6,276,487
Net position - August 31, 2018	\$ 94,859,554	\$ 3,601,761	\$ 98,461,315	\$ 15,313,102

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**August 31, 2018**

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Bond Fund</u>
<b>ASSETS</b>			
Cash and investments	\$ 18,696,666	\$ 3,721,694	\$ 5,048,712
Cash with County Treasurers	<u>8,722,605</u>	<u>-</u>	<u>1,685,268</u>
<b>Total assets</b>	<b><u><u>\$ 27,419,271</u></u></b>	<b><u><u>\$ 3,721,694</u></u></b>	<b><u><u>\$ 6,733,980</u></u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Debt service	-	-	6,733,980
Building additions/improvements	-	-	-
Qualified capital purposes	-	-	-
Assigned for:			
Capital outlay	-	3,721,694	-
Employee benefits	-	-	-
Contingencies	-	-	-
CNSSP	-	-	-
Unassigned	<u>27,419,271</u>	<u>-</u>	<u>-</u>
Total fund balances	<b><u><u>27,419,271</u></u></b>	<b><u><u>3,721,694</u></u></b>	<b><u><u>6,733,980</u></u></b>
<b>Total liabilities and fund balances</b>	<b><u><u>\$ 27,419,271</u></u></b>	<b><u><u>\$ 3,721,694</u></u></b>	<b><u><u>\$ 6,733,980</u></u></b>

See notes to financial statements.

Special Building <u>Fund</u>	Qualified Capital Purpose <u>Fund</u>	Cooperative <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
\$ 12,772,059	\$ 3,428,627	\$ 985,738	\$ 4,022,467	\$ 48,675,963
80,245	241,381	-	-	10,729,499
<u>\$ 12,852,304</u>	<u>\$ 3,670,008</u>	<u>\$ 985,738</u>	<u>\$ 4,022,467</u>	<u>\$ 59,405,462</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,733,980
12,852,304	-	-	-	12,852,304
-	3,670,008	-	-	3,670,008
-	-	-	-	3,721,694
-	-	-	2,995,797	2,995,797
-	-	-	1,026,670	1,026,670
-	-	985,738	-	985,738
-	-	-	-	27,419,271
<u>12,852,304</u>	<u>3,670,008</u>	<u>985,738</u>	<u>4,022,467</u>	<u>59,405,462</u>
<u>\$ 12,852,304</u>	<u>\$ 3,670,008</u>	<u>\$ 985,738</u>	<u>\$ 4,022,467</u>	<u>\$ 59,405,462</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

**August 31, 2018**

<b>Total fund balances - governmental funds</b>		\$ 59,405,462
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$219,561,208, and the accumulated depreciation is \$87,238,991.</p>		
		132,322,217
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:</p>		
Capital leases payable	\$ (298,125)	
Limited tax obligation bonds payable	(7,885,000)	
General obligation bonds payable	<u>(88,685,000)</u>	<u>(96,868,125)</u>
<b>Total net position - governmental activities</b>		<b><u><u>\$ 94,859,554</u></u></b>

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**For the year ended August 31, 2018**

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Bond Fund</u>
<b>RECEIPTS</b>			
Taxes:			
Property	\$ 29,174,422	\$ -	\$ 5,817,851
Motor vehicle	3,783,282	-	-
Homestead exemption	1,251,021	-	255,091
Pro-rate motor vehicle	94,117	-	18,251
Carline	28,777	-	5,879
Property tax credit	1,181,045	-	238,110
Personal property tax credit	120,474	-	24,238
Fines and licenses	854,577	-	-
Tuition	-	-	-
State aid and grants	62,476,541	-	-
Federal grants	5,754,294	-	-
Investment income (loss)	27,720	21,451	54,352
Donations	10,000	-	-
Transfers from other funds	-	1,600,000	-
Other	25,001	-	-
Total receipts	104,781,271	1,621,451	6,413,772
<b>DISBURSEMENTS</b>			
Instruction	72,764,189	-	-
Support services:			
Pupils	2,782,258	-	-
Staff	2,761,572	-	-
General administration	2,101,823	-	-
School administration	4,311,881	-	-
Business	509,533	-	-
Building and grounds	9,153,025	-	-
Pupil transportation	705,137	-	-
State categorical programs	681,765	-	-
Federal programs	7,481,464	-	-
Transfer to other funds	250,000	-	-
Capital outlay	-	1,180,229	-
Debt service			
Principal	-	-	2,410,000
Interest	-	-	4,037,317
CNSSP expenditures	-	-	-
Other	-	-	1,399
Total disbursements	103,502,647	1,180,229	6,448,716
<b>Excess (deficiency) of receipts     over disbursements</b>	1,278,624	441,222	(34,944)
Fund balances - August 31, 2017	26,140,647	3,280,472	6,768,924
Fund balances - August 31, 2018	\$ 27,419,271	\$ 3,721,694	\$ 6,733,980

See notes to financial statements.

<u>Special Building Fund</u>	<u>Qualified Capital Purpose Fund</u>	<u>Cooperative Fund</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
\$ 280,507	\$ 806,059	\$ -	\$ -	\$ -	\$ 36,078,839
-	-	-	-	-	3,783,282
12,029	36,087	-	-	-	1,554,228
905	2,283	-	-	-	115,556
277	830	-	-	-	35,763
11,356	34,069	-	-	-	1,464,580
1,158	3,475	-	-	-	149,345
-	-	-	-	-	854,577
-	-	14,506,104	-	-	14,506,104
-	-	-	-	-	62,476,541
-	-	1,988,731	-	(1,988,731)	5,754,294
234,125	58,915	-	50,279	-	446,842
250,000	-	-	-	-	260,000
-	-	-	-	(1,600,000)	-
-	-	-	-	-	25,001
<u>790,357</u>	<u>941,718</u>	<u>16,494,835</u>	<u>50,279</u>	<u>(3,588,731)</u>	<u>127,504,952</u>
-	-	-	-	(1,600,000)	71,164,189
-	-	-	-	-	2,782,258
-	-	-	-	-	2,761,572
-	-	-	-	-	2,101,823
-	-	-	9,165	-	4,321,046
-	-	-	-	-	509,533
-	-	-	-	-	9,153,025
-	-	-	-	-	705,137
-	-	-	-	-	681,765
-	-	-	-	(1,988,731)	5,492,733
-	-	-	-	-	250,000
19,772,146	907,785	-	-	-	21,860,160
-	425,000	-	-	-	2,835,000
-	180,711	-	-	-	4,218,028
-	-	16,497,828	-	-	16,497,828
-	800	-	20,425	-	22,624
<u>19,772,146</u>	<u>1,514,296</u>	<u>16,497,828</u>	<u>29,590</u>	<u>(3,588,731)</u>	<u>145,356,721</u>
(18,981,789)	(572,578)	(2,993)	20,689	\$ -	(17,851,769)
<u>31,834,093</u>	<u>4,242,586</u>	<u>988,731</u>	<u>4,001,778</u>		<u>77,257,231</u>
<u>\$ 12,852,304</u>	<u>\$ 3,670,008</u>	<u>\$ 985,738</u>	<u>\$ 4,022,467</u>		<u>\$ 59,405,462</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2018**

<b>Total net change in fund balances - governmental funds</b>	<b>\$ (17,851,769)</b>
---	------------------------

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capitalized capital outlay (\$22,420,493) exceeded depreciation expense (\$4,311,988) during the period.

18,108,505

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Principal payments consist of:

Capital leases	\$ 98,203	
Limited tax obligation bonds	425,000	
General obligation bonds	2,410,000	2,933,203

<b>Change in net position of governmental activities</b>	<b>\$ <u>3,189,939</u></b>
--	----------------------------

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**August 31, 2018**

	<b><u>Nutrition Fund</u></b>
<b>ASSETS</b>	
Cash	\$ 2,006,209
<b>LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Restricted for capital outlay	409,000
Unrestricted	<u>1,597,209</u>
Total net position	<u><u>\$ 2,006,209</u></u>

See notes to financial statements.



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**RECONCILIATION OF THE STATEMENT OF NET POSITION - PROPRIETARY  
FUND TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

**August 31, 2018**

<b>Total net position - proprietary fund</b>	\$ 2,006,209
--	--------------

Amounts reported for *business-type activities* in the statement of net position are different because:

Capital assets used in business-type activities are not financial resources and therefore are not reported as assets in proprietary funds. The cost of the assets is \$4,339,188, and the accumulated depreciation is \$2,334,636.	2,004,552
--	-----------

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Certificates of participation	<u>(409,000)</u>
-------------------------------	------------------

<b>Total net position - business-type activities</b>	<u><u>\$ 3,601,761</u></u>
--	----------------------------

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**For the year ended August 31, 2018**

	<b><u>Nutrition Fund</u></b>
<b>Operating receipts:</b>	
Lunch sales	\$ 1,384,785
State sources	36,929
Federal sources	4,202,981
USDA commodities	429,991
Loan proceeds	409,000
Other	56,813
Total operating receipts	6,520,499
<b>Operating disbursements:</b>	
Salaries and employee benefits	2,366,393
Contracted services	170,945
Food and food service supplies	2,867,240
Capital outlay	92,699
Other	30,439
Total operating disbursements	5,527,716
Operating receipts in excess of disbursements	992,783
<b>Nonoperating receipts:</b>	
Investment income	9,933
<b>Increase in net position</b>	1,002,716
Net position - August 31, 2017	1,003,493
Net position - August 31, 2018	\$ 2,006,209

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2018**

<b>Total increase in net position - proprietary fund</b>	\$ 1,002,716
Amounts reported for <i>business-type activities</i> in the statement of activities are different because:	
Capital outlays are reported in proprietary fund as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$91,492) was exceeded by depreciation expense (\$97,564) during the period.	(6,072)
Proceeds from the issuance of long-term debt are reported as revenue in the fund financial statements. However, issuance of long-term debt increases long-term liabilities in the statement of net position.	<u>(409,000)</u>
<b>Change in net position of business-type activities</b>	<u><u>\$ 587,644</u></u>

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**August 31, 2018**

	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>	
Cash	\$ 2,046,833
<b>LIABILITIES</b>	
For the obligations of student activities	<u>2,046,833</u>
<b>NET POSITION</b>	<u><u>\$ -</u></u>

See notes to financial statements.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. Reporting Entity

Grand Island Public Schools is a tax-exempt political subdivision and a Class III school district of the State of Nebraska. The District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the District and has concluded that the Grand Island Education Foundation, Inc. is a component unit. The Foundation exists exclusively for the benefit of the District. The component unit information was obtained from separately audited financial statements, which can be obtained by contacting the Grand Island Education Foundation, Inc.

The Grand Island Education Foundation, Inc. is a non-profit organization, which is engaged primarily in raising funds for extracurricular and academic purposes in the Grand Island area. Support is received primarily through contributions and fundraising programs. As a non-profit organization, the Grand Island Education Foundation, Inc. is exempt from income taxes in accordance with the Internal Revenue Code Section 501(c)(3).

2. Basis of Presentation

On September 1, 2002, the School District adopted the provisions of Statement No. 34 of the Governmental Accounting Standards Board, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” Effective September 1, 2010 the District adopted GASB Statement No. 54 regarding classification of governmental fund balances. Fund balances are classified as follows:

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

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

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

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

2. Basis of Presentation, continued

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

**Unassigned**-All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

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

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. The effect of interfund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e., generally supported by taxes and intergovernmental revenues) and business-type (i.e., generally supported by fees for service). Fiduciary funds are not included in the government-wide financial statements.

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

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

2. Basis of Presentation, continued

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

Separate financial statements are provided for governmental funds, 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 nonoperating 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 nonoperating 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 Activity Fund is a fiduciary fund.

3. Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared on the modified cash basis of accounting in that capital assets are capitalized and depreciated under the government-wide measurement focus and long-term liability proceeds and payments do not affect the statement of activities (but are instead carried on the statement of net position) under the government-wide measurement focus. This basis recognizes assets, liabilities, net position, revenues and expenses when they result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are*

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

3. Basis of Accounting/Measurement Focus, continued

*not recorded* in these financial statements. 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 measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Differences between the government-wide financial statements and the fund financial statements arise in the recording of capital assets, the recognition of depreciation, and the recording of long-term liabilities. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Proceeds from the issuance of long-term debt increase liabilities and payment of long-term debt reduces liabilities. Capital assets are capitalized and depreciation is recognized over the estimated lives of the related assets.

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified cash basis of accounting. Proceeds from issuance of long-term debt are recognized when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

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

The Grand Island Education Foundation, Inc. (component unit) uses the accrual basis of accounting, whereby revenues are recognized as earned and expenses are recognized as incurred.



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

4. Fund Types

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

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

**Special Building Fund:** Accounts for taxes levied and other revenue specifically maintained for future building and equipment purchases.

**Depreciation Fund:** Set up for the replacement of capital assets.

**Bond Fund:** Accounts for the accumulation of resources for, and the payment of, principal, interest, and fiscal charges on general obligation long-term debt.

**Qualified Capital Purpose Fund:** Accounts for taxes levied and other revenue specifically maintained for hazard abatement and handicapped accessibility renovations.

**Cooperative Fund:** Accounts for the Central Nebraska Supportive Service Program, which provides special education services to Grand Island Public Schools and other participating school districts, and other cooperative agreements.

The other governmental funds include:

**Contingency Fund:** Set up to fund uninsured losses and legal fees incurred by the District for defense against possible losses.

**Employee Benefit Fund:** The Employee Benefit Fund is a reserve for unemployment claims.

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

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

4. Fund Types, continued

**Proprietary Funds, continued**

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

**Fiduciary Fund** – Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary fund consists of the following:

**Activity Fund:** This fund is used to account for assets held by the District in a trustee/agency capacity for various school organizations and activities.

5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statement of assets, liabilities, and fund balances - governmental funds.

Proprietary fund capital assets result from expenditures in the Nutrition Fund. These assets are reported in the business-type activities column of the government-wide statement of net position, but are not reported in the fund financial statement of net position.

The District has a \$5,000 capitalization threshold. Capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

5. Capital Assets, continued

Capital assets not being depreciated include land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The District has established estimated useful lives as follows:

<u>Description</u>	<u>Estimated Useful Lives in Years</u>
Buildings	30
Furniture and Equipment (including vehicles and computer equipment)	5

6. Investments and Cash Pools

The District maintains an investment pool that is available for use by all funds. The pool consists of an interest-bearing sweep account and Wells Fargo money market funds. Each fund's equity in this pool is included in investments. The District also maintains a pooled checking account for the District's disbursements. Each fund's equity in this pool is included in cash. In addition, other cash and investments are separately held by the Bond Fund, Special Building Fund, Employee Benefit Fund, Contingency Fund, and Activity Fund.

Investments are carried at fair value. Fair value of the equity in the Nebraska School District Liquid Asset Fund Plus is the same as the value of the pool shares determined using the fair value of each pool's underlying investment portfolio.

Investment earnings include interest income and the net change for the year in the fair value of investments carried at fair value. Investment income earned in the pooled accounts is allocated to the participating funds in proportion to the average balances in each fund. Other investment income is assigned to the funds with which the related investment asset is associated.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

6. Investments and Cash Pools, continued

The Grand Island Education Foundation, Inc., follows the Financial Accounting Standards Board (FASB) Codification regarding *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB Codification guidance, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net position. Investment income and gains restricted by a donor are reported as increases in unrestricted net position if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

7. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

8. Estimates

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

9. Contributions

The component unit accounts for contributions in accordance with the recommendations of the FASB Codification regarding *Accounting for Contributions Received and Contributions Made*. In accordance with FASB Codification guidance, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

9. Contributions, continued

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net position depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions.

10. Pledges Receivable

Unconditional pledges receivable for the component unit are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**NOTE B – BUDGET PROCESS AND PROPERTY TAXES**

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

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

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

1. As of August 1, or shortly thereafter, Administration of the District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued**

3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Total actual expenditures may not legally exceed the Total Budget of Expenditures. Appropriations for expenditures lapse at year end and any revisions require a public hearing and Board approval.
5. The county clerk certifies a preliminary property tax rate for each fund of the School District which levied property taxes in the county the previous year. For school systems with multiple school districts, the county clerk certifies to each school district the combined valuation of the school system and the proportion of valuation of each district. The county clerk also certifies the preliminary levies based on the combined valuation and the amount requested for the school system for the prior year. The preliminary levy shall be the final levy unless the School Board passes, by a majority vote, a resolution setting a levy at a different amount. For school systems with multiple school districts, the School Board of the Class III school district, or kindergarten through grade twelve district, shall have the authority to set the tax rate for the school system.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with the procedures discussed above, which attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

The assessed value at August 31, 2017, upon which the 2018 levy was based was \$3,104,882,584.

The tax levy per \$100 of assessed valuation of taxable property for the year ended August 31, 2018, was as follows:

General Fund	\$ 1.0400
Bond Fund	0.1940
Special Building Fund	0.0100
Qualified Capital Purpose Fund	<u>0.0300</u>
	<u>\$ 1.2740</u>

Actual disbursements in the Activity Fund exceeded budgeted appropriations by \$412,396.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE C – CASH AND INVESTMENTS**

***Cash***

At August 31, 2018, the carrying value of the District's deposits was \$52,729,005 and the bank balance was \$54,218,129. 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.

As of August 31, 2018, all bank deposits were secured by FDIC coverage and pledged securities. All securities are held by the pledging financial institution, but not in the School District's name.

Cash for the School District at August 31, 2018 consisted of the following:

Cash on hand	\$ 13,096
Demand deposits	10,947,976
Wells Fargo interest-bearing sweep account	11,650,569
Total cash	<u><u>\$ 22,611,641</u></u>

***Investments***

For reporting purposes the School District's investments, which are carried at market value, consisted of the following at August 31, 2018:

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE C – CASH AND INVESTMENTS, continued**

*Investments, continued*

General Fund	\$	4,331,651
Bond Fund		5,046,326
Contingency Fund		1,035,835
Employee Benefit Fund		3,042,069
Qualified Capital Purpose Undertaking Fund		3,020,872
Building Fund		13,640,611
Total investments		\$ 30,117,364

The Nebraska Liquid Asset Fund is similar in nature to an open-end mutual fund designed specifically for Nebraska school entities, investing only in those securities allowable for such entities under Nebraska Law; and, as such, is not considered a security for purposes of categorization of credit risk as provided in GASB Statement No. 3. A portion (\$11,018,617) of the Building Fund account is an NLAF Managed Account consisting of the following holdings as of August 31, 2018:

	<u>Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain (Loss)</u>
NLAF Managed Account:			
Federal Agency Bonds/Notes	\$11,018,617	\$11,094,306	\$ (75,689)

Investment income (loss) for the Special Building Fund consisted of the following for the year ended August 31, 2018:

Interest income	\$	72,057
Managed account interest income		189,887
Realized gain on investments		67,139
Unrealized loss on investments		(94,958)
Total investment income (loss)		\$ 234,125



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE C – CASH AND INVESTMENTS, continued**

*Summary of Carrying Values*

The carrying values of cash and investments shown above are included in the fund financial statements at August 31, 2018, as follows:

Carrying value	
Cash	\$ 22,611,641
Investments	30,117,364
Cash and investments	<u>\$ 52,729,005</u>

Included in the following fund financial statements captions:

Statement of Net Position - Governmental Activities	
Cash and investments	\$ 27,426,565
Cash restricted for building projects	12,772,059
Cash restricted for debt service	5,048,712
Cash restricted for qualified capital purposes	3,428,627
Statement of Net Position - Business-type Activities	
Cash	2,006,209
Statement of Net Position - Fiduciary Funds	
Activity Fund - Cash	<u>2,046,833</u>
	<u>\$ 52,729,005</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE C – CASH AND INVESTMENTS, continued**

***Component Unit***

The carrying values of cash and investments for the Grand Island Education Foundation, Inc. are made up of the following at August 31, 2018:

Carrying value:		
Cash		\$ 5,665,813
Certificates of deposit		4,764,485
Investments		5,697,804
Cash and investments		<u>\$ 16,128,102</u>

Investments are stated at fair value at August 31, 2018, and consist of mutual funds as follows:

	<u>Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain (Loss)</u>
Mutual funds:			
Income Fund of America - Class A	\$ 3,913,611	\$ 3,034,843	\$ 878,768
Capital World Growth & Income - Class A	278,805	191,606	87,199
America Balanced Fund	10,170	7,434	2,736
American Capital World Growth & Income	<u>9,473</u>	<u>7,597</u>	<u>1,876</u>
Total mutual funds	4,212,059	3,241,480	970,579
Common stock:			
Abbvie Inc	345,528	181,587	163,941
Eli Lilly & Co	227,676	117,329	110,347
Johnson & Johnson	320,562	162,445	158,117
Microsoft	<u>591,979</u>	<u>162,371</u>	<u>429,608</u>
Total common stock	<u>1,485,745</u>	<u>623,732</u>	<u>862,013</u>
Total	<u>\$ 5,697,804</u>	<u>\$ 3,865,212</u>	<u>\$ 1,832,592</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE D – FUNDS HELD BY COUNTY TREASURERS**

The following receipts were held by County Treasurers for the School District at August 31, 2018. The receipts were transferred subsequent to the fiscal year ended August 31, 2018.

General Fund	\$ 8,722,605
Bond Fund	1,685,268
Building Fund	80,245
Qualified Capital Purpose Fund	241,381
Total cash with County Treasurers at August 31, 2018	\$10,729,499

**NOTE E – CAPITAL ASSETS**

Capital asset balances and activity for the year ended August 31, 2018, were as follows:

	Balance August 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclass</u>	Balance August 31, <u>2018</u>
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 3,034,775	\$ 155,687	\$ -	\$ -	\$ 3,190,462
Construction in progress	1,925,500	16,608,406	-	-	18,533,906
Capital assets being depreciated:					
Buildings	173,739,398	4,644,330	-	-	178,383,728
Furniture and equipment:					
Vehicles	2,706,042	508,379	(67,765)	-	3,146,656
Computer equipment	7,552,918	129,828	(159,388)	-	7,523,358
Equipment	9,058,486	373,863	(649,251)	-	8,783,098
Total furniture and equipment	19,317,446	1,012,070	(876,404)	-	19,453,112
Total capital assets	198,017,119	22,420,493	(876,404)	-	219,561,208
Less accumulated depreciation:					
Buildings	(69,141,562)	(3,666,980)	-	-	(72,808,542)
Furniture and equipment:					
Vehicles	(2,485,663)	(21,830)	67,765	-	(2,439,728)
Computer equipment	(4,560,694)	(253,830)	159,388	-	(4,655,136)
Equipment	(7,615,488)	(369,348)	649,251	-	(7,335,585)
Total furniture and equipment	(14,661,845)	(645,008)	876,404	-	(14,430,449)
Total accumulated depreciation	(83,803,407)	(4,311,988)	876,404	-	(87,238,991)
Net capital assets	\$ 114,213,712	\$ 18,108,505	\$ -	\$ -	\$ 132,322,217

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE E – CAPITAL ASSETS, continued**

Included in governmental activities equipment are copiers under capital lease arrangements with a cost of \$501,329 and accumulated depreciation of \$250,665 at August 31, 2018.

Construction in progress at August 31, 2018, consists of \$9,542,138 on the Stolley Park building project, \$7,950,009 on the Jefferson building project, \$297,645 on the Kneale administration building project, \$46,042 on the GISH street improvement project, \$76,855 on the West Lawn roof project, \$515,042 on the GISH stadium project, and \$106,175 on the GISH academies project. Additional details on construction commitments are provided in Note M.

	Balance August 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2018</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Buildings	\$ 2,549,132	\$ 9,423	\$ -	\$ 2,558,555
Furniture and equipment:				
Vehicles	313,789	-	-	313,789
Computer equipment	97,244	-	-	97,244
Equipment	1,287,531	82,069	-	1,369,600
Total furniture and equipment	<u>1,698,564</u>	<u>82,069</u>	<u>-</u>	<u>1,780,633</u>
Total capital assets	4,247,696	91,492	-	4,339,188
Less accumulated depreciation:				
Buildings	(619,033)	(84,971)	-	(704,004)
Furniture and equipment:				
Vehicles	(313,789)	-	-	(313,789)
Computer equipment	(60,463)	(2,937)	-	(63,400)
Equipment	(1,243,787)	(9,656)	-	(1,253,443)
Total furniture and equipment	<u>(1,618,039)</u>	<u>(12,593)</u>	<u>-</u>	<u>(1,630,632)</u>
Total accumulated depreciation	<u>(2,237,072)</u>	<u>(97,564)</u>	<u>-</u>	<u>(2,334,636)</u>
Net capital assets	<u>\$ 2,010,624</u>	<u>\$ (6,072)</u>	<u>\$ -</u>	<u>\$ 2,004,552</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES**

Long-term liability balances and activity for the year ended August 31, 2018, were as follows:

	Balance August 31, <u>2017</u>	<u>Proceeds</u>	<u>Principal Payments</u>	Balance August 31, <u>2018</u>	Due Within One <u>Year</u>
<u>Business-type activities:</u>					
Certificates of participation	\$ -	\$ 409,000	\$ -	\$ 409,000	\$ 54,000
<u>Governmental activities:</u>					
Capital lease payable	\$ 396,328	\$ -	\$ (98,203)	\$ 298,125	\$ 100,224
Limited tax obligation bonds	8,310,000	-	(425,000)	7,885,000	720,000
General obligation bonds	91,095,000	-	(2,410,000)	88,685,000	2,385,000
Total governmental long-term liabilities	<u>\$ 99,801,328</u>	<u>\$ -</u>	<u>\$ (2,933,203)</u>	<u>\$96,868,125</u>	<u>\$ 3,205,224</u>

Payments on the capital lease payable are made by the General Fund. The general obligation bonds are paid by the Bond Fund. The limited tax obligation bonds are paid by the Qualified Capital Purpose Fund.

**Detail of the Nutrition Fund Certificates of Participation follows:**

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Central kitchen equipment

Amount: \$409,000

Dated: May 14, 2018

Interest Rate: 1.75 – 2.60%

Principal Due: December 15 and June 15, commencing December 15, 2018 through June 15, 2025.

Interest Due: December 15 and June 15, commencing December 15, 2018 through June 15, 2025.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the Nutrition Fund Certificates of Participation follows, continued:**

<u>Fiscal Year</u>	<u>Coupon Rate</u>	<u>-----December 15----- Principal</u>	<u>Interest</u>	<u>-----June 15----- Principal</u>	<u>Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
							\$ 409,000
2018-2019	1.75-2.20%	\$ 27,000	\$ 4,864	\$ 27,000	\$ 4,628	\$ 63,492	355,000
2019-2020	2.20%	28,000	4,331	28,000	4,023	64,354	299,000
2020-2021	2.20%	28,000	3,715	29,000	3,407	64,122	242,000
2021-2022	2.20-2.60%	29,000	3,088	29,000	2,769	63,857	184,000
2022-2023	2.60%	30,000	2,392	30,000	2,002	64,394	124,000
2023-2024	2.60%	30,000	1,612	31,000	1,222	63,834	63,000
2024-2025	2.60%	31,000	819	32,000	416	64,235	-
		\$ 203,000	\$ 20,821	\$ 206,000	\$ 18,467	\$ 448,288	

**Detail of the General Obligation Bonds follows:**

General Obligation Bonds – 2011

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Refunding Series 2003 bonds

Amount: \$9,995,000

Dated: September 28, 2011

Interest Rate: 0.45 - 1.75%

Principal Due: December 1 commencing 2011 to 2018

Interest Due: December 1 and June 1 commencing 2011 to 2018

Callable: September 28, 2016

A schedule of the remaining bond principal and interest attributable to the 2011 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	<u>-----December 1----- Principal</u>	<u>Interest</u>	<u>June 1 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
						\$ 985,000
2018-2019	1.75%	\$ 985,000	\$ 8,619	\$ -	\$ 993,619	-

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the General Obligation Bonds follows, continued:**

General Obligation Bonds – 2012

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Refunding the Series 2005 and 2008 bonds

Amount: \$21,340,000

Dated: March 15, 2012

Interest Rate: 2.0 - 4.0%

Principal Due: December 15 commencing 2012 to 2025

Interest Due: December 15 and June 15 commencing 2012 to 2025

Callable: December 15, 2021

A schedule of the remaining bond principal and interest attributable to the 2012 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	<u>-----December 15-----</u>		<u>June 15 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			
						\$ 18,555,000
2018-2019	2.00%	\$ 425,000	\$ 320,463	\$ 316,212	\$ 1,061,675	18,130,000
2019-2020	3.00%	2,485,000	316,213	278,937	3,080,150	15,645,000
2020-2021	3.00%	2,560,000	278,938	240,537	3,079,475	13,085,000
2021-2022	3.00%	2,635,000	240,538	201,012	3,076,550	10,450,000
2022-2023	3.40%	2,715,000	201,013	154,700	3,070,713	7,735,000
2023-2024	4.00%	2,820,000	154,700	98,300	3,073,000	4,915,000
2024-2025	4.00%	2,935,000	98,300	39,600	3,072,900	1,980,000
2025-2026	4.00%	1,980,000	39,600	-	2,019,600	-
		<u>\$18,555,000</u>	<u>\$ 1,649,765</u>	<u>\$ 1,329,298</u>	<u>\$ 21,534,063</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the General Obligation Bonds follows, continued:**

General Obligation Bonds – 2014

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Five year construction plan at seven schools

Amount: \$51,215,000

Dated: December 1, 2014

Interest Rate: 3.0 - 5.0%

Principal Due: December 15 commencing 2030 to 2039

Interest Due: December 15 and June 15 commencing 2015 to 2039

Callable: December 15, 2024

A schedule of the remaining bond principal and interest attributable to the 2014 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	-----December 15-----		<u>June 15 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			\$
2018-2019		\$ -	\$ 1,188,525	\$ 1,188,525	\$ 2,377,050	50,460,000
2019-2020		-	1,188,525	1,188,525	2,377,050	50,460,000
2020-2021		-	1,188,525	1,188,525	2,377,050	50,460,000
2021-2022		-	1,188,525	1,188,525	2,377,050	50,460,000
2022-2023		-	1,188,525	1,188,525	2,377,050	50,460,000
2023-2024		-	1,188,525	1,188,525	2,377,050	50,460,000
2024-2025		-	1,188,525	1,188,525	2,377,050	50,460,000
2025-2026		-	1,188,525	1,188,525	2,377,050	50,460,000
2026-2027		-	1,188,525	1,188,525	2,377,050	50,460,000
2027-2028		-	1,188,525	1,188,525	2,377,050	50,460,000
2028-2029		-	1,188,525	1,188,525	2,377,050	50,460,000
2029-2030		-	1,188,525	1,188,525	2,377,050	50,460,000
2030-2031	5.00%	2,920,000	1,188,525	1,115,525	5,224,050	47,540,000
2031-2032	4.00%	4,360,000	1,115,525	1,028,325	6,503,850	43,180,000
2032-2033	5.00%	4,565,000	1,028,325	914,200	6,507,525	38,615,000
2033-2034	5.00%	4,795,000	914,200	794,325	6,503,525	33,820,000
2034-2035	4.00%	5,015,000	794,325	694,025	6,503,350	28,805,000
2035-2036	4.00%	5,220,000	694,025	589,625	6,503,650	23,585,000
2036-2037	5.00%	5,460,000	589,625	453,125	6,502,750	18,125,000
2037-2038	5.00%	5,745,000	453,125	309,500	6,507,625	12,380,000
2038-2039	5.00%	6,035,000	309,500	158,625	6,503,125	6,345,000
2039-2040	5.00%	6,345,000	158,625	-	6,503,625	-
		<u>\$ 50,460,000</u>	<u>\$ 21,508,100</u>	<u>\$ 20,319,575</u>	<u>\$ 92,287,675</u>	



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the General Obligation Bonds follows, continued:**

General Obligation Bonds – 2017

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)  
 Purpose: Balance of bonds approved for five year construction plan at seven schools  
 Amount: \$18,685,000  
 Dated: April 7, 2017  
 Interest Rate: 1.0 - 5.0%  
 Principal Due: December 15 commencing 2018 to 2030  
 Interest Due: December 15 and June 15 commencing 2017 to 2030  
 Callable: December 15, 2027

A schedule of the remaining bond principal and interest attributable to the 2017 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	-----December 15-----		<u>June 15</u>	<u>Total</u>	<u>Principal</u>
		<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Payments</u>	<u>Balance</u>
						\$ 18,685,000
2018-2019	1.00%	\$ 975,000	\$ 413,617	\$ 408,743	\$ 1,797,360	17,710,000
2019-2020	3.00%	85,000	408,742	407,468	901,210	17,625,000
2020-2021	3.00%	85,000	407,467	406,193	898,660	17,540,000
2021-2022	3.00%	95,000	406,192	404,768	905,960	17,445,000
2022-2023	3.00%	105,000	404,767	403,193	912,960	17,340,000
2023-2024	2.20%	105,000	403,192	402,038	910,230	17,235,000
2024-2025	3.00%	105,000	402,037	400,463	907,500	17,130,000
2025-2026	5.00%	1,490,000	400,462	363,213	2,253,675	15,640,000
2026-2027	5.00%	3,375,000	363,212	278,838	4,017,050	12,265,000
2027-2028	5.00%	3,550,000	278,837	190,088	4,018,925	8,715,000
2028-2029	3.50%	3,705,000	190,087	125,250	4,020,337	5,010,000
2029-2030	5.00%	3,865,000	125,250	28,625	4,018,875	1,145,000
2030-2031	5.00%	1,145,000	28,625	-	1,173,625	-
		<u>\$ 18,685,000</u>	<u>\$ 4,232,487</u>	<u>\$ 3,818,880</u>	<u>\$ 26,736,367</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the Limited Tax Obligation Bonds follows:**

Limited Tax Obligation Bonds - 2015

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Refinancing the 2009 Build America Bonds

Amount: \$4,445,000

Dated: February 9, 2015

Interest Rate: 0.35 – 2.40%

Principal Due: December 15 commencing 2015 to 2024

Interest Due: December 15 and June 15 commencing 2015 to 2024

A schedule of the remaining bond principal and interest attributable to the 2015 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	-----December 15-----		<u>June 15 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			
						\$ 3,175,000
2018-2019	1.25%	\$ 430,000	\$ 30,396	\$ 27,709	\$ 488,105	2,745,000
2019-2020	1.50%	435,000	27,709	24,446	487,155	2,310,000
2020-2021	1.75%	445,000	24,446	20,553	489,999	1,865,000
2021-2022	2.00%	450,000	20,553	16,052	486,605	1,415,000
2022-2023	2.15%	460,000	16,052	11,108	487,160	955,000
2023-2024	2.25%	470,000	11,108	5,820	486,928	485,000
2024-2025	2.40%	485,000	5,820	-	490,820	-
		<u>\$ 3,175,000</u>	<u>\$ 136,084</u>	<u>\$ 105,688</u>	<u>\$ 3,416,772</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the Limited Tax Obligation Bonds follows, continued:**

Limited Tax Obligation Bonds - 2016

Issuer: Hall County School District 002 (Grand Island, Nebraska, School District)

Purpose: Costs of qualified capital purpose undertaking projects

Amount: \$4,710,000

Dated: December 23, 2016

Interest Rate: 1.35 – 3.00%

Principal Due: December 15 commencing 2018 to 2027

Interest Due: December 15 and June 15 commencing 2017 to 2027

A schedule of the remaining bond principal and interest attributable to the 2016 issue follows:

<u>Fiscal Year</u>	<u>Coupon Rate</u>	-----December 15-----		<u>June 15 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			
						\$ 4,710,000
2018-2019	1.35%	\$ 290,000	\$ 58,950	\$ 56,993	\$ 405,943	4,420,000
2019-2020	1.60%	295,000	56,992	54,633	406,625	4,125,000
2020-2021	1.80%	300,000	54,632	51,933	406,565	3,825,000
2021-2022	2.00%	305,000	51,932	48,883	405,815	3,520,000
2022-2023	2.20%	310,000	48,882	45,473	404,355	3,210,000
2023-2024	2.35%	320,000	45,472	41,713	407,185	2,890,000
2024-2025	2.50%	325,000	41,712	37,650	404,362	2,565,000
2025-2026	2.87%	830,000	37,650	25,725	893,375	1,735,000
2026-2027	2.93%	855,000	25,725	13,200	893,925	880,000
2027-2028	3.00%	880,000	13,200	-	893,200	-
		<u>\$ 4,710,000</u>	<u>\$ 435,147</u>	<u>\$ 376,203</u>	<u>\$ 5,521,350</u>	

**Detail of the Capital Lease follows:**

Capital Lease

On August 11, 2016, the School District entered into a 60-month capital lease for district copiers and printers expiring in 2021. The principal balance due on this lease was \$492,548 at August 31, 2018, and it bears interest of 2.04 percent. Monthly principal and interest payments of \$8,781 are due commencing August 11, 2016 through July 11, 2021.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE F – LONG-TERM LIABILITIES, continued**

**Detail of the Capital Lease follows, continued:**

Remaining principal and interest due on the capital lease are:

<u>Fiscal Year</u>	<u>Capital Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018-2019	\$ 100,224	\$ 5,148	\$ 105,372
2019-2020	102,288	3,084	105,372
2020-2021	95,613	978	96,591
	<u>\$ 298,125</u>	<u>\$ 9,210</u>	<u>\$ 307,335</u>

Combined long-term debt service requirements at August 31, 2018, are:

<u>Year Ended</u> <u>August 31,</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,205,224	\$ 4,023,900	\$ 7,229,124	\$ 54,000	\$ 9,492	\$ 63,492
2020	3,402,288	3,955,274	7,357,562	56,000	8,354	64,354
2021	3,485,613	3,862,727	7,348,340	57,000	7,122	64,122
2022	3,485,000	3,766,980	7,251,980	58,000	5,857	63,857
2023	3,590,000	3,662,238	7,252,238	60,000	4,394	64,394
2024-2028	20,525,000	16,102,925	36,627,925	61,000	2,834	63,834
2029-2033	20,560,000	11,642,362	32,202,362	63,000	1,235	64,235
2034-2038	26,235,000	6,285,900	32,520,900	-	-	-
2039-2043	12,380,000	626,750	13,006,750	-	-	-
	<u>\$ 96,868,125</u>	<u>\$ 53,929,056</u>	<u>\$150,797,181</u>	<u>\$ 409,000</u>	<u>\$ 39,288</u>	<u>\$ 448,288</u>

**NOTE G – PENSION PLAN**

**Plan Description**

Hall County School District #2 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.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE G – PENSION PLAN, continued**

**Plan Description, continued**

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, 2017, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

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

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

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

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.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE G – PENSION PLAN, continued**

**Plan Description, continued**

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, 2018, the District's total payroll for all employees was \$71,305,052. Total covered payroll was \$68,928,647. 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, 2016, to June 30, 2017 (and from July 1, 2017 through August 31, 2018). 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, 2018, was \$6,808,634.

**Pension Liabilities**

At June 30, 2017 the District had a liability of \$47,083,226 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERs School Plan was 87.25% funded as of June 30, 2017 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, 2017, the District's proportion was 2.972865 percent, which was a decrease of 0.021673 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District's allocated pension expense was \$4,147,931.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE G – PENSION PLAN, continued**

**Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The School Plan’s post-retirement 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, 2014, valuations for the School plan is 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.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE G – PENSION PLAN, continued**

**Actuarial Assumptions, continued**

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, 2017, (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 US Equity	26.1%	5.83%
Small Cap US 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	100.0%	

\*Arithmetic mean, net of investment expenses.

**Discount Rate**

The discount rate used to measure the Total Pension Liability at June 30, 2017, was 7.5 percent. The discount rate used to measure the Total Pension Liability at June 30, 2016, was 8.0 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.



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE G – PENSION PLAN, continued**

**Discount Rate, continued**

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2116.

**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:

	<u>Discount rate</u>	<u>District's proportionate Share of net pension liability</u>
1% decrease	6.5%	\$97,177,423
Current discount rate	7.5%	\$47,083,226
1% increase	8.5%	\$5,707,159

**Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained via the internet at [http://www.auditors.nebraska.gov/APA\\_Reports](http://www.auditors.nebraska.gov/APA_Reports).

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE H – ANNEXATION**

As a result of the City of Grand Island annexation ordinances, the Grand Island School District acquired portions of School Districts #3, #30, and #38 as of August 15, 1985. With District #3, an arrangement was made to split tax receipts from the annexed area until the 1994-95 school year subject to a per pupil cost limitation. Students in the annexed area born before the date of annexation attended District #3; those born after the date of annexation could, until the 2004-2005 school year, attend the school of their choice. Subsequent to the 2004-2005 school year, all students in the annexed area attend Grand Island Public Schools unless they use enrollment options or enroll in private schools.

**NOTE I – RISK MANAGEMENT**

The School District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk of exposure to the School District.

Settled claims in the past three years have not exceeded the coverages.

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the School District's investments at August 31, 2018 are held in the name of the School District. The underlying securities consist of a Wells Fargo interest-bearing sweep account, Wells Fargo Money Market Funds, and Nebraska Liquid Asset Funds.

***Interest Rate Risk.*** As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The Nebraska Liquid Asset Fund certificate of deposit maturities and managed account investments are as follows:

<u>Maturity Date by Month</u>	<u>Amount</u>
September 2018	\$ 1,939,802
October 2018	494,000
November 2018	3,031,390
December 2018	3,945,000
January 2019	1,953,003

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE I – RISK MANAGEMENT, continued**

**Deposits and Investments, continued**

*Interest Rate Risk, continued*

March 2019	2,438,715
April 2019	729,000
May 2019	726,000
June 2019	4,605,500
August 2019	<u>6,339,207</u>
	<b>\$ <u>26,201,617</u></b>

**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The School District’s investments consist of certificates of deposit, a Wells Fargo interest-bearing sweep account, Wells Fargo Money Market Funds, and Nebraska Liquid Asset Funds, minimizing credit risk associated with the School District’s investment portfolio.

**Concentration of Credit Risk.** The School District’s investment policy places no limit on the amount that may be invested in any one issuer. At August 31, 2018, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Wells Fargo Bank	\$ 20,560,711
Nebraska Liquid Asset Fund	30,117,365
Five Points Bank	<u>2,037,833</u>
	<b>\$ <u>52,715,909</u></b>

**Foreign Currency Risk.** This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District’s investments had no exposure to foreign currency risk and the School District held no investments denominated in foreign currency at August 31, 2018.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE J – INTERFUND ACTIVITY**

The School District transferred \$250,000 from the General Fund to the Activity Fund during the year ended August 31, 2018, for annual activities support.

The following transfers were also made from the General Fund during the year ended August 31, 2018. These transfers between governmental funds were eliminated from the totals presented on page 18.

<u>Fund Receiving Transfer</u>	<u>Amount</u>	<u>Purpose</u>
Cooperative Fund	\$ 1,988,731	Federal grants
Depreciation Fund	<u>1,600,000</u>	Future purchases
	<u>\$ 3,588,731</u>	

**NOTE K – TAX ABATEMENT**

The School District is subject to tax abatements granted by Grand Island Community Redevelopment Authority, a component unit of the City of Grand Island, 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, 2018 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	<u>\$ 994,317</u>

**NOTE L – SECTION 125 PLAN**

The District has a Section 125 Cafeteria Plan for the benefit of its employees. At August 31, 2018, the Section 125 checking account had a balance of \$171,329. The balance of unclaimed employee funds for the plan year as of August 31, 2018, was \$81,136. The \$90,193 remaining cash balance represents prior-year employee forfeitures.

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE M – CONSTRUCTION COMMITMENTS**

At August 31, 2018, the District had the following commitments on construction projects:

<u>Description</u>	<u>Contractual Commitments</u>	<u>Amount Paid on Contracts as of 8/31/18</u>	<u>Remaining Commitment</u>	<u>Expected Completion Date</u>
Admin building engineering	\$ 15,000	\$ 12,000	\$ 3,000	November 2018
Admin building construction	945,840	189,358	756,482	November 2018
Barr building addition	12,088,179	11,938,179	150,000	December 2018
CPI Academies architectural fees	195,440	29,316	166,124	September 2019
West Lawn roof	184,394	76,855	107,539	October 2018
Starr building construction	16,559,087	16,459,087	100,000	December 2018
Food service equipment	366,193	-	366,193	December 2018
GISH stadium architectural fees	831,000	457,050	373,950	September 2020
GISH stadium engineering fees	105,496	10,550	94,946	September 2020
Jefferson architectural fees	610,274	560,802	49,472	August 2019
Jefferson environmental controls	211,823	52,955	158,868	August 2019
Jefferson building construction	12,325,670	6,598,074	5,727,596	August 2019
Stolley Park environmental controls	219,985	175,988	43,997	April 2019
Stolley Park engineering fees	238,400	223,500	14,900	April 2019
Stolley Park building construction	12,140,849	8,786,803	3,354,046	April 2019
GISH signage	21,912	10,956	10,956	November 2018
GISH street paving project	212,121	25,362	186,759	October 2018
GISH fire detection system	251,773	-	251,773	November 2019
Knickrehm fire sprinklers	201,902	170,302	31,600	October 2018
Seedling Mile fire sprinklers	139,885	84,585	55,300	October 2018
	<u>\$ 57,865,223</u>	<u>\$ 45,861,722</u>	<u>\$ 12,003,501</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2018**

**NOTE N – CONTINGENCIES**

The District is involved in pending lawsuits and claims on matters containing allegations relating to discrimination, personal injury, negligence and treatment of students. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. District management estimates that such litigation and claims will ultimately be resolved without material financial liability to the District in excess of applicable insurance coverage. However, events could occur in the near term that would change this estimate materially.

**NOTE O – PLEDGES RECEIVABLE**

For the year ended August 31, 2018, the component unit considered pledges receivable to be fully collectible; accordingly, no allowance for uncollectible pledges was recorded.

Pledges receivable activity for the year ended August 31, 2018, is as follows:

Pledges receivable at beginning of year	\$ 76,174
New pledges	8,812,201
Less: Collections	<u>(8,536,952)</u>
Pledges receivable at end of year	<u><u>\$ 351,423</u></u>

Pledges outstanding at August 31, 2018, are expected to be collected as follows:

Receivable in less than one year	\$ 211,143
Receivable in one to five years	<u>140,280</u>
	<u><u>\$ 351,423</u></u>

**NOTE P – MEMORIAL STADIUM PROJECT**

As of August 31, 2018, the Foundation component unit had raised \$10,281,979 for the expansion and renovation of Memorial Stadium at GISH. The funds will be granted to the District at the time of the execution of a contract with a construction company to complete the project. The execution of a contract is expected to be done by Spring 2019.

**NOTE Q – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 25, 2018, the date on which the financial statements were available for issue.

**SUPPLEMENTARY AND OTHER INFORMATION**

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

**Year ended August 31, 2018**

Function Code	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget	
<b>RECEIPTS</b>				
Local receipts:				
1110	Local property taxes	\$ 31,967,887	\$ 29,174,422	\$ (2,793,465)
1115	Carline tax	30,000	28,777	(1,223)
1125	Motor vehicle taxes	4,000,000	3,783,282	(216,718)
1410	Interest	10,000	27,720	17,720
1610	Local license fees	260,000	111,238	(148,762)
1620	Police court fines	-	11,650	11,650
1925	Donations	-	10,000	10,000
1990	Other local receipts	25,000	25,001	1
	Total local receipts	<u>36,292,887</u>	<u>33,172,090</u>	<u>(3,120,797)</u>
County receipts:				
2110	County fines and license fees	1,250,000	731,689	(518,311)
State receipts				
3110	State aid	54,551,630	54,551,630	-
3120	Special education programs	6,000,000	5,968,626	(31,374)
3125	Special education transportation	150,000	98,339	(51,661)
3130	Homestead exemption	-	1,251,021	1,251,021
3131	Property tax credit	-	1,181,045	1,181,045
3132	Personal property tax credit	-	120,474	120,474
3135	Payment for High Ability Learners	50,000	45,077	(4,923)
3180	Pro-rate motor vehicle	150,000	94,117	(55,883)
3200	State apportionment	2,000,000	1,541,170	(458,830)
3512	Distance education incentive payments	-	4,284	4,284
3540	State early childhood	100,000	96,865	(3,135)
3541	Early childhood endowment grants	100,000	94,196	(5,804)
3570	Teacher evaluation development grants	-	24,350	24,350
3575	Nebraska Innovation grant program	-	16,706	16,706
3990	Other state receipts	250,000	35,298	(214,702)
	Total state receipts	<u>63,351,630</u>	<u>65,123,198</u>	<u>1,771,568</u>
4000	Federal receipts	<u>9,000,000</u>	<u>5,754,294</u>	<u>(3,245,706)</u>
	Total receipts	109,894,517	104,781,271	(5,113,246)



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND, Continued**

**Year ended August 31, 2018**

Function Code	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>	
<b>EXPENDITURES</b>				
1100	Instructional services	72,882,318	59,127,654	(13,754,664)
1200	Special education	14,000,000	13,636,535	(363,465)
	Support services:			
2100	Pupil	3,050,000	2,782,258	(267,742)
2200	Instructional staff	2,800,000	2,761,572	(38,428)
2300	General administration	2,457,850	2,101,823	(356,027)
2400	School administration	4,250,000	4,311,881	61,881
2500	Business	820,000	509,533	(310,467)
2600	Building and grounds	10,000,000	9,153,025	(846,975)
2700	Pupil transportation	585,000	705,137	120,137
3000	State categorical grants	700,000	681,765	(18,235)
4000	Federal programs	9,000,000	7,481,464	(1,518,536)
8000	Transfer to other funds	250,000	250,000	-
	Total expenditures	<u>120,795,168</u>	<u>103,502,647</u>	<u>(17,292,521)</u>
	<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>\$ (10,900,651)</u>	1,278,624	<u>\$ 12,179,275</u>
	Fund balances - August 31, 2017		<u>26,140,647</u>	
	Fund balances - August 31, 2018		<u>\$ 27,419,271</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
SPECIAL BUILDING FUND**

**Year ended August 31, 2018**

Function Code	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget	
<b>RECEIPTS</b>				
Local receipts:				
1110	Local property taxes	\$ 307,399	\$ 280,507	\$ (26,892)
1115	Carline	500	277	(223)
1410	Investment income	-	234,125	234,125
1990	Donations	-	250,000	250,000
	Total local receipts	<u>307,899</u>	<u>764,909</u>	<u>457,010</u>
State receipts:				
3130	Homestead exemption	-	12,029	12,029
3131	Property tax credit	-	11,356	11,356
3132	Personal property tax credit	-	1,158	1,158
3180	Pro-rate motor vehicle	698	905	207
	Total state receipts	<u>698</u>	<u>25,448</u>	<u>24,750</u>
	Total receipts	308,597	790,357	481,760
<b>EXPENDITURES</b>				
2515	Building acquisition and improvements	<u>29,980,897</u>	<u>19,772,146</u>	<u>(10,208,751)</u>
	<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>\$ (29,672,300)</u>	(18,981,789)	<u>\$ 10,690,511</u>
	Fund balances - August 31, 2017		<u>31,834,093</u>	
	Fund balances - August 31, 2018		<u>\$ 12,852,304</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
DEPRECIATION FUND**

**Year ended August 31, 2018**

Function Code	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RECEIPTS</b>			
Local receipts:			
1410 Interest	\$ 50,000	\$ 21,451	\$ (28,549)
Non-revenue receipts:			
5500 Transfer from General Fund	<u>696,292</u>	<u>1,600,000</u>	<u>903,708</u>
Total receipts	746,292	1,621,451	875,159
<b>EXPENDITURES</b>			
2500 Capital outlay	<u>4,946,292</u>	<u>1,180,229</u>	<u>(3,766,063)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>			
	<u>\$ (4,200,000)</u>	441,222	<u>\$ 4,641,222</u>
Fund balances - August 31, 2017		<u>3,280,472</u>	
Fund balances - August 31, 2018		<u>\$ 3,721,694</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
QUALIFIED CAPITAL PURPOSE FUND**

**Year ended August 31, 2018**

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RECEIPTS</b>				
Local receipts:				
1110	Local property taxes	\$ 922,165	\$ 806,059	\$ (116,106)
1115	Carline	500	830	330
1410	Interest	500	58,915	58,415
	Total local receipts	923,165	865,804	(57,361)
State receipts:				
3130	Homestead exemption	-	36,087	36,087
3131	Property tax credit	-	34,069	34,069
3132	Personal property tax credit	-	3,475	3,475
3180	Pro-rate motor vehicle	1,835	2,283	448
	Total state receipts	1,835	75,914	74,079
	Total receipts	925,000	941,718	16,718
<b>EXPENDITURES</b>				
2515	Capital outlay	4,169,289	907,785	(3,261,504)
Debt service:				
5000	Principal	425,000	425,000	-
5000	Interest	180,711	180,711	-
5000	Other fees	-	800	800
	Total expenditures	4,775,000	1,514,296	(3,260,704)
	<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>\$ (3,850,000)</b>	<b>(572,578)</b>	<b>\$ 3,277,422</b>
	Fund balances - August 31, 2017		4,242,586	
	Fund balances - August 31, 2018		<b>\$ 3,670,008</b>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
COOPERATIVE FUND**

**Year ended August 31, 2018**

Function Code	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final Budget	
<b>RECEIPTS</b>				
Local receipts:				
1230	Tuition received from other districts	\$ 16,500,000	\$ 14,506,104	\$ (1,993,896)
Federal receipts:				
4404	IDEA Part B (611) base allocation	<u>2,250,000</u>	<u>1,988,731</u>	<u>(261,269)</u>
	Total receipts	18,750,000	16,494,835	(2,255,165)
<b>EXPENDITURES</b>				
1200	CNSSP Instruction	16,500,000	14,430,548	(2,069,452)
4000	Federal programs	<u>2,500,000</u>	<u>2,067,280</u>	<u>(432,720)</u>
	Total expenditures	<u>19,000,000</u>	<u>16,497,828</u>	<u>(2,502,172)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>		<u>\$ (250,000)</u>	(2,993)	<u>\$ 247,007</u>
Fund balances - August 31, 2017			<u>988,731</u>	
Fund balances - August 31, 2018			<u>\$ 985,738</u>	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
BOND FUND**

**Year ended August 31, 2018**

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RECEIPTS</b>				
Local receipts:				
1110	Local property taxes	\$ 6,447,317	\$ 5,817,851	\$ (629,466)
1115	Carline	3,500	5,879	2,379
1410	Interest	17,500	54,352	36,852
	Total local receipts	6,468,317	5,878,082	(590,235)
State receipts:				
3130	Homestead exemption	-	255,091	255,091
3131	Property tax credit	-	238,110	238,110
3132	Personal property tax credit	-	24,238	24,238
3180	Pro-rate motor vehicle	13,000	18,251	5,251
	Total state receipts	13,000	535,690	522,690
	Total receipts	6,481,317	6,413,772	(67,545)
<b>EXPENDITURES</b>				
Debt service:				
5000	Principal	2,410,000	2,410,000	-
5000	Interest	4,037,317	4,037,317	-
5000	Other fees	4,000	1,399	(2,601)
	Total expenditures	6,451,317	6,448,716	(2,601)
	<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ 30,000	(34,944)	\$ (64,944)
	Fund balances - August 31, 2017		6,768,924	
	Fund balances - August 31, 2018		\$ 6,733,980	

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**August 31, 2018**

	<u>Contingency Fund</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	<u>\$ 1,026,670</u>	<u>\$ 2,995,797</u>	<u>\$ 4,022,467</u>
<b>FUND BALANCES</b>			
Assigned for:			
Employee benefits	\$ -	\$ 2,995,797	\$ 2,995,797
Contingencies	<u>1,026,670</u>	<u>-</u>	<u>1,026,670</u>
Total fund balances	<u>\$ 1,026,670</u>	<u>\$ 2,995,797</u>	<u>\$ 4,022,467</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

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

**For the year ended August 31, 2018**

	<u>Contingency Fund</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
<b>RECEIPTS</b>			
Interest on investments	\$ 12,987	\$ 37,292	\$ 50,279
<b>DISBURSEMENTS</b>			
Unemployment benefits	-	20,425	20,425
Legal services	9,165	-	9,165
Total disbursements	<u>9,165</u>	<u>20,425</u>	<u>29,590</u>
<b>RECEIPTS OVER DISBURSEMENTS</b>	3,822	16,867	20,689
Fund balances - August 31, 2017	<u>1,022,848</u>	<u>2,978,930</u>	<u>4,001,778</u>
Fund balances - August 31, 2018	<u>\$ 1,026,670</u>	<u>\$ 2,995,797</u>	<u>\$ 4,022,467</u>



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND**

**Year ended August 31, 2018**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>0000 Nondepartmental</u>				
Director of Special Education:				
Grant - Sertoma Club	\$ -	\$ 7,375	\$ 6,644	\$ 731
Executive Director of Information Technology:				
Sale and Purchase of Computers	196,600	63,396	-	259,996
iPad Service Contracts and Repairs	59,322	31,941	86,089	5,174
Executive Director of Business:				
Developmental League	10,000	-	-	10,000
<b>Total Nondepartmental</b>	<b><u>\$ 265,922</u></b>	<b><u>\$ 102,712</u></b>	<b><u>\$ 92,733</u></b>	<b><u>\$ 275,901</u></b>
<u>0916 Administration:</u>				
Assistant Superintendent - Curriculum:				
CCC - AP Courses	\$ 146,284	\$ 42,612	\$ 33,196	\$ 155,700
General	10,462	5,817	-	16,279
Assistant Superintendent - Student Services:				
5K Run/Walk	4,462	13,146	14,708	2,900
ILP - Special Education Senior	-	5,912	5,480	432
Courtesy	740	-	-	740
General	23,527	-	-	23,527
GIMC - Emergency Relief	1,367	-	1,367	-
Multicultural Club	200	-	200	-
Wal-Mart Grant	99	-	99	-
Classroom Mini Grants	159	8,181	8,181	159
Director - Business:				
General	562,984	361,031	492,691	431,324
<b>Total Administration</b>	<b><u>\$ 750,284</u></b>	<b><u>\$ 436,699</u></b>	<b><u>\$ 555,922</u></b>	<b><u>\$ 631,061</u></b>
<u>0918 CNSSP:</u>				
Assistant Superintendent:				
Circle of Friends	\$ 1,077	\$ 3,713	\$ 3,502	\$ 1,288
Director - Student Services:				
Baasch Trust	16,615	-	-	16,615
Patty Lundeen Galraith Fund	66	-	-	66
Transitional living program	1,630	-	-	1,630
Courtesy	621	352	380	593
Special projects	9,112	-	-	9,112
Suicide Prevention Project	5,185	-	1,994	3,191
<b>Total CNSSP</b>	<b><u>\$ 34,306</u></b>	<b><u>\$ 4,065</u></b>	<b><u>\$ 5,876</u></b>	<b><u>\$ 32,495</u></b>
<u>0926 Early Learning Center:</u>				
Building Principal:				
Courtesy	\$ 40	\$ 256	\$ 176	\$ 120
General	1,450	5,022	3,341	3,131
Grant - NDE	10	368	90	288
<b>Total Early Learning Center</b>	<b><u>\$ 1,500</u></b>	<b><u>\$ 5,646</u></b>	<b><u>\$ 3,607</u></b>	<b><u>\$ 3,539</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>1903 Newell Elementary:</u>				
Building Principal:				
Courtesy	\$ 812	\$ 700	\$ 748	\$ 764
General	7,845	12,462	15,985	4,322
PTA or PTO	-	20,117	20,086	31
Student Council	843	-	204	639
<b>Total Newell Elementary</b>	<b><u>\$ 9,500</u></b>	<b><u>\$ 33,279</u></b>	<b><u>\$ 37,023</u></b>	<b><u>\$ 5,756</u></b>
<u>1904 Gates Elementary:</u>				
Building Principal:				
Courtesy	\$ 1,520	\$ -	\$ 176	\$ 1,344
General	1,791	4,295	2,432	3,654
Student Council	1,872	538	1,048	1,362
<b>Total Gates Elementary</b>	<b><u>\$ 5,183</u></b>	<b><u>\$ 4,833</u></b>	<b><u>\$ 3,656</u></b>	<b><u>\$ 6,360</u></b>
<u>1905 Dodge Elementary:</u>				
Building Principal:				
Courtesy	\$ -	\$ 202	\$ 112	\$ 90
Facility rental	25	-	-	25
General	8,216	4,369	6,023	6,562
MCREL ELA project	2,176	-	-	2,176
PTA or PTO	7,252	3,049	1,400	8,901
Student Council	393	-	-	393
<b>Total Dodge Elementary</b>	<b><u>\$ 18,062</u></b>	<b><u>\$ 7,620</u></b>	<b><u>\$ 7,535</u></b>	<b><u>\$ 18,147</u></b>
<u>1906 Starr Elementary:</u>				
Building Principal:				
Character Education	\$ 2,385	\$ 1,276	\$ 582	\$ 3,079
Courtesy	22	810	700	132
General	8,457	17,561	24,037	1,981
PTA	490	2,154	1,974	670
<b>Total Starr Elementary</b>	<b><u>\$ 11,354</u></b>	<b><u>\$ 21,801</u></b>	<b><u>\$ 27,293</u></b>	<b><u>\$ 5,862</u></b>
<u>1907 Howard Elementary:</u>				
Building Principal:				
Action for Healthy Kids	\$ 3,182	\$ 5,659	\$ 4,656	\$ 4,185
Grade 4	317	-	-	317
Courtesy	883	-	-	883
Facility rental	2,652	-	-	2,652
General	10,197	7,945	9,383	8,759
Lounge	89	-	-	89
PTA or PTO	4,220	-	-	4,220
Popcorn sales	59	-	-	59
Student Council	1,443	100	177	1,366
Dollar General Literacy Foundation Grant	3,108	309	-	3,417
<b>Total Howard Elementary</b>	<b><u>\$ 26,150</u></b>	<b><u>\$ 14,013</u></b>	<b><u>\$ 14,216</u></b>	<b><u>\$ 25,947</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>1908 Jefferson Elementary:</u>				
Building Principal:				
All-Star Gentleman Group	\$ 1,621	\$ 2,050	\$ 1,092	\$ 2,579
Books	2,642	10	-	2,652
Facility rental	151	500	535	116
General	5,635	1,432	1,923	5,144
Grade 4	1,507	-	-	1,507
Lounge	165	100	230	35
PTA or PTO	10,976	6,654	-	17,630
Student Council	-	200	142	58
<b>Total Jefferson Elementary</b>	<b><u>\$ 22,697</u></b>	<b><u>\$ 10,946</u></b>	<b><u>\$ 3,922</u></b>	<b><u>\$ 29,721</u></b>
<u>1909 Knickrehm Elementary:</u>				
Building Principal:				
Courtesy	\$ 352	\$ 1,132	\$ 1,070	\$ 414
Garden Club	210	-	49	161
General	7,695	5,433	6,208	6,920
PTA or PTO	55	-	-	55
Student Council	700	465	325	840
<b>Total Knickrehm Elementary</b>	<b><u>\$ 9,012</u></b>	<b><u>\$ 7,030</u></b>	<b><u>\$ 7,652</u></b>	<b><u>\$ 8,390</u></b>
<u>1910 Lincoln Elementary:</u>				
Building Principal:				
Class pictures	\$ 809	\$ -	\$ -	\$ 809
Courtesy	156	61	-	217
Field trips	352	-	-	352
General	2,926	16,482	7,859	11,549
Student Council	1,443	340	575	1,208
<b>Total Lincoln Elementary</b>	<b><u>\$ 5,686</u></b>	<b><u>\$ 16,883</u></b>	<b><u>\$ 8,434</u></b>	<b><u>\$ 14,135</u></b>
<u>1911 Seedling Mile Elementary:</u>				
Building Principal:				
Courtesy	\$ 13	\$ -	\$ -	\$ 13
Facility rental	417	-	-	417
General	6,181	5,856	2,746	9,291
PTA or PTO	15,512	6,604	9,632	12,484
<b>Total Seedling Mile Elementary</b>	<b><u>\$ 22,123</u></b>	<b><u>\$ 12,460</u></b>	<b><u>\$ 12,378</u></b>	<b><u>\$ 22,205</u></b>
<u>1912 Stolley Park Elementary:</u>				
Building Principal:				
Character Education	\$ 452	\$ -	\$ -	\$ 452
Facility rental	1,134	-	-	1,134
General	7,410	156	-	7,566
Library/media	14	-	-	14
<b>Total Stolley Park Elementary</b>	<b><u>\$ 9,010</u></b>	<b><u>\$ 156</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,166</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>1914 Wasmer Elementary:</u>				
Building Principal:				
Courtesy	\$ 562	\$ -	\$ -	\$ 562
General	19,421	17,774	15,067	22,128
MCREL ELA project	4,262	-	-	4,262
<b>Total Wasmer Elementary</b>	<b><u>\$ 24,245</u></b>	<b><u>\$ 17,774</u></b>	<b><u>\$ 15,067</u></b>	<b><u>\$ 26,952</u></b>
<u>1915 West Lawn Elementary:</u>				
Building Principal:				
Adopt-A-School	\$ 2,435	\$ -	\$ 1,485	\$ 950
Character education	2,135	-	1,583	552
Courtesy	26	350	59	317
General	15,063	7,396	2,812	19,647
Museum Madness	180	-	3	177
PTA/PTO/PAB	6,668	16,622	12,301	10,989
HAL playground project	1,672	1,977	-	3,649
Popcorn sales	912	523	294	1,141
Grant - AAA	-	1,199	1,195	4
<b>Total West Lawn Elementary</b>	<b><u>\$ 29,091</u></b>	<b><u>\$ 28,067</u></b>	<b><u>\$ 19,732</u></b>	<b><u>\$ 37,426</u></b>
<u>1923 Shoemaker Elementary:</u>				
Building Principal:				
Grade 4	\$ 191	\$ 500	\$ 652	\$ 39
Grade 5	98	-	-	98
Courtesy	327	-	60	267
Facility rental	4,520	-	-	4,520
General	11,796	13,984	17,398	8,382
PTA or PTO	14,248	21,465	30,884	4,829
<b>Total Shoemaker Elementary</b>	<b><u>\$ 31,180</u></b>	<b><u>\$ 35,949</u></b>	<b><u>\$ 48,994</u></b>	<b><u>\$ 18,135</u></b>
<u>1924 Engleman Elementary:</u>				
Building Principal:				
Character Education	\$ 561	\$ -	\$ 400	\$ 161
Courtesy	111	-	-	111
General	5,538	4,787	4,228	6,097
<b>Total Engleman Elementary</b>	<b><u>\$ 6,210</u></b>	<b><u>\$ 4,787</u></b>	<b><u>\$ 4,628</u></b>	<b><u>\$ 6,369</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	<u>Beginning Balance</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Ending Balance</u>
<u>5900 Senior High:</u>				
Building Principal:				
Facility rental	\$ 2,431	\$ 16,533	\$ 17,607	\$ 1,357
Fellowship of Christian Athletes	300	-	-	300
Fines	15,202	17,712	30,747	2,167
Friends of Rachel	517	-	-	517
General	12,475	74,417	85,914	978
Groundwater Festival	219	-	-	219
Hulagan's	233	240	471	2
Pop	2,334	263	-	2,597
GISH Staff Project	2,906	-	49	2,857
Iams Company Grant	1,000	-	1,000	-
Grant - \$50 to Fail	1,971	-	1,007	964
Gay-Straight Alliance	399	58	98	359
Total Building Principal	39,987	109,223	136,893	12,317
Activities Director:				
Art Department - Fees	1,745	830	1,590	985
Astronomy Club	129	-	-	129
Band	-	18,227	18,226	1
Cheerleaders	9	56,464	56,469	4
Cheerleaders - clinic	3,890	16,328	20,189	29
Class of Seniors	-	14,202	14,198	4
Counseling Dept.	2,783	210	-	2,993
Debate	-	575	574	1
Drama	2,106	8,029	8,811	1,324

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	<u>Beginning Balance</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Ending Balance</u>
<u>5900 Senior High, continued:</u>				
Activities Director, continued:				
Ind. Tech Lab	1,502	-	-	1,502
Islander	16,635	6,350	15,065	7,920
JROTC	8,707	-	8,707	-
JROTC - Clinic	1,352	19,858	14,652	6,558
Key Club	-	385	383	2
Library/media	3,523	505	40	3,988
European Explorers	6,024	1,750	4,392	3,382
Memory Book	-	17,855	1,437	16,418
Multicultural Club	204	-	-	204
National Honor Society	2,601	2,970	3,521	2,050
NSAA	29,793	22,456	18,300	33,949
One-act plays	4,500	1,500	-	6,000
Orchestra	-	5,543	5,361	182
Physical education	2,046	8,540	10,582	4
Robotics	300	1,492	1,789	3
SADD	2,867	1,889	2,661	2,095
Speech	1,373	11,692	7,797	5,268
Spirit Set	-	16,820	8,925	7,895
Spring musical	-	16,720	16,718	2
Student Council	8,009	12,617	7,371	13,255
Testing	1,368	1,020	892	1,496
Theater tickets	-	8,900	8,900	-
Vocal music	1,523	1,100	2,098	525
Vocal - Show Choir	-	30,520	30,519	1
Gay-Straight Alliance	4,126	-	-	4,126
Athletics	23,129	224,847	137,975	110,001
West Gym Scoreboards	-	153,500	153,101	399

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	<u>Beginning Balance</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Ending Balance</u>
<u>5900 Senior High, continued:</u>				
Activities Director, continued:				
Summer clinic - boys BB	4,827	5,931	10,750	8
Summer clinic - girls BB	1,412	15,465	16,875	2
Summer clinic - volleyball	17,005	17,387	31,080	3,312
Summer clinic - football	42,196	43,556	61,908	23,844
Senior High soccer clinic	3,779	46,951	50,730	-
Softball clinic	3,780	14,811	18,506	85
Summer clinic - track	-	10,816	8,924	1,892
Summer clinic - swimming	43	8,558	8,597	4
Summer clinic - tennis	-	6,923	6,920	3
Summer clinic - boys soccer	-	7,553	7,551	2
Cross country	999	18,300	19,299	-
Cross country clinic	1,900	2,729	1,882	2,747
Youth football	19,860	18,324	15,895	22,289
Football	507	80,226	80,729	4
Baseball	-	45,618	45,615	3
Baseball clinic	-	12,701	12,632	69
Golf clinic - boys & girls	-	1,650	1,647	3
Golf - girls	-	6,880	6,875	5
Softball	-	19,047	19,045	2
Tennis - boys	-	3,750	3,535	215
Volleyball	774	22,481	15,268	7,987
Wrestling	-	56,776	56,775	1
Basketball - boys	87	19,464	16,949	2,602
Basketball - girls	512	28,926	13,492	15,946
Basketball - intramural - boys	3,636	-	-	3,636
Swimming	1,949	16,311	18,256	4
Track	-	29,384	29,382	2
Golf - boys	-	6,605	6,602	3
Tennis	96	7,745	7,484	357
Unified sports	502	2,434	1,886	1,050
Soccer	-	27,963	27,962	1
Total Activities Director	<u>234,108</u>	<u>1,288,959</u>	<u>1,204,294</u>	<u>318,773</u>
<b>Total Senior High</b>	<b><u>\$ 274,095</u></b>	<b><u>\$ 1,398,182</u></b>	<b><u>\$ 1,341,187</u></b>	<b><u>\$ 331,090</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	<u>Beginning Balance</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Ending Balance</u>
<u>5901 Barr Middle School:</u>				
Building Principal:				
Art	\$ 236	\$ -	\$ -	\$ 236
Band	989	310	177	1,122
6th Grade	9,534	297	-	9,831
7th Grade	322	-	-	322
8th Grade	4,480	12,229	10,959	5,750
Concessions	205	6,725	6,927	3
Courtesy	-	50	50	-
Exploratory - Purple	302	-	-	302
Drama	1,697	-	-	1,697
Equipment and Facility Rental	481	-	-	481
Fundraiser	342	-	-	342
General	10,632	20,812	21,770	9,674
Hulas - Student Store	102	-	-	102
Library/media	1,682	3,552	3,407	1,827
Physical education	71	-	-	71
Student Council	86	2,373	2,457	2
Vocal Music	5,273	6,867	5,648	6,492
Washington D.C. trip	1,142	610	864	888
Athletics	5,000	55,037	58,034	2,003
Soccer - Boys & Girls	-	22,895	22,891	4
<b>Total Barr Middle School</b>	<b><u>\$ 42,576</u></b>	<b><u>\$ 131,757</u></b>	<b><u>\$ 133,184</u></b>	<b><u>\$ 41,149</u></b>



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	<u>Beginning Balance</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Ending Balance</u>
<u>5902 Walnut Middle School:</u>				
Building Principal:				
Art	\$ 6,830	\$ -	\$ 323	\$ 6,507
Band	2,892	-	470	2,422
Character Education	24	575	595	4
Team 6A	3,984	3,496	2,366	5,114
Team 6B	307	-	-	307
Team 6C	98	-	72	26
Team 7A	1,593	2,665	2,345	1,913
Team 7B	639	-	-	639
Team 8A	717	1,405	2,120	2
Concessions	8,726	17,885	11,164	15,447
Courtesy	-	870	770	100
Facility rental	813	50	-	863
Future Fisherman Grant	653	-	-	653
Fundraiser	7,419	426	-	7,845
General	44,168	30,523	27,707	46,984
Home Economics	6,289	-	-	6,289
Library/media	2,164	1,512	2,581	1,095
Memory	3,789	2,926	4,301	2,414
Newcomers	1,941	1,045	749	2,237
Orchestra	4,990	1,718	1,208	5,500
PTA/PTO/PAB	477	162	-	639
Physical education	16,923	1,235	525	17,633
Financial literacy	2,284	-	92	2,192
Southard Grant	3,045	1,750	2,862	1,933
Staff inservice	565	-	-	565
Student Council	508	954	947	515
Vocal music	7,151	-	869	6,282
Washington D.C. trip	9,783	50,860	42,885	17,758
Grant - Wells Fargo	1,411	-	-	1,411
Athletics	5,005	59,359	62,360	2,004
Soccer - Boys & Girls	-	18,327	18,325	2
<b>Total Walnut Middle School</b>	<b><u>\$ 145,188</u></b>	<b><u>\$ 197,743</u></b>	<b><u>\$ 185,636</u></b>	<b><u>\$ 157,295</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -  
FIDUCIARY FUNDS - ACTIVITY FUND, Continued**

**Year ended August 31, 2018**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>5925 Westridge Middle School:</u>				
Building Principal:				
Character education	\$ 204	\$ -	\$ -	\$ 204
Concessions	7,548	12,032	4,387	15,193
Courtesy	382	240	156	466
Facility rental	2,669	168	-	2,837
General	6,888	34,831	36,456	5,263
Grade 6	874	3,320	3,151	1,043
Grade 7	1,992	2,992	1,969	3,015
Grade 8	440	4,454	4,276	618
Hula's - Student Store	281	-	-	281
Memory Book	13,671	8,510	4,249	17,932
Music	1,418	5,911	3,446	3,883
Washington D.C. trip	-	1,075	1,071	4
Athletics	3,271	62,486	63,752	2,005
Soccer - Boys & Girls	-	18,920	18,917	3
<b>Total Westridge Middle School</b>	<b><u>\$ 39,638</u></b>	<b><u>\$ 154,939</u></b>	<b><u>\$ 141,830</u></b>	<b><u>\$ 52,747</u></b>
<u>5930 - Career Pathways Institute:</u>				
Building Principal:				
CCC Equipment Fund	\$ 13,516	\$ 31,034	\$ 44,550	\$ -
Construction Project	5,582	621,652	370,687	256,547
FBLA	-	6,294	6,293	1
General	6,171	37,062	31,578	11,655
Family & Consumer Science	4,788	219	34	4,973
Medical Pathways - HOSA	-	5,365	5,360	5
Skills U.S.A.	-	22,352	22,350	2
Automotive	4,063	-	-	4,063
Manufacturing	11,787	386	9,693	2,480
Construction	1,927	-	30	1,897
<b>Total Career Pathways Institute</b>	<b><u>\$ 47,834</u></b>	<b><u>\$ 724,364</u></b>	<b><u>\$ 490,575</u></b>	<b><u>\$ 281,623</u></b>
<u>5940 - Success Academy:</u>				
Building Principal:				
General	<b><u>\$ 1,000</u></b>	<b><u>\$ 5,706</u></b>	<b><u>\$ 1,344</u></b>	<b><u>\$ 5,362</u></b>
<b>TOTAL ACTIVITY FUND</b>	<b><u>\$ 1,831,846</u></b>	<b><u>\$ 3,377,411</u></b>	<b><u>\$ 3,162,424</u></b>	<b><u>\$ 2,046,833</u></b>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**STATEMENT OF ACCOUNTS WITH COUNTY TREASURERS -  
HALL AND MERRICK COUNTY TREASURERS**

**Year ended August 31, 2018  
(Unaudited)**

	General <u>Fund</u>	Bond <u>Fund</u>	Building <u>Fund</u>	Qualified Capital Purpose <u>Fund</u>
Balance - August 31, 2017	\$ 9,258,347	\$ 1,597,957	\$ 85,515	\$ 139,497
Receipts:				
Property taxes	29,403,542	5,864,888	282,687	813,142
Motor vehicle tax	3,783,282	-	-	-
Homestead allocation	1,251,021	255,091	12,029	36,087
Pro-rate motor vehicle	94,117	18,251	905	2,283
In-lieu-of tax	16,811	3,342	157	472
Interest	74,027	13,519	739	1,318
Carline	28,777	5,879	277	830
Property tax credit	1,181,045	238,110	11,356	34,069
Personal property tax credit	<u>120,474</u>	<u>24,238</u>	<u>1,158</u>	<u>3,475</u>
Total receipts	<u>35,953,096</u>	<u>6,423,318</u>	<u>309,308</u>	<u>891,676</u>
Total to be accounted for	45,211,443	8,021,275	394,823	1,031,173
Disbursements:				
To School District	36,168,880	6,272,109	311,503	780,919
Treasurers' fees	<u>319,958</u>	<u>63,898</u>	<u>3,075</u>	<u>8,873</u>
Total disbursements	<u>36,488,838</u>	<u>6,336,007</u>	<u>314,578</u>	<u>789,792</u>
Balance - August 31, 2018	<u>\$ 8,722,605</u>	<u>\$ 1,685,268</u>	<u>\$ 80,245</u>	<u>\$ 241,381</u>

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**COMPARATIVE STATISTICAL DATA FROM ANNUAL FINANCIAL REPORTS**

**For the years ended August 31, 2018 - 2008  
(Unaudited)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Value of School District	\$ 3,104,882,584	\$ 3,050,120,816	\$ 2,938,020,328	\$ 2,763,011,452
Current Property Tax				
Budgeted - General Fund	\$ 32,290,794	\$ 31,721,271	\$ 30,555,426	\$ 28,735,319
Average Daily Attendance (ADA)	8,688	8,733	8,644	8,457
Average Daily Membership (ADM)	9,251	9,266	9,129	8,959
Total Value of Plant and Contents	\$ 401,000,000	\$ 371,500,000	\$ 350,000,000	\$ 338,000,000
Annual Depreciation of Plant and Contents (3% of Value)	\$ 12,030,000	\$ 11,145,000	\$ 10,500,000	\$ 10,140,000
Total Adjusted Current Expense	<u>91,785,554</u>	<u>92,505,591</u>	<u>88,016,770</u>	<u>83,011,060</u>
Total Annual Cost	\$ 103,815,554	\$ 103,650,591	\$ 98,516,770	\$ 93,151,060
Annual Cost Per Pupil - ADA	\$ 11,950	\$ 11,869	\$ 11,398	\$ 11,015
Annual Cost Per Pupil - ADM	\$ 11,222	\$ 11,187	\$ 10,791	\$ 10,398

MISCELLANEOUS DATA - At Annual Cost Per Pupil (ADM)

**RECEIPTS**

Local	\$ 3,583	\$ 3,676	\$ 3,456	\$ 3,346
County	79	99	108	99
State	7,039	6,658	6,258	5,963
Federal	622	632	620	527
Other	<u>3</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total Receipts for Year	11,326	11,066	10,442	9,935

**EXPENDITURES**

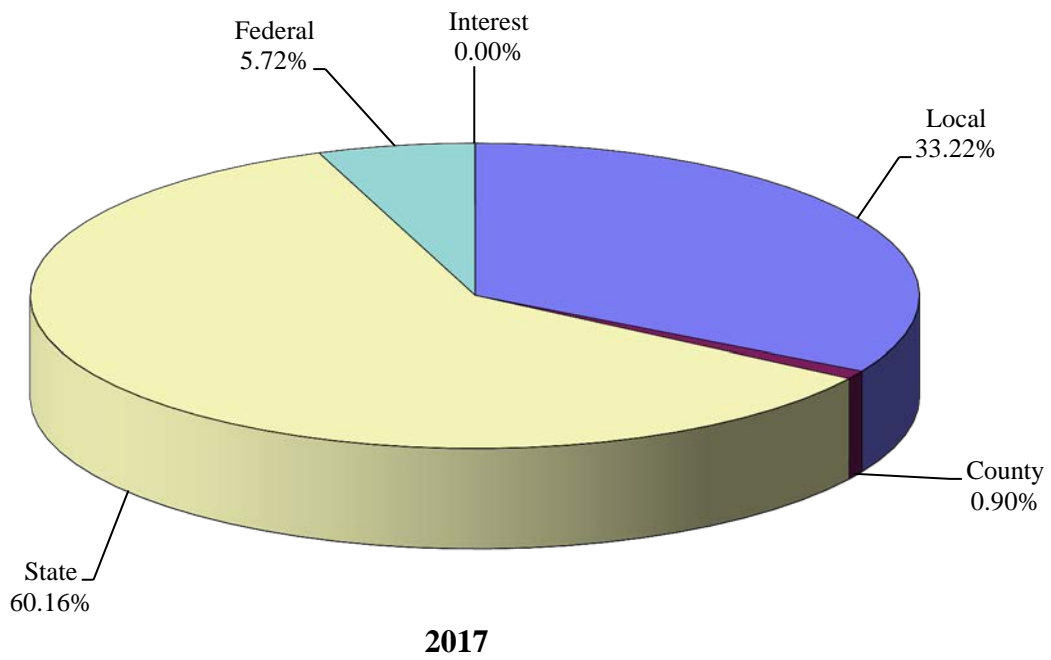
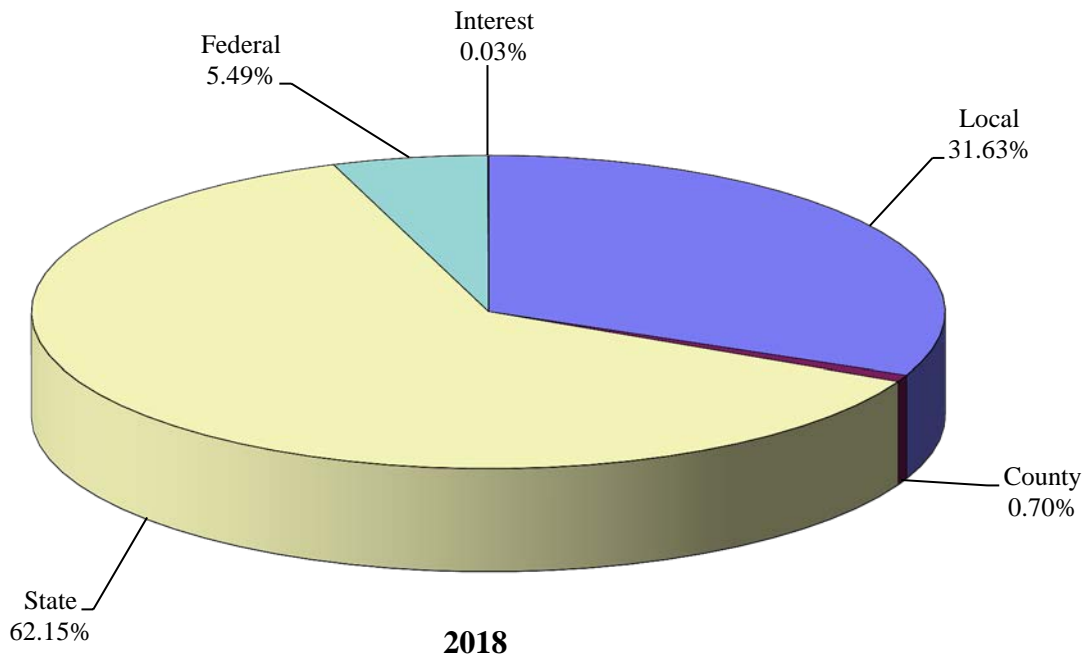
Instruction	7,866	7,772	7,368	6,829
Support Services	599	604	705	768
Administration	748	775	700	695
Operation and Maintenance of Plant	989	940	855	959
Pupil Transportation	76	59	57	55
State/Federal/Other	<u>910</u>	<u>843</u>	<u>698</u>	<u>700</u>
Total Expenditures for Year	<u>11,188</u>	<u>10,993</u>	<u>10,383</u>	<u>10,006</u>

**RECEIPTS OVER (UNDER)**

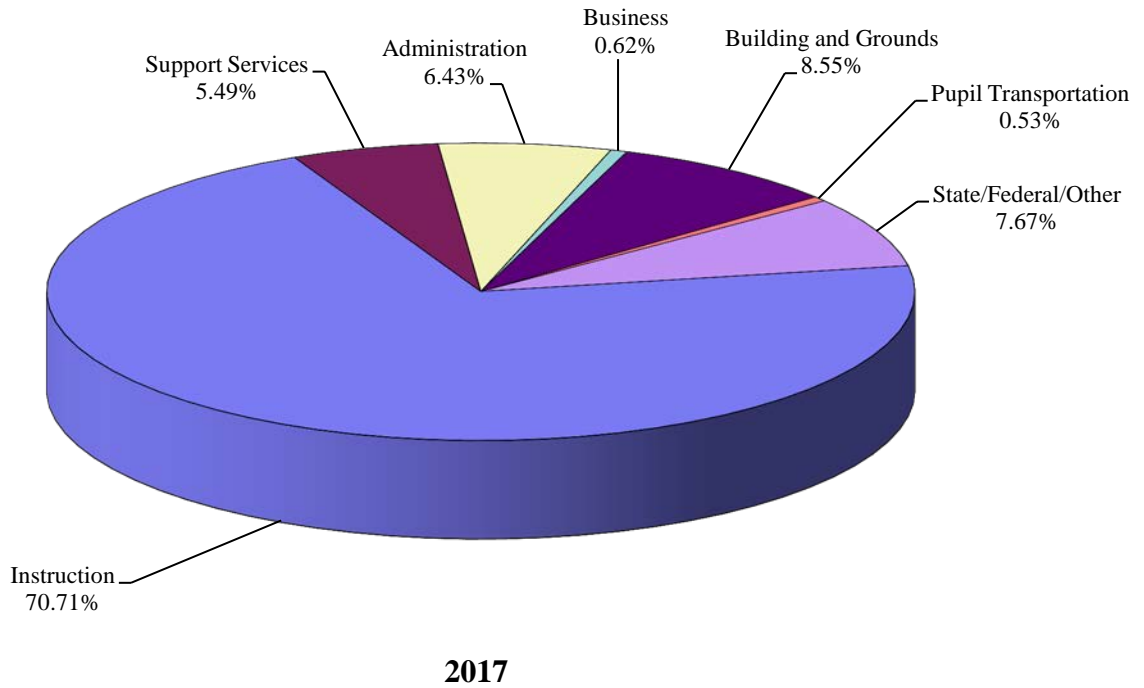
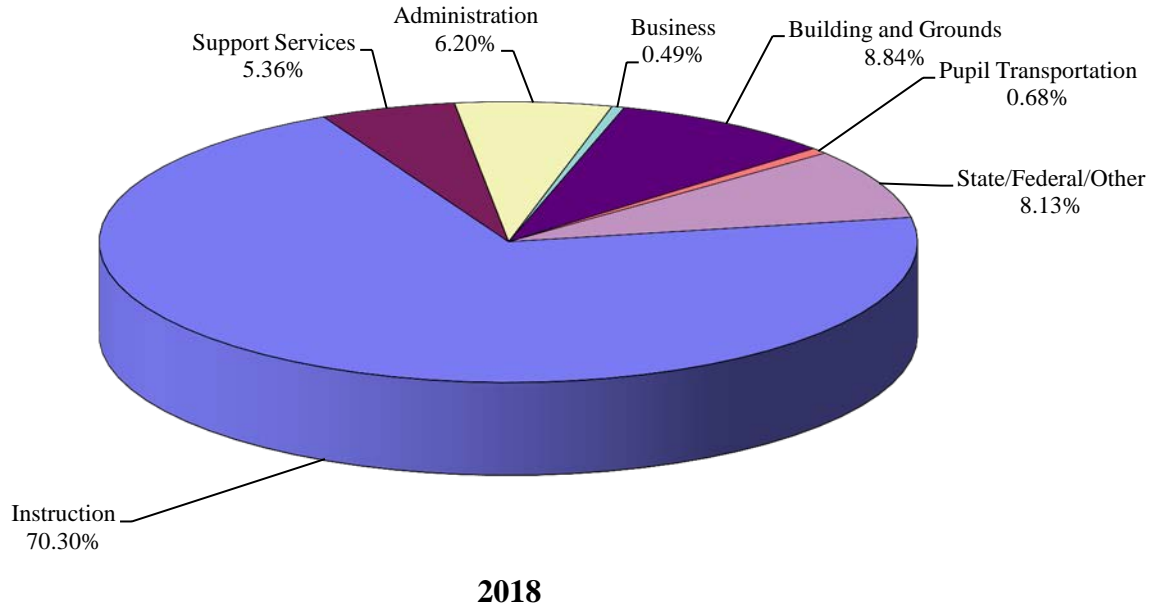
<b>EXPENDITURES PAID</b>	<u>\$ 138</u>	<u>\$ 73</u>	<u>\$ 59</u>	<u>\$ (71)</u>
--------------------------	---------------	--------------	--------------	----------------

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,669,698,545	\$ 2,609,831,071	\$ 2,550,512,664	\$ 2,486,056,518	\$ 2,440,165,438	\$ 2,373,367,840
\$ 27,764,878	\$ 27,142,256	\$ 26,525,344	\$ 24,860,565	\$ 24,401,650	\$ 23,733,678
8,325	8,229	8,139	8,014	7,962	7,732
8,783	8,613	8,489	8,407	8,368	8,140
\$ 331,400,000	\$ 320,000,000	\$ 300,000,000	\$ 290,600,000	\$ 280,000,000	\$ 265,500,000
\$ 9,942,000	\$ 9,600,000	\$ 9,000,000	\$ 8,718,000	\$ 8,400,000	\$ 7,965,000
82,668,629	78,091,496	75,716,339	66,545,710	67,998,067	68,938,142
\$ 92,610,629	\$ 87,691,496	\$ 84,716,339	\$ 75,263,710	\$ 76,398,067	\$ 76,903,142
\$ 11,124	\$ 10,656	\$ 10,409	\$ 9,391	\$ 9,595	\$ 9,947
\$ 10,545	\$ 10,181	\$ 9,979	\$ 8,953	\$ 9,130	\$ 9,448
\$ 3,246	\$ 3,477	\$ 3,373	\$ 3,143	\$ 3,253	\$ 3,169
98	93	125	94	89	97
5,969	6,140	6,018	5,840	5,467	5,455
577	850	1,129	1,817	1,427	650
-	-	-	-	2	94
9,890	10,560	10,645	10,894	10,238	9,465
6,936	6,631	6,833	5,660	5,945	6,343
751	756	705	711	682	706
676	663	689	750	720	711
1,246	1,369	1,273	885	870	930
57	58	54	47	46	39
740	849	883	2,417	1,869	878
10,406	10,326	10,437	10,470	10,132	9,607
\$ (516)	\$ 234	\$ 208	\$ 424	\$ 106	\$ (142)

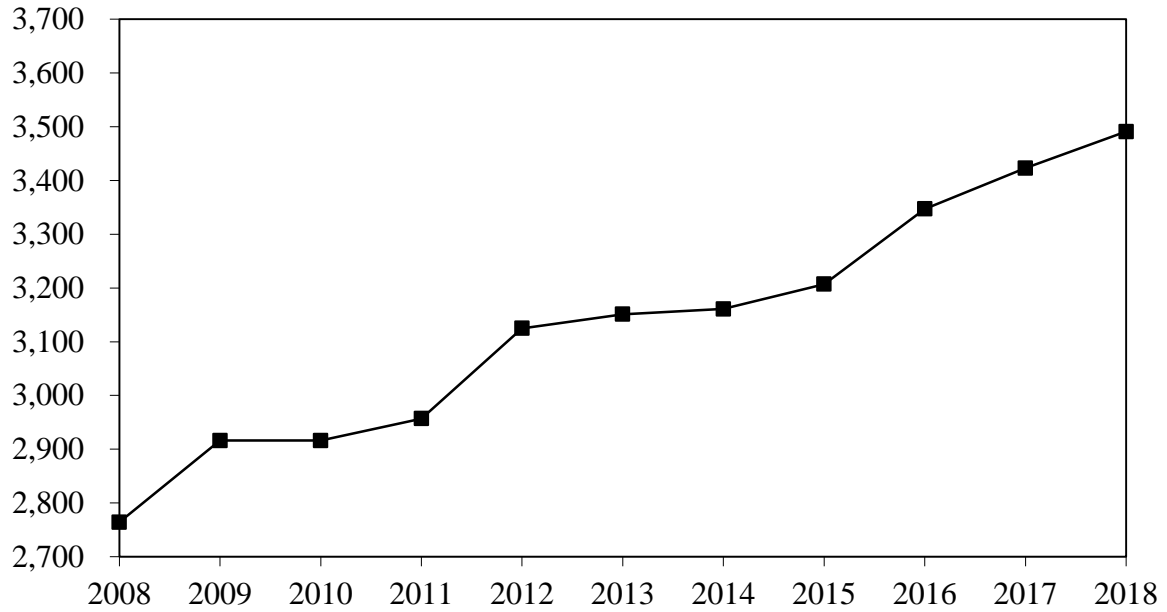
**GRAND ISLAND PUBLIC SCHOOLS  
GENERAL FUND RECEIPTS  
Years Ended August 31,**



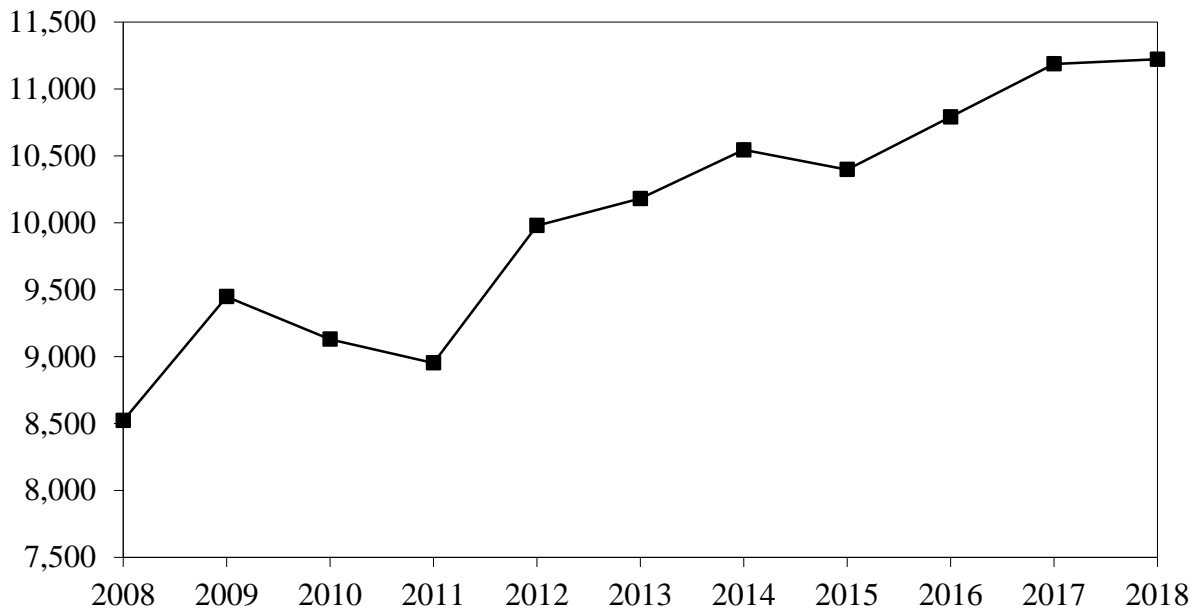
**GRAND ISLAND PUBLIC SCHOOLS  
GENERAL FUND EXPENDITURES  
Years Ended August 31,**



**GRAND ISLAND PUBLIC SCHOOLS  
BUDGETED PROPERTY TAX PER STUDENT - GENERAL FUND  
Years Ended August 31, 2008 through 2018**

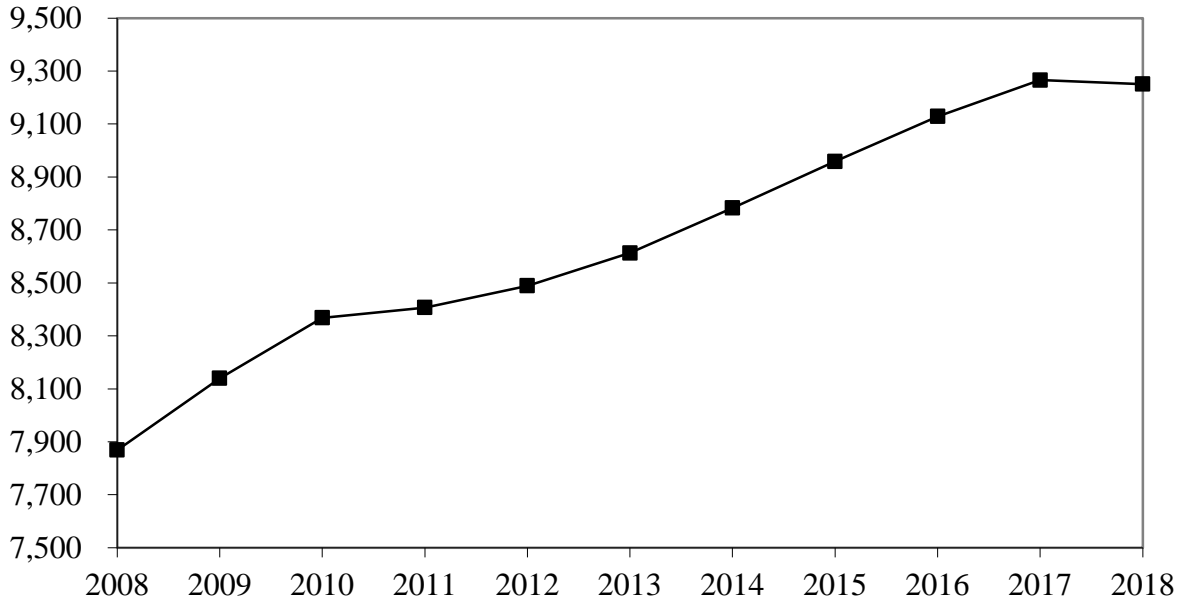


**ANNUAL COST PER STUDENT  
Years Ended August 31, 2008 through 2018**

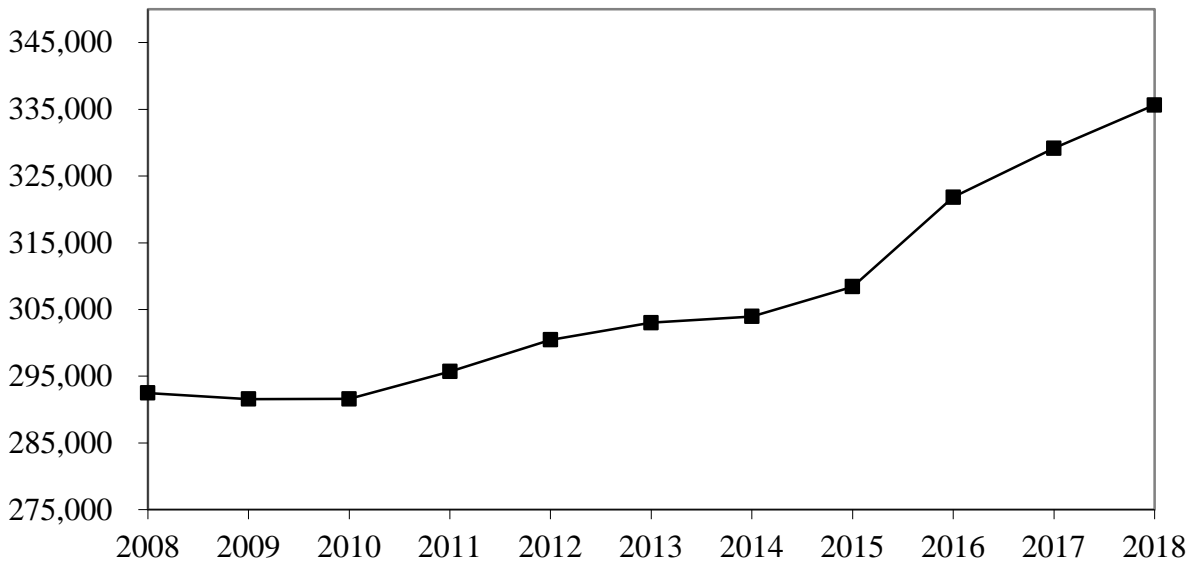




**GRAND ISLAND PUBLIC SCHOOLS  
AVERAGE DAILY MEMBERSHIP  
Years Ended August 31, 2008 through 2018**



**ASSESSED VALUE PER STUDENT  
Years Ended August 31, 2008 through 2018**



**SINGLE AUDIT REPORTS**

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended August 31, 2018**

<u>Federal Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Subrecipient Grant Number</u>	<u>Expenditures</u>
<b><u>Department of Education</u></b>			
Passed Through Nebraska Department of Education:			
Special Education (IDEA) Cluster:			
Special Education - Below Age Five	84.173	40-0002-000	\$ 28,759
Special Education - Below Age Five (IDEA, Part B)	84.027	40-0002-000	2,409,924
Total Special Education (IDEA) Cluster			<u>2,438,683</u>
Title I	84.010	40-0002-000	2,628,325
Migrant Education - Basic State Grant Program	84.011	40-0002-000	169,087
Infants and Toddlers with Disabilities - Preschool Interagency Grant	84.181	40-0002-000	21,961
Perkins Basic Grant	84.048	40-0002-000	108,076
Education for Homeless Children and Youth	84.196	40-0002-000	33,053
Student Support and Academic Enrichment Grant	84.424	40-0002-000	174,439
Title II - Part A	84.367	40-0002-000	221,185
Title III - Immigrant Education	84.365	40-0002-000	463,468
Total Department of Education			<u>6,258,277</u>
<b><u>Department of Agriculture</u></b>			
Child Nutrition Cluster:			
Passed Through Nebraska Department of Education:			
School Breakfast Program	10.553	40-0002-000	4,070,782 *
Passed Through Nebraska Department of Health and Human Services:			
National School Lunch Program	10.555	47-6003169	429,991 *
Total Child Nutrition Cluster			<u>4,500,773</u>
Passed Through Nebraska Department of Education:			
Fruit and Vegetable Program	10.582	40-0002-000	132,199
Total Department of Agriculture			<u>4,632,972</u>
<b><u>Department of Health and Human Services</u></b>			
Passed Through Nebraska Department of Health and Human Services:			
Medical Assistance Programs (Medicaid)	93.778	47-6003169	71,093
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 10,962,342</u></u>

\*Major Programs

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**

**Year ended August 31, 2018**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal award includes the federal grant activity of Grand Island Public Schools and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Grand Island Public Schools did not elect to use the 10% de minimis indirect cost rate.

**NOTE B - FOOD DONATION PROGRAM**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



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

To the Board of Education  
Grand Island Public Schools  
Grand Island, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hall County School District #2 as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 25, 2018. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its primary government financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hall County School District #2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hall County School District #2'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

SHAREHOLDERS

Robert D. Almquist  
Phillip D. Maltzahn  
Terry T. Galloway  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hall County School District #2'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-001.

### **Hall County School District #2's Response to Findings**

Hall County School District #2's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Hall County School District #2's response was not subjected to the auditing procedures applied in the audit for 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.

*August, Matthew*  
*Gaeremay & Lath, P.C.*  
Grand Island, Nebraska  
October 25, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Grand Island Public Schools  
Grand Island, Nebraska

SHAREHOLDERS

Robert D. Almquist  
Phillip D. Maltzahn  
Terry T. Galloway  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon

**Report on Compliance for Each Major Federal Program**

We have audited Hall County School District #2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2018. Hall County School District #2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hall County School District #2's compliance.

## Opinion on Each Major Federal Program

In our opinion, Hall County School District #2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

## Report on Internal Control over Compliance

Management of Hall County School District #2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*Almgvist, Malphm.*  
*Galloway & Luth, P.C.*

Grand Island, Nebraska  
October 25, 2018



**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended August 31, 2018**

1. A summary of auditor's results:
  - (i) Unmodified opinions were issued on all opinion units of Grand Island Public Schools as of August 31, 2018 and for the year then ended.
  - (ii) The audit did not disclose any significant deficiencies in the internal control of Grand Island Public Schools.
  - (iii) The audit disclosed one instance of noncompliance which is material to the financial statements of Grand Island Public Schools.
  - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for Grand Island Public Schools.
  - (v) An unmodified opinion was issued on compliance for major programs.
  - (vi) The audit did not disclose any audit findings which we are required to report under 2 CFR section 200.516(a).
  - (vii) Major Programs: Child Nutrition Cluster - CFDA #10.555 (National School Lunch Program) and #10.553 (School Breakfast Program).
  - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
  - (ix) Grand Island Public Schools did not qualify as a low-risk auditee.
2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

2018-001 – Actual expenditures in the Activity Fund exceeded budgeted appropriations by \$412,396.

*Management's Response* – The District will monitor budget versus actual expenditures in the future and amend the budget if necessary.

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in 2 CFR section 200.516(a).

None

**GRAND ISLAND PUBLIC SCHOOLS  
GRAND ISLAND, NEBRASKA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year ended August 31, 2018**

Program

Findings for the year ended August 31, 2017

There were no prior audit findings.