

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**August 31, 2017**

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## 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, the aggregate remaining fund information – modified cash basis, and the fiduciary funds – modified cash basis of Hall County School District #2 as of and for the year ended August 31, 2017, 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

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, the aggregate remaining fund information – modified cash basis, and the fiduciary funds – modified cash basis of Hall County School District #2, as of August 31, 2017, 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 23, 2017, 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.

*Angquist, Mattyahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
October 23, 2017

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended August 31, 2017**

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**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, 2017. 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 increased its governmental funds cash reserves by \$9.1 million, with the Special Building Fund cash reserves making up \$4.5 million of the increase and the Qualified Capital Purpose Undertaking Fund making up \$3.8 million of the increase. The difference represents the overall increase in cash reserves for the remaining governmental funds of \$0.8 million.
- General Fund revenues were \$102.5 million, \$0.7 million more than expenses.
- General Fund operational costs were \$101.9 million, a 7.5 percent increase, primarily due to increased spending for instruction.
- Major capital improvement projects were completed to further ensure viable, clean, safe and secure facilities:
  - Replace cooling tower at West Lawn Elementary School
  - Replace existing chiller at Seedling Mile Elementary School
  - Replaced several building roofs due to major hail storm damage in 2014
  - Purchased new vehicles for the overall District fleet
  - Install new bleachers in the West gym at Grand Island Senior High School
  - Replace windows in the North wing at Howard Elementary School
  - Replace existing gym air conditioning at Dodge Elementary School
  - Install ADA accessible playground at Lincoln Elementary School
  - Install divider curtain in East gym at Grand Island Senior High School
  - Replace clock system at Lincoln Elementary School
  - Install new bleachers in the gym at Walnut Middle School

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2017**

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- Add drop-off pick-up lane at Newell Elementary School
- Install fire sprinkler system at West Lawn
- Relocate two modular buildings to Lincoln Elementary School
  
- During the 2016-2017 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
  - Barr Middle School – additions and renovations - completed
  - GISH 100 Wing Renovation – completed Phase I, Phase II & III – completed
  - Jeffersen Elementary – all new construction – construction In Process
  - Stolley Park Elementary – all new construction – construction In Process
  
- Grand Island Public Schools student enrollment increased from the prior year. The official (last Friday in September) pre-kindergarten through twelfth grade student count of 9,695, up from 9,527 in 2016, represents a 1.76 percent increase from the prior year and an overall three-year increase of 4.92 percent.

**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, 2017**

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- 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, 2017 than it was the year before, increasing 6.1 percent to \$94.7 million. This improvement in the District's financial position came from its governmental activities, the net position of which increased \$5.0 million to \$91.7 million. The net position of the District's business-type activities increased \$0.5 million to \$3.0 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, 2017**

	August 31, <u>2017</u>	August 31, <u>2016</u>	Increase (Decrease)
<b>Assets:</b>			
Current assets	\$ 78,260,724	\$ 68,889,236	\$ 9,371,488
Capital assets	<u>116,224,336</u>	<u>100,145,897</u>	<u>16,078,439</u>
Total assets	<u>194,485,060</u>	<u>169,035,133</u>	<u>25,449,927</u>
<b>Liabilities:</b>			
Current liabilities	2,933,202	3,391,221	(458,019)
Long-term liabilities	<u>96,868,126</u>	<u>76,406,327</u>	<u>20,461,799</u>
Total liabilities	<u>99,801,328</u>	<u>79,797,548</u>	<u>20,003,780</u>
<b>Net position:</b>			
Net investment in capital assets	50,842,505	45,980,433	4,862,072
<b>Restricted for:</b>			
Debt service	6,768,924	6,668,557	100,367
Building additions/ improvements	1,284,338	1,709,105	(424,767)
Qualified capital purposes	372,844	423,171	(50,327)
Unrestricted	<u>35,415,121</u>	<u>34,456,319</u>	<u>958,802</u>
Total net position	<u>\$ 94,683,732</u>	<u>\$ 89,237,585</u>	<u>\$ 5,446,147</u>

**Governmental Activities**

Revenues for the District's governmental activities were \$128.2 million, while total expenses were \$123.2 million. The increase in net position for governmental activities was \$5.0 million in 2017.

The increase in cash reserves for the year ended August 31, 2017 was due primarily to the Special Building Fund and Qualified Capital Purpose Undertaking Fund having bond proceeds that exceeded current year expenditures. Cash reserves for the Special Building Fund increased \$4.5 million while cash reserves for the Qualified Capital Purpose Undertaking Fund increased \$3.8 million.

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2017**

**Governmental Activities, continued**

Strong economic growth, as measured by investment in real estate and building, coupled with aggressive reassessment practices, led to a 3.8 percent increase in property valuation. This contributed in General Fund tax asking increasing \$1.2 million (3.8 percent).

The cost of all governmental activities this year was \$123.2 million. Federal and State governments subsidized certain programs with grants and contributions (\$14.0 million). Most of the District's costs (\$92.3 million), however, were financed by District and State taxpayers. This portion of governmental activities was financed with \$41.6 million in property taxes and \$53.0 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)
	<u>2017</u>	<u>2016</u>	
<b>Receipts:</b>			
Charges for services	\$ 16,772,855	\$ 14,635,356	\$ 2,137,499
Operating grants	14,048,310	13,343,256	705,054
Capital grants	99,704	184,294	(84,590)
Property and other taxes	41,634,921	40,962,269	672,652
State aid	52,965,142	47,430,924	5,534,218
Investment income	312,339	326,847	(14,508)
Other	2,332,750	2,410,870	(78,120)
Total receipts	<u>128,166,021</u>	<u>119,293,816</u>	<u>8,872,205</u>
<b>Expenses:</b>			
Instruction	68,179,833	66,177,631	2,002,202
Support services:			
Pupils	2,665,091	3,637,766	(972,675)
Staff	2,919,750	2,794,775	124,975
General Administration	2,335,107	1,653,830	681,277
School Administration	4,219,597	4,118,464	101,133
Business	532,452	484,964	47,488
Building and grounds	9,973,183	8,182,159	1,791,024
Pupil transportation	542,953	518,030	24,923
State categorical programs	517,856	420,877	96,979
Federal programs	6,580,688	5,626,046	954,642
Summer School	-	66,797	(66,797)
Activity Fund support	656,000	239,500	416,500
CNSSP program	16,018,591	16,447,536	(428,945)
Interest expense	3,215,701	3,203,750	11,951
Depreciation	4,828,295	5,349,153	(520,858)
Total expenses	<u>123,185,097</u>	<u>118,921,278</u>	<u>4,263,819</u>
Increase in net position	<u>\$ 4,980,924</u>	<u>\$ 372,538</u>	<u>\$ 4,608,386</u>

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2017**

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**Business-type Activities**

Revenues of the District's business-type activities increased 4.4 percent to \$5.9 million, and expenses also increased 3.9 percent to \$5.7 million.

Food services revenues exceeded expenses by \$0.2 million.

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

As the District completed the year, its governmental funds reported combined fund balances of \$77.3 million, \$9.2 million more than last year's ending fund balances of \$68.1 million.

The General Fund had \$0.7 million more revenues than expenditures for the year. The Special Building Fund had \$4.5 million more revenues than expenditures for the year and the Qualified Capital Purpose Undertaking Fund had \$3.8 million more revenues than expenditures for the year, accounting for most of the increase 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 revenue and expenditures would be equal. Actual revenues exceeded expenditures by \$0.7 million for the year. Actual revenues were \$15.0 million lower than expected. The actual expenditures were \$15.6 million below budget, due primarily to a \$9.9 million favorable variance in instructional services.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2017, the District had invested \$202.3 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 \$116.2 million at August 31, 2017.

The amount represents a net increase of \$16.1 million or 13.8 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 \$4.9 million, while building improvements and additions to equipment and furniture amounted to \$21.0 million.

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2017**

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**Capital Assets, continued**

Construction in progress totaled \$1.9 million at August 31, 2017. This balance consists of \$1.1 million of construction in progress on the Stolley Park new building, and \$0.8 million of construction in progress on the Jefferson new building.

**Long-term Debt**

At year end, the District had \$99.8 million (principal only) in General Obligation Bonds and other debt outstanding – an increase of 25.6 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>8/31/2017</u>	<u>Balance at</u> <u>8/31/2016</u>	<u>\$ Change</u> <u>Increase</u> <u>(Decrease)</u>	<u>% Change</u> <u>Increase</u> <u>(Decrease)</u>
General	\$ 396,328	\$ 492,548	\$ (96,220)	(19.5) %
Bond	91,095,000	74,950,000	16,145,000	21.5
Qualified	8,310,000	4,025,000	4,285,000	106.5
Total governmental	<u>\$ 99,801,328</u>	<u>\$ 79,467,548</u>	<u>\$ 20,333,780</u>	25.6
Nutrition	\$ -	\$ 330,000	\$ (330,000)	(100.0)

**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 2017 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 2016-2017 fiscal year for the 2017-2018 fiscal year.
- 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

**HALL COUNTY SCHOOL DISTRICT #2 (Grand Island Public Schools)  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended August 31, 2017**

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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 relatively modest 3.82 percent valuation growth. However, that revenue growth is 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, RSBA, 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

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

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

**August 31, 2017**

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments (notes A6 and C)	\$ 25,153,281	\$ 1,003,493	\$ 26,156,774	\$ 7,470,378
Cash restricted for building projects (note C)	31,748,578	-	31,748,578	-
Cash restricted for debt service (note C)	5,170,967	-	5,170,967	-
Cash restricted for qualified capital purpose undertakings (note C)	4,103,089	-	4,103,089	-
Cash with County Treasurers (note D)	11,081,316	-	11,081,316	-
Current portion of pledges receivable (note O)	-	-	-	50,873
Interest receivable	-	-	-	2,694
Total current assets	77,257,231	1,003,493	78,260,724	7,523,945
Noncurrent assets:				
Noncurrent portion of pledges receivable (note O)	-	-	-	25,301
Cash surrender value life insurance	-	-	-	13,816
Capital assets (notes A5 and E):				
Land	3,034,775	-	3,034,775	-
Construction in progress	1,925,500	-	1,925,500	-
Buildings	173,739,398	2,549,132	176,288,530	-
Furniture and equipment	19,317,446	1,698,564	21,016,010	-
Less: Accumulated depreciation	(83,803,407)	(2,237,072)	(86,040,479)	-
Net capital assets	114,213,712	2,010,624	116,224,336	-
Total noncurrent assets	114,213,712	2,010,624	116,224,336	39,117
<b>Total assets</b>	191,470,943	3,014,117	194,485,060	7,563,062
<b>LIABILITIES</b>				
Current liabilities:				
Long-term debt due within one year (note F):				
Capital lease payable	98,202	-	98,202	-
Limited tax obligation bonds payable	425,000	-	425,000	-
General obligation bonds payable	2,410,000	-	2,410,000	-
Accounts payable	-	-	-	72,139
Scholarships and grants payable	-	-	-	403,395
Payroll taxes payable	-	-	-	706
Total current liabilities	2,933,202	-	2,933,202	476,240
Long-term liabilities, net of current portion (note F):				
Capital lease payable	298,126	-	298,126	-
Limited tax obligation bonds payable	7,885,000	-	7,885,000	-
General obligation bonds payable	88,685,000	-	88,685,000	-
Scholarships and grants payable	-	-	-	810,335
Total long-term liabilities	96,868,126	-	96,868,126	810,335
<b>Total liabilities</b>	99,801,328	-	99,801,328	1,286,575
<b>NET POSITION</b>				
Net investment in capital assets	48,831,881	2,010,624	50,842,505	-
Restricted for:				
Debt service	6,768,924	-	6,768,924	-
Building additions/improvements	1,284,338	-	1,284,338	-
Qualified capital purposes	372,844	-	372,844	-
Scholarships and programs	-	-	-	5,394,622
Unrestricted	34,411,628	1,003,493	35,415,121	881,865
<b>Total net position</b>	\$ 91,669,615	\$ 3,014,117	\$ 94,683,732	\$ 6,276,487

See notes to financial statements.

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

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For the year ended August 31, 2017**

<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	\$ 68,179,833	\$ -	\$ 5,658,431
Support services:			
Pupils	2,665,091	-	-
Staff	2,919,750	-	-
General administration	2,335,107	-	-
School administration	4,219,597	-	-
Business	532,452	-	-
Building and grounds	9,973,183	-	-
Pupil transportation	542,953	-	-
State categorical programs	517,856	-	598,023
Federal programs	6,580,688	-	5,859,482
Activity Fund support	656,000	-	-
CNSSP program	16,018,591	14,017,164	1,932,374
Interest on long-term debt	3,215,701	2,755,691	-
Depreciation - unallocated	4,828,295	-	-
	123,185,097	16,772,855	14,048,310
<b>Business-type activities:</b>			
Nutrition services	5,365,451	1,268,246	4,603,648
Depreciation	105,685	-	-
Total business-type activities	5,471,136	1,268,246	4,603,648
<b>Total primary government</b>	<b>\$ 128,656,233</b>	<b>\$ 18,041,101</b>	<b>\$ 18,651,958</b>
<b>Component unit:</b>			
Grand Island Education Foundation, Inc.	\$ 1,628,203	\$ 86,179	\$ 2,691,224

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	
\$ -	\$ (62,521,402)		\$ (62,521,402)	
-	(2,665,091)		(2,665,091)	
-	(2,919,750)		(2,919,750)	
-	(2,335,107)		(2,335,107)	
-	(4,219,597)		(4,219,597)	
-	(532,452)		(532,452)	
99,704	(9,873,479)		(9,873,479)	
-	(542,953)		(542,953)	
-	80,167		80,167	
-	(721,206)		(721,206)	
-	(656,000)		(656,000)	
-	(69,053)		(69,053)	
-	(460,010)		(460,010)	
-	(4,828,295)		(4,828,295)	
99,704	(92,264,228)		(92,264,228)	
-	-	\$ 506,443	506,443	
-	-	(105,685)	(105,685)	
-	-	400,758	400,758	
\$ 99,704	(92,264,228)	400,758	(91,863,470)	
\$ -				\$ 1,149,200
General receipts:				
Taxes:				
Property	36,530,213	-	36,530,213	-
Motor vehicle	3,580,748	-	3,580,748	-
Other taxes	1,523,960	-	1,523,960	-
Fines and licenses	920,645	-	920,645	-
State aid	52,965,142	-	52,965,142	-
State apportionment	1,387,104	-	1,387,104	-
Investment income (loss)	312,339	3,109	315,448	310,769
Unrealized gain on investments	-	-	-	306,396
Other	25,001	61,356	86,357	-
Total general receipts	97,245,152	64,465	97,309,617	617,165
Change in net position	4,980,924	465,223	5,446,147	1,766,365
Net position - August 31, 2016	86,688,691	2,548,894	89,237,585	4,510,122
Net position - August 31, 2017	\$ 91,669,615	\$ 3,014,117	\$ 94,683,732	\$ 6,276,487

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

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

**August 31, 2017**

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Bond Fund</u>
<b>ASSETS</b>			
Cash and investments	\$ 16,882,300	\$ 3,280,472	\$ 5,170,967
Cash with County Treasurers	<u>9,258,347</u>	<u>-</u>	<u>1,597,957</u>
<b>Total assets</b>	<b><u><u>\$ 26,140,647</u></u></b>	<b><u><u>\$ 3,280,472</u></u></b>	<b><u><u>\$ 6,768,924</u></u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Debt service	-	-	6,768,924
Building additions/improvements	-	-	-
Qualified capital purposes	-	-	-
Assigned for:			
Capital outlay	-	3,280,472	-
Employee benefits	-	-	-
Contingencies	-	-	-
CNSSP	-	-	-
Unassigned	<u>26,140,647</u>	<u>-</u>	<u>-</u>
Total fund balances	<u><u>26,140,647</u></u>	<u><u>3,280,472</u></u>	<u><u>6,768,924</u></u>
<b>Total liabilities and fund balances</b>	<b><u><u>\$ 26,140,647</u></u></b>	<b><u><u>\$ 3,280,472</u></u></b>	<b><u><u>\$ 6,768,924</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>
\$ 31,748,578	\$ 4,103,089	\$ 988,731	\$ 4,001,778	\$ 66,175,915
85,515	139,497	-	-	11,081,316
<u>\$ 31,834,093</u>	<u>\$ 4,242,586</u>	<u>\$ 988,731</u>	<u>\$ 4,001,778</u>	<u>\$ 77,257,231</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,768,924
31,834,093	-	-	-	31,834,093
-	4,242,586	-	-	4,242,586
-	-	-	-	3,280,472
-	-	-	2,978,930	2,978,930
-	-	-	1,022,848	1,022,848
-	-	988,731	-	988,731
-	-	-	-	26,140,647
<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>\$ 31,834,093</u>	<u>\$ 4,242,586</u>	<u>\$ 988,731</u>	<u>\$ 4,001,778</u>	<u>\$ 77,257,231</u>

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

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

**August 31, 2017**

<b>Total fund balances - governmental funds</b>		\$ 77,257,231
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
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 \$198,017,119, and the accumulated depreciation is \$83,803,407.		
		114,213,712
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:		
Capital leases payable	\$ (396,328)	
Limited tax obligation bonds payable	(8,310,000)	
General obligation bonds payable	<u>(91,095,000)</u>	<u>(99,801,328)</u>
<b>Total net position - governmental activities</b>		<u><u>\$ 91,669,615</u></u>

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, 2017**

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Bond Fund</u>
<b>RECEIPTS</b>			
Taxes:			
Property	\$ 28,948,609	\$ -	\$ 5,250,059
Motor vehicle	3,580,748	-	-
Homestead exemption	1,141,483	-	206,882
Pro-rate motor vehicle	92,660	-	17,038
Carline	28,762	-	5,231
Property tax credit	1,326,476	-	237,813
Fines and licenses	920,645	-	-
Tuition	-	-	-
State aid and grants	60,454,950	-	-
Federal grants	5,859,482	-	-
Investment income (loss)	3,494	14,142	16,104
Donations	153,750	-	-
Bond proceeds	-	-	-
Bond premium	-	-	-
Transfers from other funds	-	2,000,000	-
Other	25,001	-	-
Total receipts	<u>102,536,060</u>	<u>2,014,142</u>	<u>5,733,127</u>
<b>DISBURSEMENTS</b>			
Instruction	72,019,554	-	-
Support services:			
Pupils	2,665,091	-	-
Staff	2,929,750	-	-
General administration	2,335,107	-	-
School administration	4,219,597	-	-
Business	628,673	-	-
Building and grounds	8,706,100	-	-
Pupil transportation	542,953	-	-
State categorical programs	517,856	-	-
Federal programs	6,638,002	-	-
Summer school	-	-	-
Transfer to other funds	656,000	-	-
Capital outlay	-	1,922,356	-
Debt service			
Principal	-	-	2,540,000
Interest	-	-	3,090,810
CNSSP expenditures	-	-	-
Other	-	-	1,950
Total disbursements	<u>101,858,683</u>	<u>1,922,356</u>	<u>5,632,760</u>
<b>Excess (deficiency) of receipts     over disbursements</b>	677,377	91,786	100,367
Fund balances - August 31, 2016	<u>25,463,270</u>	<u>3,188,686</u>	<u>6,668,557</u>
Fund balances - August 31, 2017	<u>\$ 26,140,647</u>	<u>\$ 3,280,472</u>	<u>\$ 6,768,924</u>

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>
\$ 278,326	\$ 455,428	\$ -	\$ -	\$ -	\$ 34,932,422
-	-	-	-	-	3,580,748
11,015	17,804	-	-	-	1,377,184
891	1,468	-	-	-	112,057
276	450	-	-	-	34,719
12,754	20,748	-	-	-	1,597,791
-	-	-	-	-	920,645
-	-	14,017,164	-	-	14,017,164
-	-	-	-	-	60,454,950
-	-	1,932,374	-	(1,932,374)	5,859,482
239,898	6,810	-	31,891	-	312,339
-	-	-	-	-	153,750
18,685,000	4,710,000	-	-	-	23,395,000
2,755,691	-	-	-	-	2,755,691
-	-	-	-	(2,000,000)	-
-	-	-	-	-	25,001
<u>21,983,851</u>	<u>5,212,708</u>	<u>15,949,538</u>	<u>31,891</u>	<u>(3,932,374)</u>	<u>149,528,943</u>
-	-	-	-	(2,000,000)	70,019,554
-	-	-	-	-	2,665,091
-	-	-	-	-	2,929,750
-	-	-	-	-	2,335,107
-	-	-	-	-	4,219,597
-	-	-	-	-	628,673
-	-	-	-	-	8,706,100
-	-	-	-	-	542,953
-	-	-	-	-	517,856
-	-	-	-	(1,932,374)	4,705,628
-	-	-	-	-	-
-	-	-	-	-	656,000
17,490,947	764,367	-	-	-	20,177,670
-	425,000	-	-	-	2,965,000
-	122,541	-	-	-	3,213,351
-	-	16,018,591	-	-	16,018,591
-	81,385	-	8,011	-	91,346
<u>17,490,947</u>	<u>1,393,293</u>	<u>16,018,591</u>	<u>8,011</u>	<u>(3,932,374)</u>	<u>140,392,267</u>
4,492,904	3,819,415	(69,053)	23,880	\$ -	9,136,676
<u>27,341,189</u>	<u>423,171</u>	<u>1,057,784</u>	<u>3,977,898</u>		<u>68,120,555</u>
<u>\$ 31,834,093</u>	<u>\$ 4,242,586</u>	<u>\$ 988,731</u>	<u>\$ 4,001,778</u>		<u>\$ 77,257,231</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, 2017**

<b>Total net change in fund balances - governmental funds</b>		<b>\$ 9,136,676</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p>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 (\$21,006,323) exceeded depreciation expense (\$4,828,295) during the period.</p>		
	16,178,028	
<p>Proceeds from the issuance of bonds payable are reported as revenue in the governmental funds. However, issuance of bonds payable increases long-term liabilities in the statement of net position.</p>		
	(23,395,000)	
<p>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:</p>		
Capital leases	\$ 96,220	
Limited tax obligation bonds	425,000	
General obligation bonds	2,540,000	
	3,061,220	
<b>Change in net position of governmental activities</b>		<b>\$ 4,980,924</b>

See notes to financial statements.

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

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

**August 31, 2017**

	<b><u>Nutrition Fund</u></b>
<b>ASSETS</b>	
Cash	\$ 1,003,493
<b>LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 1,003,493</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, 2017**

**Total net position - proprietary fund** \$ 1,003,493

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 \$4,247,696, and the accumulated depreciation is \$2,237,072.

2,010,624

**Total net position - business-type activities**

\$ 3,014,117

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, 2017**

	<b><u>Nutrition Fund</u></b>
<b>Operating receipts:</b>	
Lunch sales	\$ 1,268,246
State sources	36,400
Federal sources	4,075,671
USDA commodities	491,577
Other	61,356
Total operating receipts	5,933,250
<b>Operating disbursements:</b>	
Salaries and employee benefits	2,286,513
Contracted services	115,837
Food and food service supplies	2,876,010
Capital outlay	69,422
Debt service	
Principal	330,000
Interest	4,950
Other	18,815
Total operating disbursements	5,701,547
Operating receipts in excess of disbursements	231,703
<b>Nonoperating receipts:</b>	
Investment income	3,109
Total nonoperating receipts	3,109
<b>Increase in net position</b>	234,812
Net position - August 31, 2016	768,681
Net position - August 31, 2017	\$ 1,003,493

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, 2017**

<b>Total increase in net position - proprietary fund</b>	\$ 234,812
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 (\$6,096) was exceeded by depreciation expense (\$105,685) during the period.	(99,589)
Repayment of long-term debt is an expenditure in the proprietary fund, but the repayment reduces long-term liabilities in the statement of net position.	<u>330,000</u>
<b>Change in net position of business-type activities</b>	<u><u>\$ 465,223</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, 2017**

	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>	
Cash	\$ 1,831,846
<b>LIABILITIES</b>	
For the obligations of student activities	<u>1,831,846</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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2016, upon which the 2017 levy was based was \$3,050,120,816.

The tax levy per \$100 of assessed valuation of taxable property for the year ended August 31, 2017, was as follows:

General Fund	\$ 1.0400
Bond Fund	0.1865
Special Building Fund	0.0100
Qualified Capital Purpose Fund	<u>0.0162</u>
	<u>\$ 1.2527</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE C – CASH AND INVESTMENTS**

***Cash***

At August 31, 2017, the carrying value of the District's deposits was \$69,013,343 and the bank balance was \$70,447,915. 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, 2017, bank deposits exceeded FDIC insurance and collateral by \$200,095 at one financial institution. The rest of the 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, 2017 consisted of the following:

Cash on hand	\$ 11,096
Demand deposits	9,463,427
Wells Fargo interest-bearing sweep account	11,647,074
Total cash	<u><u>\$ 21,121,597</u></u>

***Investments***

For reporting purposes the School District's investments, which are carried at market value, consisted of the following at August 31, 2017:

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

*Investments, continued*

General Fund	\$	4,276,042
Bond Fund		5,168,582
Contingency Fund		1,022,848
Employee Benefit Fund		3,004,777
Qualified Capital Purpose Undertaking Fund		3,869,742
Building Fund		30,549,755
Total investments		\$ 47,891,746

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 (\$24,646,436) of the Building Fund account is an NLAF Managed Account consisting of the following holdings as of August 31, 2017:

	<u>Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain (Loss)</u>
NLAF Managed Account:			
US Treasury Bonds/Notes	\$ 1,892,797		
Federal Agency Bonds/Notes	15,974,498		
Commercial Paper	6,779,141		
Total managed account	\$24,646,436	\$24,680,000	\$ (33,564)

Investment income (loss) for the Special Building Fund consisted of the following for the year ended August 31, 2017:

Interest income	\$	3,184
Managed account interest income		300,464
Realized loss on investments		(281,536)
Unrealized gain on investments		217,786
Total investment income (loss)		\$ 239,898



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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**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, 2017, as follows:

Carrying value	
Cash	\$ 21,121,597
Investments	47,891,746
Cash and investments	<u>\$ 69,013,343</u>

Included in the following fund financial statements captions:

Statement of Net Position - Governmental Activities	
Cash and investments	\$ 25,155,370
Cash restricted for building projects	31,748,578
Cash restricted for debt service	5,170,967
Cash restricted for qualified capital purposes	4,103,089
Statement of Net Position - Business-type Activities	
Cash	1,003,493
Statement of Net Position - Fiduciary Funds	
Activity Fund - Cash	<u>1,831,846</u>
	<u>\$ 69,013,343</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

***Component Unit***

The carrying values of cash and investments for the Grand Island Education Foundation, Inc. is made up of the following at August 31, 2017:

Carrying value:		
Cash		\$ 712,980
Certificates of deposit		1,542,551
Investments		5,214,847
Cash and investments		<u>\$ 7,470,378</u>

Investments are stated at fair value at August 31, 2017, 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	\$ 3,772,493	\$ 3,034,843	\$ 737,650
Capital World Growth & Income - Class A	267,968	191,606	76,362
America Balanced Fund	10,348	7,434	2,914
American Capital World Growth & Income	<u>8,699</u>	<u>7,597</u>	<u>1,102</u>
Total mutual funds	4,059,508	3,241,480	818,028
Common stock:			
Abbvie Inc	271,080	181,587	89,493
Eli Lilly & Co	175,180	117,329	57,851
Johnson & Johnson	315,041	162,445	152,596
Microsoft	<u>394,038</u>	<u>162,371</u>	<u>231,667</u>
Total common stock	1,155,339	623,732	531,607
Total	<u>\$ 5,214,847</u>	<u>\$ 3,865,212</u>	<u>\$ 1,349,635</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

The following receipts were held by County Treasurers for the School District at August 31, 2017. The receipts were transferred subsequent to the fiscal year ended August 31, 2017.

General Fund	\$ 9,258,347
Bond Fund	1,597,957
Building Fund	85,515
Qualified Capital Purpose Fund	139,497
Total cash with County Treasurers at August 31, 2017	\$11,081,316

**NOTE E – CAPITAL ASSETS**

Capital asset balances and activity for the year ended August 31, 2017, were as follows:

	Balance August 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclass</u>	Balance August 31, <u>2017</u>
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,864,997	\$ 169,778	\$ -	\$ -	\$ 3,034,775
Construction in progress	27,572,037	1,816,938	-	(27,463,475)	1,925,500
Capital assets being depreciated:					
Buildings	129,706,820	16,569,103	-	27,463,475	173,739,398
Furniture and equipment:					
Vehicles	2,548,867	157,175	-	-	2,706,042
Computer equipment	5,816,699	1,895,607	(159,388)	-	7,552,918
Equipment	9,310,015	397,722	(649,251)	-	9,058,486
Total furniture and equipment	17,675,581	2,450,504	(808,639)	-	19,317,446
Total capital assets	177,819,435	21,006,323	(808,639)	-	198,017,119
Less accumulated depreciation:					
Buildings	(65,474,421)	(3,667,141)	-	-	(69,141,562)
Furniture and equipment:					
Vehicles	(2,458,355)	(27,308)	-	-	(2,485,663)
Computer equipment	(4,334,081)	(386,001)	159,388	-	(4,560,694)
Equipment	(7,516,894)	(747,845)	649,251	-	(7,615,488)
Total furniture and equipment	(14,309,330)	(1,161,154)	808,639	-	(14,661,845)
Total accumulated depreciation	(79,783,751)	(4,828,295)	808,639	-	(83,803,407)
Net capital assets	\$ 98,035,684	\$ 16,178,028	\$ -	\$ -	\$ 114,213,712

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**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 \$150,399 at August 31, 2017.

Construction in progress at August 31, 2017, consists of \$1,081,774 on the Stolley Park building project and \$843,726 on the Jefferson building project. Additional details on construction commitments are provided in Note M.

	Balance August 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2017</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Buildings	\$ 2,549,132	\$ -	\$ -	\$ 2,549,132
Furniture and equipment:				
Vehicles	313,789	-	-	313,789
Computer equipment	97,244	-	-	97,244
Equipment	<u>1,281,435</u>	<u>6,096</u>	<u>-</u>	<u>1,287,531</u>
Total furniture and equipment	<u>1,692,468</u>	<u>6,096</u>	<u>-</u>	<u>1,698,564</u>
Total capital assets	4,241,600	6,096	-	4,247,696
Less accumulated depreciation:				
Buildings	(534,062)	(84,971)	-	(619,033)
Furniture and equipment:				
Vehicles	(306,806)	(6,983)	-	(313,789)
Computer equipment	(57,527)	(2,936)	-	(60,463)
Equipment	<u>(1,232,992)</u>	<u>(10,795)</u>	<u>-</u>	<u>(1,243,787)</u>
Total furniture and equipment	<u>(1,597,325)</u>	<u>(20,714)</u>	<u>-</u>	<u>(1,618,039)</u>
Total accumulated depreciation	<u>(2,131,387)</u>	<u>(105,685)</u>	<u>-</u>	<u>(2,237,072)</u>
Net capital assets	<u>\$ 2,110,213</u>	<u>\$ (99,589)</u>	<u>\$ -</u>	<u>\$ 2,010,624</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE F – LONG-TERM LIABILITIES**

Long-term liability balances and activity for the year ended August 31, 2017, were as follows:

	Balance August 31, <u>2016</u>	<u>Proceeds</u>	<u>Principal Payments</u>	Balance August 31, <u>2017</u>	Due Within One <u>Year</u>
<u>Business-type activities:</u>					
Certificates of participation	\$ 330,000	\$ -	\$(330,000)	\$ -	\$ -
<u>Governmental activities:</u>					
Capital lease payable	\$ 492,548	\$ -	\$ (96,220)	\$ 396,328	\$ 98,202
Limited tax obligation bonds	4,025,000	4,710,000	(425,000)	8,310,000	425,000
General obligation bonds	74,950,000	18,685,000	#####	91,095,000	2,410,000
Total governmental long-term liabilities	<u>\$ 79,467,548</u>	<u>\$ 23,395,000</u>	<u>#####</u>	<u>\$99,801,328</u>	<u>\$ 2,933,202</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/remodeling

Amount: \$2,125,000

Dated: October 15, 2009

Interest Rate: 1.10 - 3.00%

Principal Due: September 15 and March 15, commencing September 15, 2010 through September 15, 2016.

Interest Due: March 15 and September 15, commencing March 15, 2010 through September 15, 2016.

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

**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>	-----December 1-----		<u>June 1 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			
2017-2018	1.45%	\$ 1,995,000	\$ 23,082	\$ 8,619	\$ 2,026,701	\$ 2,980,000
2018-2019	1.75%	985,000	8,619	-	993,619	985,000
		<u>\$ 2,980,000</u>	<u>\$ 31,701</u>	<u>\$ 8,619</u>	<u>\$ 3,020,320</u>	-

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

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

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

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

<u>Fiscal Year</u>	<u>Coupon Rate</u>	-----December 15----- <u>Principal</u>	<u>Interest</u>	June 15 <u>Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
						\$ 18,970,000
2017-2018	2.00%	\$ 415,000	\$ 324,613	\$ 320,462	\$ 1,060,075	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>\$18,970,000</u>	<u>\$ 1,974,378</u>	<u>\$ 1,649,760</u>	<u>\$ 22,594,138</u>	

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

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

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

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

<u>Fiscal Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Payments</u>	<u>Balance</u>
						\$ 50,460,000
2017-2018		\$ -	\$ 1,188,525	\$ 1,188,525	\$ 2,377,050	50,460,000
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>\$ 22,696,625</u>	<u>\$ 21,508,100</u>	<u>\$ 94,664,725</u>	

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



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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

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

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 Interest</u>	<u>Total Payments</u>	<u>Principal Balance</u>
		<u>Principal</u>	<u>Interest</u>			
						\$ 18,685,000
2017-2018		\$ -	\$ 569,873	\$ 413,618	\$ 983,491	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>\$ 4,802,360</u>	<u>\$ 4,232,498</u>	<u>\$ 27,719,858</u>	

**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

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

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

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>			
						\$ 3,600,000
2017-2018	0.95%	\$ 425,000	\$ 32,415	\$ 30,396	\$ 487,811	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>\$ 3,600,000</u>	<u>\$ 168,499</u>	<u>\$ 136,084</u>	<u>\$ 3,904,583</u>	

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

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

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

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
2017-2018		\$ -	\$ 58,950	\$ 58,950	\$ 117,900	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>\$ 494,097</u>	<u>\$ 435,153</u>	<u>\$ 5,639,250</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, 2017, 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.

Remaining principal and interest due on the capital lease are:

<u>Fiscal Year</u>	<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 98,202	\$ 7,170	\$ 105,372
2018-2019	100,224	5,148	105,372
2019-2020	102,288	3,084	105,372
2020-2021	95,614	977	96,591
	<u>\$ 396,328</u>	<u>\$ 16,379</u>	<u>\$ 412,707</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

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

Combined long-term debt service requirements at August 31, 2017, are:

Year Ended August 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,933,202	\$ 4,225,198	\$ 7,158,400	\$ -	\$ -	\$ -
2019	3,205,224	4,023,900	7,229,124	-	-	-
2020	3,402,288	3,955,274	7,357,562	-	-	-
2021	3,485,614	3,862,726	7,348,340	-	-	-
2022	3,485,000	3,766,980	7,251,980	-	-	-
2023-2027	19,685,000	16,919,188	36,604,188	-	-	-
2028-2032	20,425,000	12,545,812	32,970,812	-	-	-
2033-2037	25,055,000	7,465,800	32,520,800	-	-	-
2038-2042	18,125,000	1,389,375	19,514,375	-	-	-
	<u>\$ 99,801,328</u>	<u>\$ 58,154,253</u>	<u>\$157,955,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.

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, 2016, there were 266 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.

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE G – PENSION PLAN, continued**

**Plan Description, continued**

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, 2017**

**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.

For the District's year ended August 31, 2017, the District's total payroll for all employees was \$69,520,360. Total covered payroll was \$67,208,618. 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, 2015, to June 30, 2016 (and from July 1, 2016 through August 31, 2017). 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, 2017, was \$6,638,733.

**Pension Liabilities**

At June 30, 2016 the District had a liability of \$45,063,047 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, 2016, 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 86.54% funded as of June 30, 2016 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, 2016, the District's proportion was 2.994538 percent, which was a decrease of 0.03418 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District's allocated pension expense was \$2,610,203.

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE G – PENSION PLAN, continued**

**Actuarial Assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	3.25 percent
Wage Inflation	4.00 percent
Salary increases, including wage inflation	4.00-9.00 percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.50% 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	8.00 percent

The School Plan’s pre-retirement mortality rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using scale AA, set back one year (sex distinct with 55 percent of male rates for males and 40 percent of female rates for females).

The School Plan’s post-retirement rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using Scale AA, set-back one year (sex distinct).

The School Plan’s disability mortality rates were based on the 1983 Railroad Retirement Board Disabled Annuitants Mortality (unisex).

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 five year period ending June 30, 2011. The experience study report is dated August 20, 2012. A new experience study has been completed and adopted by the PERB in October 2016. The new actuarial assumptions will be reflected in the 2017 actuarial valuation.

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**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 geometric real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016, (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*
US Equity	29.0%	4.3%
Non-US Equity	13.5%	5.4%
Global Equity	15.0%	5.1%
Fixed Income	30.0%	1.4%
Private Equity	5.0%	6.4%
Real Estate	7.5%	3.6%
Total	100.0%	

\*Geometric mean, net of investment expenses.

**Discount Rate**

The discount rate used to measure the Total Pension Liability at both June 30, 2014 and June 30, 2016, was 8 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2006, through June 30, 2011. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate. A new experience study has been completed and adopted by the PERB in October 2016. The new actuarial assumptions will be reflected in the 2017 actuarial valuation.



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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**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 2115.

**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 8.0 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 (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	<u>Discount rate</u>	<u>District's proportionate Share of net pension liability</u>
1% decrease	7.0%	\$88,061,270
Current discount rate	8.0%	\$45,063,047
1% increase	9.0%	\$9,314,845

**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, 2017**

**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, 2017 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 2017	\$ 2,690,999
October 2017	4,296,116
November 2017	1,979,000
December 2017	3,468,000
January 2018	3,631,228

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE I – RISK MANAGEMENT, continued**

**Deposits and Investments, continued**

*Interest Rate Risk, continued*

February 2018	2,545,081
March 2018	2,129,680
April 2018	247,000
May 2018	247,000
June 2018	4,182,000
August 2018	5,685,117
September 2018	1,952,335
November 2018	2,058,495
January 2019	1,961,290
March 2019	1,470,720
April 2019	729,000
May 2019	726,000
June 2019	1,942,282
August 2019	<u>1,693,093</u>
	<u>\$ 43,634,436</u>

***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, 2017, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Wells Fargo Bank	\$ 19,283,654
Nebraska Liquid Asset Fund	47,891,747
Five Points Bank	<u>1,826,846</u>
	<u>\$ 69,002,247</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE I – RISK MANAGEMENT, continued**

**Deposits and Investments, continued**

*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, 2017.

**NOTE J – INTERFUND ACTIVITY**

The School District transferred \$656,000 from the General Fund to the Activity Fund during the year ended August 31, 2017, for annual activities support.

The following transfers were also made from the General Fund during the year ended August 31, 2017. 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	\$ 1,932,374	Federal grants
Depreciation Fund	<u>2,000,000</u>	Future purchases
	<u>\$ 3,932,374</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, 2017 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	\$ <u>676,747</u>

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**NOTE L – SECTION 125 PLAN**

The District has a Section 125 Cafeteria Plan for the benefit of its employees. At August 31, 2017, the Section 125 checking account had a balance of \$185,326. The balance of unclaimed employee funds for the plan year as of August 31, 2017, was \$84,116. The \$101,210 remaining cash balance represents prior-year employee forfeitures.

**NOTE M – CONSTRUCTION COMMITMENTS**

At August 31, 2017, the District had the following commitments on construction projects:

<u>Description</u>	<u>Contractual Commitments</u>	<u>Amount Paid on Contracts as of 8/31/17</u>	<u>Remaining Commitment</u>	<u>Expected Completion Date</u>
Newell fire sprinklers	\$ 200,990	\$ 172,190	\$ 28,800	September 2017
Barr engineering fees	56,820	45,456	11,364	August 2018
Barr building addition	12,012,781	10,114,231	1,898,550	August 2018
Shoemaker building construction	6,420,644	6,320,644	100,000	April 2018
Starr architectural fees	845,308	838,281	7,027	December 2017
Starr building construction	16,559,087	15,475,790	1,083,297	December 2017
Starr engineering fees	311,087	295,533	15,554	December 2017
Starr environmental controls	241,645	215,065	26,580	December 2017
Jefferson architectural fees	610,774	488,620	122,154	August 2019
Jefferson engineering fees	200,000	161,500	38,500	August 2019
Jefferson building construction	12,314,000	-	12,314,000	August 2019
Stolley Park architectural fees	612,083	538,129	73,954	August 2019
Stolley Park engineering fees	238,400	178,800	59,600	August 2019
Stolley Park building construction	12,072,635	721,631	11,351,004	August 2019
Gates fire sprinklers	194,767	164,767	30,000	September 2017
West Lawn fire sprinklers	157,055	152,250	4,805	September 2017
	<u>\$ 63,048,076</u>	<u>\$ 35,882,887</u>	<u>\$ 27,165,189</u>	

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

**NOTES TO FINANCIAL STATEMENTS, Continued**

**August 31, 2017**

**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, 2017, 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, 2017, is as follows:

Pledges receivable at beginning of year	\$ 85,502
New pledges	1,096,027
Less: Collections	<u>(1,105,355)</u>
Pledges receivable at end of year	<u><u>\$ 76,174</u></u>

Pledges outstanding at August 31, 2017, are expected to be collected as follows:

Receivable in less than one year	\$ 50,873
Receivable in one to five years	25,301
	<u><u>\$ 76,174</u></u>

**NOTE P – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 23, 2017, 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, 2017**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RECEIPTS</b>			
Taxes:			
Property	\$ 31,404,059	\$ 28,948,609	\$ (2,455,450)
Motor vehicle	3,300,000	3,580,748	280,748
Homestead exemption	-	1,141,483	1,141,483
Pro-rate motor vehicle	100,000	92,660	(7,340)
Carline	20,941	28,762	7,821
Property tax credit	-	1,326,476	1,326,476
Fines and licenses	1,250,000	920,645	(329,355)
ESU and other county receipts	8,040,333	-	(8,040,333)
State aid and grants	64,380,142	60,454,950	(3,925,192)
Federal grants	8,975,000	5,859,482	(3,115,518)
Interest	10,000	3,494	(6,506)
Donations	25,000	153,750	128,750
	-	25,001	25,001
	<hr/>	<hr/>	<hr/>
Total receipts	117,505,475	102,536,060	(14,969,415)
<b>EXPENDITURES</b>			
Instructional services	81,964,225	72,019,554	(9,944,671)
Support services:			
Pupil	3,637,000	2,665,091	(971,909)
Instructional staff	4,100,000	2,929,750	(1,170,250)
General administration	2,349,000	2,335,107	(13,893)
School administration	4,300,000	4,219,597	(80,403)
Business	820,250	628,673	(191,577)
Building and grounds	10,000,000	8,706,100	(1,293,900)
Pupil transportation	585,000	542,953	(42,047)
State categorical grants	500,000	517,856	17,856
Federal programs	9,000,000	6,638,002	(2,361,998)
Transfer to other funds	250,000	656,000	406,000
	<hr/>	<hr/>	<hr/>
Total expenditures	117,505,475	101,858,683	(15,646,792)
	<hr/>	<hr/>	<hr/>
<b>RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>677,377</u>	<u>\$ 677,377</u>
Fund balances - August 31, 2016		<u>25,463,270</u>	
Fund balances - August 31, 2017		<u>\$ 26,140,647</u>	



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

**BUDGETARY COMPARISON SCHEDULE -  
SPECIAL BUILDING FUND**

**Year ended August 31, 2017**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RECEIPTS</b>			
Taxes:			
Property	\$ 301,962	\$ 278,326	\$ (23,636)
Homestead exemption	-	11,015	11,015
Pro-rate motor vehicle	2,038	891	(1,147)
Carline	1,000	276	(724)
Property tax credit	-	12,754	12,754
Investment income	1,000	239,898	238,898
Bond proceeds	25,000,000	18,685,000	(6,315,000)
Bond premium	-	2,755,691	2,755,691
	<hr/>	<hr/>	<hr/>
Total receipts	25,306,000	21,983,851	(3,322,149)
<b>EXPENDITURES</b>			
Capital outlay	40,000,000	17,490,947	(22,509,053)
	<hr/>	<hr/>	<hr/>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>\$ (14,694,000)</u>	4,492,904	<u>\$ 19,186,904</u>
Fund balances - August 31, 2016		<hr/> 27,341,189	
Fund balances - August 31, 2017		<u>\$ 31,834,093</u>	

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

**BUDGETARY COMPARISON SCHEDULE -  
DEPRECIATION FUND**

**Year ended August 31, 2017**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RECEIPTS</b>			
Interest	\$ 3,000	\$ 14,142	\$ 11,142
Transfer from General Fund	<u>250,000</u>	<u>2,000,000</u>	<u>1,750,000</u>
Total receipts	253,000	2,014,142	1,761,142
<b>EXPENDITURES</b>			
Capital outlay	<u>2,000,000</u>	<u>1,922,356</u>	<u>(77,644)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>\$ (1,747,000)</u>	91,786	<u>\$ 1,838,786</u>
Fund balances - August 31, 2016		<u>3,188,686</u>	
Fund balances - August 31, 2017		<u>\$ 3,280,472</u>	

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

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

**Year ended August 31, 2017**

	<u>Budget (Original)</u>	<u>Budget (Final)</u>	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RECEIPTS</b>				
Taxes:				
Property	\$ 491,211	\$ 491,211	\$ 455,428	\$ (35,783)
Homestead exemption	-	-	17,804	17,804
Pro-rate motor vehicle	7,789	7,789	1,468	(6,321)
Carline	500	500	450	(50)
Property tax credit	-	-	20,748	20,748
Interest	500	500	6,810	6,310
Bond proceeds	-	5,000,000	4,710,000	(290,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	500,000	5,500,000	5,212,708	(287,292)
<b>EXPENDITURES</b>				
Capital outlay	40,000	5,040,000	764,367	(4,275,633)
Debt service:				
Principal	425,000	425,000	425,000	-
Interest	66,211	66,211	122,541	56,330
Other	3,789	3,789	81,385	77,596
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	535,000	5,535,000	1,393,293	(4,141,707)
<b>RECEIPTS OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	3,819,415	<u>\$ 3,854,415</u>
Fund balances - August 31, 2016			<hr/>	423,171
Fund balances - August 31, 2017			<hr/>	<u>\$ 4,242,586</u>

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

**BUDGETARY COMPARISON SCHEDULE -  
COOPERATIVE FUND**

**Year ended August 31, 2017**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RECEIPTS</b>			
Tuition	\$ 16,000,000	\$ 14,017,164	\$ (1,982,836)
Federal grants	<u>2,500,000</u>	<u>1,932,374</u>	<u>(567,626)</u>
Total receipts	18,500,000	15,949,538	(2,550,462)
<b>EXPENDITURES</b>			
CNSSP Instruction	<u>18,500,000</u>	<u>16,018,591</u>	<u>(2,481,409)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u><u>\$ -</u></u>	<u>(69,053)</u>	<u>\$ (69,053)</u>
Fund balances - August 31, 2016		<u>1,057,784</u>	
Fund balances - August 31, 2017		<u><u>\$ 988,731</u></u>	

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

**BUDGETARY COMPARISON SCHEDULE -  
BOND FUND**

**Year ended August 31, 2017**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RECEIPTS</b>			
Taxes:			
Property	\$ 5,630,810	\$ 5,250,059	\$ (380,751)
Homestead exemption	-	206,882	206,882
Pro-rate motor vehicle	32,710	17,038	(15,672)
Carline	10,000	5,231	(4,769)
Property tax credit	-	237,813	237,813
Interest	<u>81,480</u>	<u>16,104</u>	<u>(65,376)</u>
Total receipts	5,755,000	5,733,127	(21,873)
<b>EXPENDITURES</b>			
Debt service:			
Principal	2,540,000	2,540,000	-
Interest	3,090,810	3,090,810	-
Other fees	<u>3,450</u>	<u>1,950</u>	<u>(1,500)</u>
Total expenditures	<u>5,634,260</u>	<u>5,632,760</u>	<u>(1,500)</u>
<b>RECEIPTS OVER (UNDER)         EXPENDITURES</b>	<u>\$ 120,740</u>	100,367	<u>\$ (20,373)</u>
Fund balances - August 31, 2016		<u>6,668,557</u>	
Fund balances - August 31, 2017		<u>\$ 6,768,924</u>	

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

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

**August 31, 2017**

	<u>Contingency Fund</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	<u>\$ 1,022,848</u>	<u>\$ 2,978,930</u>	<u>\$ 4,001,778</u>
<b>FUND BALANCES</b>			
Assigned for:			
Employee benefits	\$ -	\$ 2,978,930	\$ 2,978,930
Contingencies	<u>1,022,848</u>	<u>-</u>	<u>1,022,848</u>
Total fund balances	<u>\$ 1,022,848</u>	<u>\$ 2,978,930</u>	<u>\$ 4,001,778</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, 2017**

	<u>Contingency Fund</u>	<u>Employee Benefit Fund</u>	<u>Total</u>
<b>RECEIPTS</b>			
Interest on investments	\$ 7,612	\$ 24,279	\$ 31,891
<b>DISBURSEMENTS</b>			
Unemployment benefits	-	8,011	8,011
<b>RECEIPTS OVER DISBURSEMENTS</b>	7,612	16,268	23,880
Fund balances - August 31, 2016	1,015,236	2,962,662	3,977,898
Fund balances - August 31, 2017	\$ 1,022,848	\$ 2,978,930	\$ 4,001,778

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

**Year ended August 31, 2017**

	Beginning <u>Balance</u>	Receipts and <u>Transfers In</u>	Disbursements and <u>Transfers Out</u>	Ending <u>Balance</u>
<u>0000 Nondepartmental</u>				
Executive Director of Information Technology:				
Sale and Purchase of Computers	\$ 49,089	\$ 147,511	\$ -	\$ 196,600
iPad Service Contracts and Repairs	73,387	42,799	56,864	59,322
Executive Director of Business:				
Developmental League	10,000	7,540	7,540	10,000
<b>Total Nondepartmental</b>	<b><u>\$ 132,476</u></b>	<b><u>\$ 197,850</u></b>	<b><u>\$ 64,404</u></b>	<b><u>\$ 265,922</u></b>
<u>0916 Administration:</u>				
Assistant Superintendent - Curriculum:				
CCC - AP Courses	\$ 132,636	\$ 61,380	\$ 47,732	\$ 146,284
General	2,991	9,268	1,797	10,462
Parent Navigator	8,530	-	8,530	-
Assistant Superintendent - Student Services:				
5K Run/Walk	10,484	15,020	21,042	4,462
ILP - Special Education Senior	-	5,912	5,912	-
Courtesy	740	-	-	740
General	24,698	-	1,171	23,527
GIMC - Emergency Relief	1,367	-	-	1,367
Multicultural Club	200	-	-	200
Wal-Mart Grant	99	-	-	99
Classroom Mini Grants	159	6,334	6,334	159
Daugherty Grant	3,457	-	3,457	-
Director - Business:				
General	479,053	272,596	188,665	562,984
<b>Total Administration</b>	<b><u>\$ 664,414</u></b>	<b><u>\$ 370,510</u></b>	<b><u>\$ 284,640</u></b>	<b><u>\$ 750,284</u></b>
<u>0918 CNSSP:</u>				
Assistant Superintendent:				
Circle of Friends	\$ 1,034	\$ 736	\$ 693	\$ 1,077
Director - Student Services:				
Baasch Trust	16,615	-	-	16,615
Patty Lundeen Galraith Fund	66	-	-	66
Transitional living program	1,630	-	-	1,630
Courtesy	621	-	-	621
Special projects	9,112	-	-	9,112
Suicide Prevention Project	8,404	-	3,219	5,185
<b>Total CNSSP</b>	<b><u>\$ 37,482</u></b>	<b><u>\$ 736</u></b>	<b><u>\$ 3,912</u></b>	<b><u>\$ 34,306</u></b>
<u>0926 Early Learning Center:</u>				
Building Principal:				
Courtesy	\$ 526	\$ 790	\$ 1,276	\$ 40
General	1,225	1,500	1,275	1,450
Grant - NDE	(2,042)	3,000	948	10
<b>Total Early Learning Center</b>	<b><u>\$ (291)</u></b>	<b><u>\$ 5,290</u></b>	<b><u>\$ 3,499</u></b>	<b><u>\$ 1,500</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, 2017**

	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	\$ 1,294	\$ 742	\$ 1,224	\$ 812
General	11,951	16,756	20,862	7,845
PTA or PTO	-	89	89	-
Student Council	1,208	143	508	843
<b>Total Newell Elementary</b>	<b><u>\$ 14,453</u></b>	<b><u>\$ 17,730</u></b>	<b><u>\$ 22,683</u></b>	<b><u>\$ 9,500</u></b>
<u>1904 Gates Elementary:</u>				
Building Principal:				
Courtesy	\$ 1,470	\$ 260	\$ 210	\$ 1,520
General	1,535	13,811	13,555	1,791
Student Council	2,337	848	1,313	1,872
<b>Total Gates Elementary</b>	<b><u>\$ 5,342</u></b>	<b><u>\$ 14,919</u></b>	<b><u>\$ 15,078</u></b>	<b><u>\$ 5,183</u></b>
<u>1905 Dodge Elementary:</u>				
Building Principal:				
Facility rental	\$ 25	\$ -	\$ -	\$ 25
General	6,229	8,464	6,477	8,216
MCREL ELA project	2,176	-	-	2,176
PTA or PTO	5,684	3,325	1,757	7,252
Student Council	653	605	865	393
<b>Total Dodge Elementary</b>	<b><u>\$ 14,767</u></b>	<b><u>\$ 12,394</u></b>	<b><u>\$ 9,099</u></b>	<b><u>\$ 18,062</u></b>
<u>1906 Starr Elementary:</u>				
Building Principal:				
Character Education	\$ 1,042	\$ 1,453	\$ 110	\$ 2,385
Courtesy	22	-	-	22
General	47,288	23,752	62,583	8,457
PTA	490	-	-	490
<b>Total Starr Elementary</b>	<b><u>\$ 48,842</u></b>	<b><u>\$ 25,205</u></b>	<b><u>\$ 62,693</u></b>	<b><u>\$ 11,354</u></b>
<u>1907 Howard Elementary:</u>				
Building Principal:				
Action for Healthy Kids	\$ 162	\$ 6,985	\$ 3,965	\$ 3,182
Grade 4	317	-	-	317
Courtesy	883	-	-	883
Facility rental	2,652	-	-	2,652
General	7,282	9,680	6,765	10,197
Lounge	89	-	-	89
PTA or PTO	4,220	-	-	4,220
Popcorn sales	59	-	-	59
Student Council	59	1,542	158	1,443
Dollar General Literacy Foundation Grant	2,824	284	-	3,108
<b>Total Howard Elementary</b>	<b><u>\$ 18,547</u></b>	<b><u>\$ 18,491</u></b>	<b><u>\$ 10,888</u></b>	<b><u>\$ 26,150</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, 2017**

	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	\$ -	\$ 3,460	\$ 1,839	\$ 1,621
Books	2,642	-	-	2,642
Courtesy	-	1,223	1,223	-
Facility rental	151	-	-	151
General	7,957	442	2,764	5,635
Grade 4	1,507	-	-	1,507
Lounge	245	-	80	165
PTA or PTO	8,568	2,925	517	10,976
Student Council	-	279	279	-
<b>Total Jefferson Elementary</b>	<b><u>\$ 21,070</u></b>	<b><u>\$ 8,329</u></b>	<b><u>\$ 6,702</u></b>	<b><u>\$ 22,697</u></b>
<u>1909 Knickrehm Elementary:</u>				
Building Principal:				
Courtesy	\$ 560	\$ 291	\$ 499	\$ 352
Garden Club	230	-	20	210
General	5,037	5,024	2,366	7,695
PTA or PTO	16	100	61	55
Student Council	685	1,280	1,265	700
<b>Total Knickrehm Elementary</b>	<b><u>\$ 6,528</u></b>	<b><u>\$ 6,695</u></b>	<b><u>\$ 4,211</u></b>	<b><u>\$ 9,012</u></b>
<u>1910 Lincoln Elementary:</u>				
Building Principal:				
Class pictures	\$ 809	\$ -	\$ -	\$ 809
Courtesy	221	85	150	156
Field trips	-	352	-	352
General	1,361	5,297	3,732	2,926
Student Council	1,402	309	268	1,443
<b>Total Lincoln Elementary</b>	<b><u>\$ 3,793</u></b>	<b><u>\$ 6,043</u></b>	<b><u>\$ 4,150</u></b>	<b><u>\$ 5,686</u></b>
<u>1911 Seedling Mile Elementary:</u>				
Building Principal:				
Courtesy	\$ 13	\$ -	\$ -	\$ 13
Facility rental	417	-	-	417
General	5,427	1,547	793	6,181
PTA or PTO	13,547	7,983	6,018	15,512
<b>Total Seedling Mile Elementary</b>	<b><u>\$ 19,404</u></b>	<b><u>\$ 9,530</u></b>	<b><u>\$ 6,811</u></b>	<b><u>\$ 22,123</u></b>
<u>1912 Stolley Park Elementary:</u>				
Building Principal:				
Character Education	\$ 73	\$ 633	\$ 254	\$ 452
Facility rental	1,134	-	-	1,134
General	8,837	3,272	4,699	7,410
Library/media	-	14	-	14
<b>Total Stolley Park Elementary</b>	<b><u>\$ 10,044</u></b>	<b><u>\$ 3,919</u></b>	<b><u>\$ 4,953</u></b>	<b><u>\$ 9,010</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, 2017**

	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	8,506	25,787	14,872	19,421
MCREL ELA project	4,262	-	-	4,262
<b>Total Wasmer Elementary</b>	<b><u>\$ 13,330</u></b>	<b><u>\$ 25,787</u></b>	<b><u>\$ 14,872</u></b>	<b><u>\$ 24,245</u></b>
<u>1915 West Lawn Elementary:</u>				
Building Principal:				
Adopt-A-School	\$ 3,623	\$ -	\$ 1,188	\$ 2,435
Character education	3,456	-	1,321	2,135
Courtesy	26	-	-	26
General	6,923	13,302	5,162	15,063
Museum Madness	2,000	-	1,820	180
PTA/PTO/PAB	4,588	13,810	11,730	6,668
HAL playground project	-	1,672	-	1,672
Popcorn sales	1,125	444	657	912
<b>Total West Lawn Elementary</b>	<b><u>\$ 21,741</u></b>	<b><u>\$ 29,228</u></b>	<b><u>\$ 21,878</u></b>	<b><u>\$ 29,091</u></b>
<u>1923 Shoemaker Elementary:</u>				
Building Principal:				
Grade 4	\$ -	\$ 500	\$ 309	\$ 191
Grade 5	98	-	-	98
Courtesy	437	-	110	327
Facility rental	4,520	-	-	4,520
General	7,990	12,332	8,526	11,796
PTA or PTO	9,716	22,374	17,842	14,248
<b>Total Shoemaker Elementary</b>	<b><u>\$ 22,761</u></b>	<b><u>\$ 35,206</u></b>	<b><u>\$ 26,787</u></b>	<b><u>\$ 31,180</u></b>
<u>1924 Engleman Elementary:</u>				
Building Principal:				
Character Education	\$ 591	\$ -	\$ 30	\$ 561
Courtesy	111	-	-	111
General	4,793	2,365	1,620	5,538
<b>Total Engleman Elementary</b>	<b><u>\$ 5,495</u></b>	<b><u>\$ 2,365</u></b>	<b><u>\$ 1,650</u></b>	<b><u>\$ 6,210</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, 2017**

	<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:				
Embroidery class projects	\$ 1,309	\$ -	\$ 1,309	\$ -
Facility rental	1,000	9,942	8,511	2,431
Fellowship of Christian Athletes	300	-	-	300
Fines	39,698	19,674	44,170	15,202
Friends of Rachel	517	-	-	517
General	1,844	56,657	46,026	12,475
Groundwater Festival	219	-	-	219
Hulagan's	233	-	-	233
Pop	1,868	466	-	2,334
GISH Staff Project	3,271	37	402	2,906
Iams Company Grant	1,000	-	-	1,000
Grant - \$50 to Fail	1,971	-	-	1,971
Gay-Straight Alliance	409	380	390	399
Total Building Principal	53,639	87,156	100,808	39,987
Activities Director:				
Art Department - Fees	688	1,795	738	1,745
Astronomy Club	129	-	-	129
Band	-	33,931	33,931	-
Cheerleaders	-	61,594	61,585	9
Cheerleaders - clinic	-	16,688	12,798	3,890
Class of Seniors	-	13,487	13,487	-
Counseling Dept.	2,343	440	-	2,783
Culinary Arts	117	-	117	-
Debate	253	1,330	1,583	-
Drama	1,285	5,936	5,115	2,106
FBLA	-	51	51	-
General	-	1,920	1,920	-

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

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

**Year ended August 31, 2017**

	<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	628	874	-	1,502
Islander	-	20,705	4,070	16,635
Islander wrestling	-	4,552	4,552	-
JROTC	6,806	5,901	4,000	8,707
JROTC - Clinic	4,181	5,385	8,214	1,352
Key Club	-	146	146	-
Library/media	3,128	395	-	3,523
European Explorers	-	6,024	-	6,024
Multicultural Club	204	-	-	204
National Honor Society	-	7,687	5,086	2,601
NSAA	25,374	29,519	25,100	29,793
One-act plays	3,000	1,500	-	4,500
Orchestra	852	24,194	25,046	-
Physical education	-	13,671	11,625	2,046
Robotics	-	750	450	300
SADD	1,537	2,584	1,254	2,867
Science	98	326	424	-
Speech	1,969	10,708	11,304	1,373
Spirit Set	10,587	29,603	40,190	-
Spring musical	-	40,647	40,647	-
Student Council	6,521	14,155	12,667	8,009
Testing	1,447	495	574	1,368
Theater tickets	-	10,666	10,666	-
Vocal music	2,268	1,548	2,293	1,523
Vocal - Show Choir	-	25,747	25,747	-
Vocational	161	644	805	-
Gay-Straight Alliance	4,126	40	40	4,126
Athletics	19,459	140,694	137,024	23,129

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

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

**Year ended August 31, 2017**

	<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	3,935	19,580	18,688	4,827
Summer clinic - girls BB	1,134	6,624	6,346	1,412
Summer clinic - volleyball	14,933	18,831	16,759	17,005
Summer clinic - football	31,851	51,610	41,265	42,196
Senior High soccer clinic	510	21,155	17,886	3,779
Softball clinic	5,294	9,804	11,318	3,780
Summer clinic - track	-	11,340	11,340	-
Summer clinic - swimming	1,353	6,740	8,050	43
Summer clinic - tennis	1,702	3,323	5,025	-
Summer clinic - boys soccer	-	9,247	9,247	-
Cross country	186	6,445	5,632	999
Cross country clinic	967	1,508	575	1,900
Youth football	14,261	17,105	11,506	19,860
Football	2,816	39,229	41,538	507
Baseball	-	41,047	41,047	-
Baseball clinic	-	21,023	21,023	-
Golf clinic - boys & girls	1,543	1,216	2,759	-
Golf - girls	-	6,730	6,730	-
Softball	-	24,634	24,634	-
Tennis - boys	-	4,223	4,223	-
Volleyball	-	17,781	17,007	774
Wrestling	-	56,848	56,848	-
Basketball - boys	1,827	21,891	23,631	87
Basketball - girls	3,851	15,226	18,565	512
Basketball - intramural - boys	2,994	1,000	358	3,636
Swimming	-	14,146	12,197	1,949
Track	-	29,432	29,432	-
Golf - boys	-	7,382	7,382	-
Tennis	-	8,713	8,617	96
Unified sports	-	502	-	502
Soccer	-	16,166	16,166	-
Total Activities Director	<u>186,318</u>	<u>1,046,833</u>	<u>999,043</u>	<u>234,108</u>
<b>Total Senior High</b>	<b><u>\$ 239,957</u></b>	<b><u>\$ 1,133,989</u></b>	<b><u>\$ 1,099,851</u></b>	<b><u>\$ 274,095</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, 2017**

	<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	-	-	989
6th Grade	9,534	-	-	9,534
7th Grade	822	1,000	1,500	322
8th Grade	3,944	10,018	9,482	4,480
Concessions	807	5,587	6,189	205
Courtesy	83	183	266	-
Exploratory - Purple	302	-	-	302
Drama	1,697	-	-	1,697
Equipment and Facility Rental	481	-	-	481
Fundraiser	342	-	-	342
General	13,413	9,095	11,876	10,632
Hulas - Student Store	102	-	-	102
Library/media	1,523	3,940	3,781	1,682
Physical education	71	-	-	71
Student Council	1,906	545	2,365	86
Vocal Music	2,254	10,604	7,585	5,273
Washington D.C. trip	1,333	1,007	1,198	1,142
Athletics	4,016	64,651	63,667	5,000
<b>Total Barr Middle School</b>	<b><u>\$ 43,855</u></b>	<b><u>\$ 106,630</u></b>	<b><u>\$ 107,909</u></b>	<b><u>\$ 42,576</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, 2017**

	<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	\$ 6,836	\$ -	\$ 6	\$ 6,830
Band	2,922	-	30	2,892
Character Education	24	-	-	24
Team 6A	2,873	3,214	2,103	3,984
Team 6B	-	521	214	307
Team 6C	198	-	100	98
Team 7A	1,306	2,336	2,049	1,593
Team 7B	651	-	12	639
Team 8A	588	1,025	896	717
Concessions	12,900	16,593	20,767	8,726
Courtesy	-	988	988	-
Facility rental	406	500	93	813
Future Fisherman Grant	1,609	(170)	786	653
Fundraiser	7,269	150	-	7,419
General	27,993	41,547	25,372	44,168
Home Economics	7,573	-	1,284	6,289
Library/media	1,585	2,431	1,852	2,164
Memory	5,872	3,256	5,339	3,789
Newcomers	1,941	-	-	1,941
Orchestra	5,354	1,808	2,172	4,990
PTA/PTO/PAB	704	208	435	477
Physical education	16,585	338	-	16,923
Financial literacy	677	1,607	-	2,284
Southard Grant	1,111	4,035	2,101	3,045
Staff inservice	565	-	-	565
Student Council	-	562	54	508
Vocal music	7,870	108	827	7,151
Washington D.C. trip	-	28,470	18,687	9,783
Grant - Wells Fargo	1,411	-	-	1,411
Athletics	3,565	59,611	58,171	5,005
<b>Total Walnut Middle School</b>	<b><u>\$ 120,388</u></b>	<b><u>\$ 169,138</u></b>	<b><u>\$ 144,338</u></b>	<b><u>\$ 145,188</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, 2017**

	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	13,523	9,354	15,329	7,548
Courtesy	212	395	225	382
Facility rental	2,094	582	7	2,669
General	2,406	27,128	22,646	6,888
Grade 6	358	2,918	2,402	874
Grade 7	482	2,579	1,069	1,992
Grade 8	1,135	3,992	4,687	440
Hula's - Student Store	258	311	288	281
Memory Book	9,177	10,102	5,608	13,671
Music	764	4,078	3,424	1,418
Washington D.C. trip	-	2,488	2,488	-
Athletics	13,603	44,628	54,960	3,271
<b>Total Westridge Middle School</b>	<b><u>\$ 44,216</u></b>	<b><u>\$ 108,555</u></b>	<b><u>\$ 113,133</u></b>	<b><u>\$ 39,638</u></b>
 <u>5930 - Career Pathways Institute:</u>				
Building Principal:				
CCC Equipment Fund	\$ 13,516	\$ -	\$ -	\$ 13,516
Construction Project	42,663	290,110	327,191	5,582
FBLA	551	21,352	21,903	-
Fundraising	-	1,880	1,880	-
General	329	42,101	36,259	6,171
Family & Consumer Science	4,588	200	-	4,788
Medical Pathways - HOSA	-	2,124	2,124	-
Skills U.S.A.	-	20,753	20,753	-
Automotive	4,063	-	-	4,063
Manufacturing	3,041	25,120	16,374	11,787
Construction	1,431	12,000	11,504	1,927
<b>Total Career Pathways Institute</b>	<b><u>\$ 70,182</u></b>	<b><u>\$ 415,640</u></b>	<b><u>\$ 437,988</u></b>	<b><u>\$ 47,834</u></b>
 <u>5940 - Success Academy:</u>				
Building Principal:				
General	<b><u>\$ 1,000</u></b>	<b><u>\$ 2,234</u></b>	<b><u>\$ 2,234</u></b>	<b><u>\$ 1,000</u></b>
 <b>TOTAL ACTIVITY FUND</b>	<b><u>\$ 1,579,796</u></b>	<b><u>\$ 2,726,413</u></b>	<b><u>\$ 2,474,363</u></b>	<b><u>\$ 1,831,846</u></b>

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

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

**Year ended August 31, 2017  
(Unaudited)**

	General <u>Fund</u>	Bond <u>Fund</u>	Building <u>Fund</u>	Qualified Capital Purpose <u>Fund</u>
Balance - August 31, 2016	\$ 8,706,143	\$ 1,675,629	\$ 80,291	\$ 138,977
Receipts:				
Property taxes	29,181,750	5,291,193	280,563	459,022
Motor vehicle tax	3,580,748	-	-	-
Homestead allocation	1,141,483	206,882	11,015	17,804
Pro-rate motor vehicle	92,660	17,038	891	1,468
In-lieu-of tax	15,810	2,792	148	240
Interest	67,994	13,523	660	1,148
Carline	28,762	5,231	276	450
Property tax credit	<u>1,326,476</u>	<u>237,813</u>	<u>12,755</u>	<u>20,748</u>
Total receipts	<u>35,435,683</u>	<u>5,774,472</u>	<u>306,308</u>	<u>500,880</u>
Total to be accounted for	44,141,826	7,450,101	386,599	639,857
Disbursements:				
To School District	34,566,535	5,794,695	298,039	495,378
Treasurers' fees	<u>316,944</u>	<u>57,449</u>	<u>3,045</u>	<u>4,982</u>
Total disbursements	<u>34,883,479</u>	<u>5,852,144</u>	<u>301,084</u>	<u>500,360</u>
Balance - August 31, 2017	<u><u>\$ 9,258,347</u></u>	<u><u>\$ 1,597,957</u></u>	<u><u>\$ 85,515</u></u>	<u><u>\$ 139,497</u></u>

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

**COMPARATIVE STATISTICAL DATA FROM ANNUAL FINANCIAL REPORTS**

**For the years ended August 31, 2017 - 2008  
(Unaudited)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Value of School District	\$ 3,050,120,816	\$ 2,938,020,328	\$ 2,763,011,452	\$ 2,669,698,545
Current Property Tax				
Budgeted - General Fund	\$ 31,721,271	\$ 30,555,426	\$ 28,735,319	\$ 27,764,878
Average Daily Attendance (ADA)	8,733	8,644	8,457	8,325
Average Daily Membership (ADM)	9,266	9,129	8,959	8,783
Total Value of Plant and Contents	\$ 371,500,000	\$ 350,000,000	\$ 338,000,000	\$ 331,400,000
Annual Depreciation of Plant and Contents (3% of Value)	\$ 11,145,000	\$ 10,500,000	\$ 10,140,000	\$ 9,942,000
Total Adjusted Current Expense	<u>92,505,591</u>	<u>88,016,770</u>	<u>83,011,060</u>	<u>82,668,629</u>
Total Annual Cost	\$ 103,650,591	\$ 98,516,770	\$ 93,151,060	\$ 92,610,629
Annual Cost Per Pupil - ADA	\$ 11,869	\$ 11,398	\$ 11,015	\$ 11,124
Annual Cost Per Pupil - ADM	\$ 11,187	\$ 10,791	\$ 10,398	\$ 10,545

MISCELLANEOUS DATA - At Annual Cost Per Pupil (ADM)

**RECEIPTS**

Local	\$ 3,676	\$ 3,456	\$ 3,346	\$ 3,246
County	99	108	99	98
State	6,658	6,258	5,963	5,969
Federal	632	620	527	577
Other	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts for Year	11,066	10,442	9,935	9,890

**EXPENDITURES**

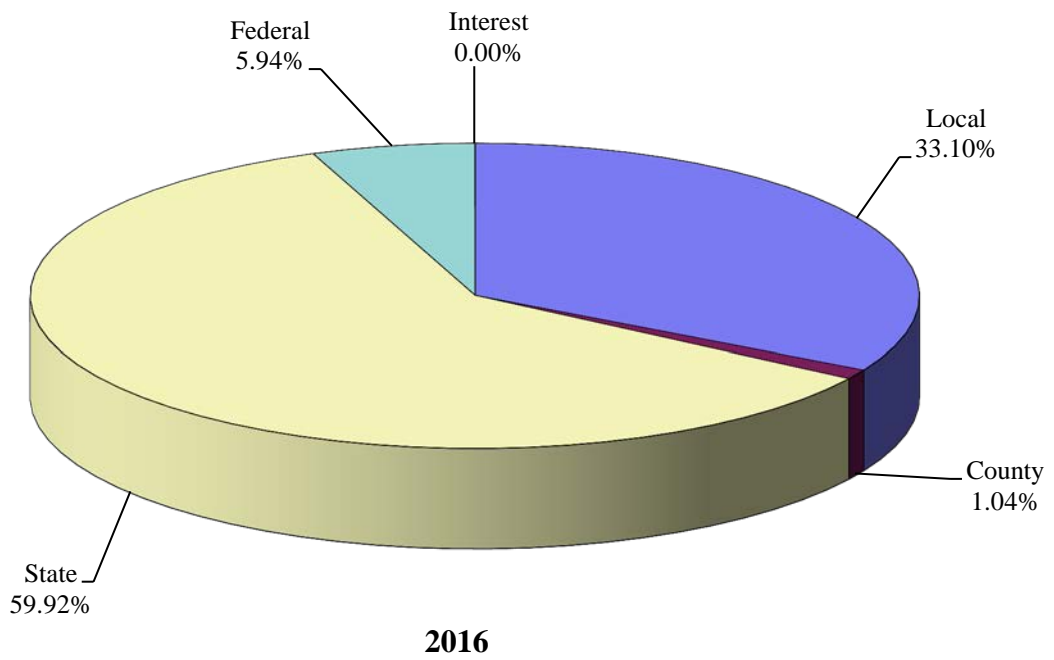
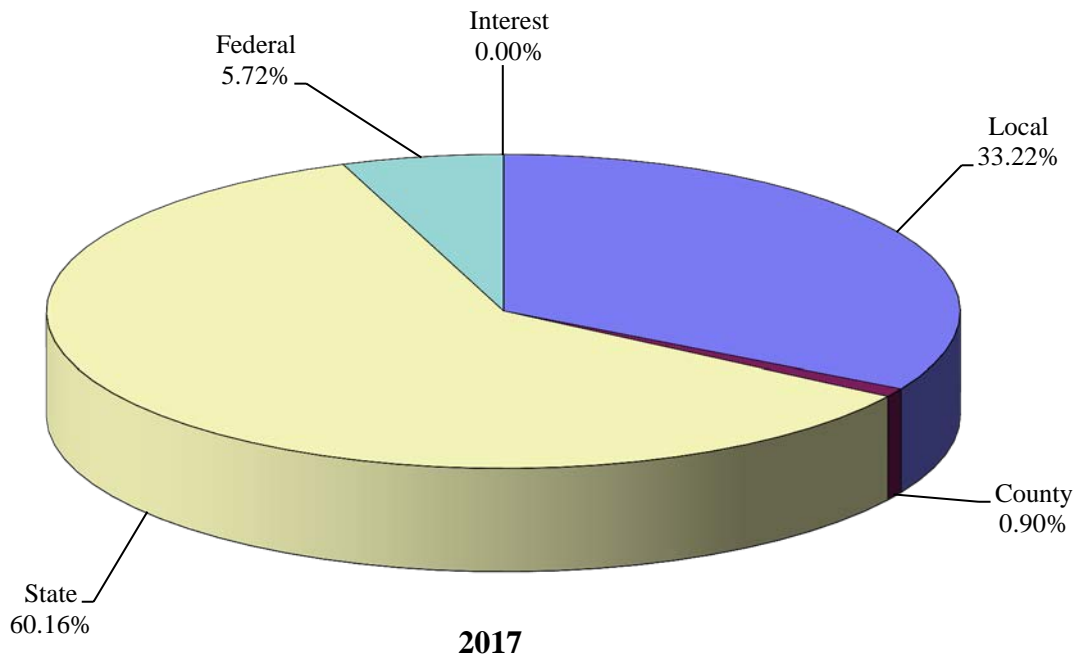
Instruction	7,772	7,368	6,829	6,936
Support Services	604	705	768	751
Administration	775	700	695	676
Operation and Maintenance of Plant	940	855	959	1,246
Pupil Transportation	59	57	55	57
State/Federal/Other	<u>843</u>	<u>698</u>	<u>700</u>	<u>740</u>
Total Expenditures for Year	<u>10,993</u>	<u>10,383</u>	<u>10,006</u>	<u>10,406</u>

**RECEIPTS OVER (UNDER)**

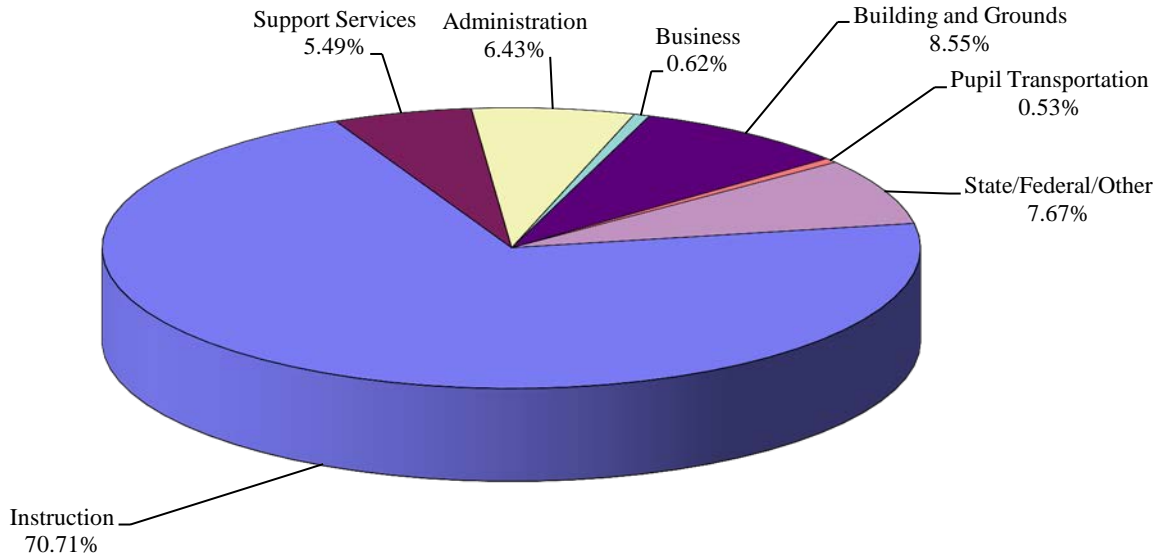
<b>EXPENDITURES PAID</b>	<u>\$ 73</u>	<u>\$ 59</u>	<u>\$ (71)</u>	<u>\$ (516)</u>
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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 2,609,831,071	\$ 2,550,512,664	\$ 2,486,056,518	\$ 2,440,165,438	\$ 2,373,367,840	\$ 2,301,668,487
\$ 27,142,256	\$ 26,525,344	\$ 24,860,565	\$ 24,401,650	\$ 23,733,678	\$ 21,750,778
8,229	8,139	8,014	7,962	7,732	7,440
8,613	8,489	8,407	8,368	8,140	7,869
\$ 320,000,000	\$ 300,000,000	\$ 290,600,000	\$ 280,000,000	\$ 265,500,000	\$ 228,956,290
\$ 9,600,000	\$ 9,000,000	\$ 8,718,000	\$ 8,400,000	\$ 7,965,000	\$ 6,868,689
78,091,496	75,716,339	66,545,710	67,998,067	68,938,142	60,197,822
\$ 87,691,496	\$ 84,716,339	\$ 75,263,710	\$ 76,398,067	\$ 76,903,142	\$ 67,066,511
\$ 10,656	\$ 10,409	\$ 9,391	\$ 9,595	\$ 9,947	\$ 9,014
\$ 10,181	\$ 9,979	\$ 8,953	\$ 9,130	\$ 9,448	\$ 8,523
\$ 3,477	\$ 3,373	\$ 3,143	\$ 3,253	\$ 3,169	\$ 3,046
93	125	94	89	97	92
6,140	6,018	5,840	5,467	5,455	5,033
850	1,129	1,817	1,427	650	854
-	-	-	2	94	1
10,560	10,645	10,894	10,238	9,465	9,026
6,631	6,833	5,660	5,945	6,343	5,769
756	705	711	682	706	708
663	689	750	720	711	686
1,369	1,273	885	870	930	856
58	54	47	46	39	35
849	883	2,417	1,869	878	944
10,326	10,437	10,470	10,132	9,607	8,998
\$ 234	\$ 208	\$ 424	\$ 106	\$ (142)	\$ 28

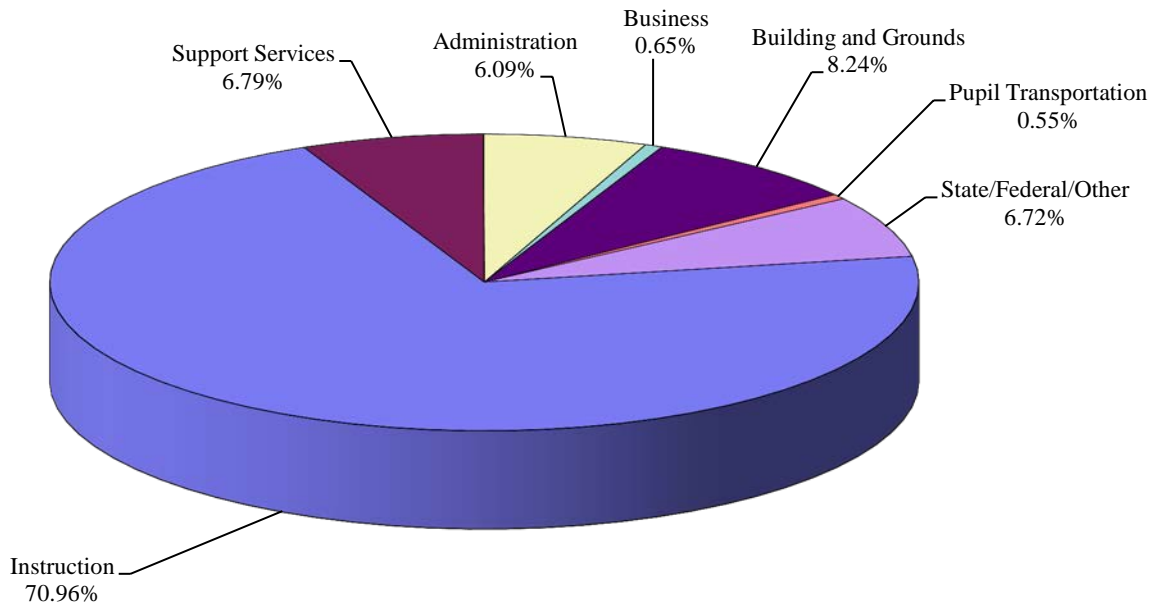
**GRAND ISLAND PUBLIC SCHOOLS  
GENERAL FUND RECEIPTS  
Years Ended August 31,**



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

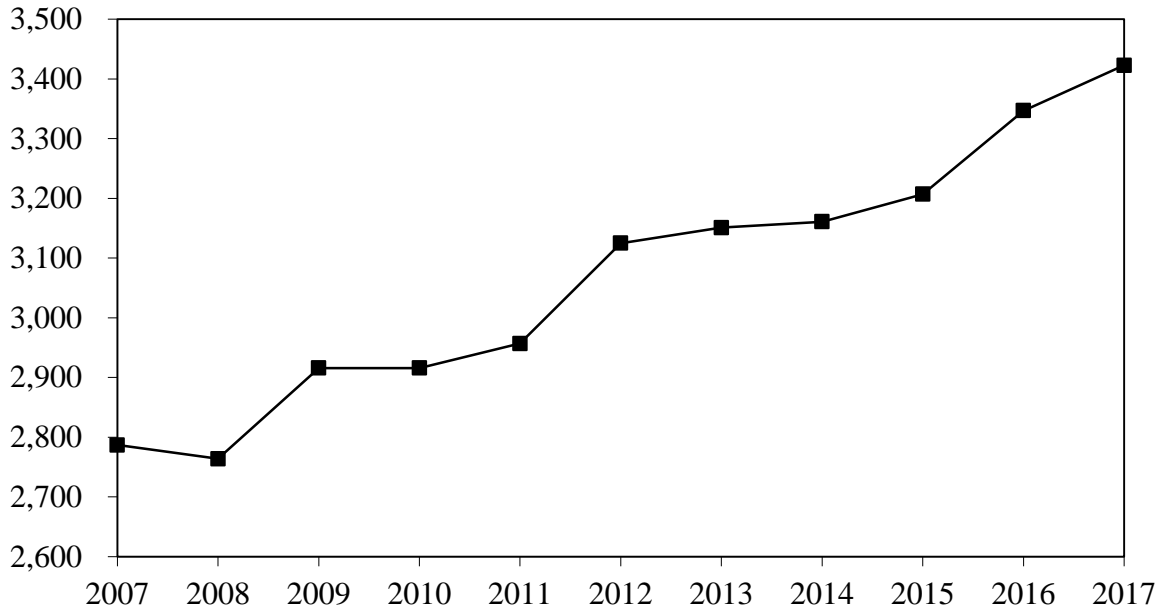


**2017**

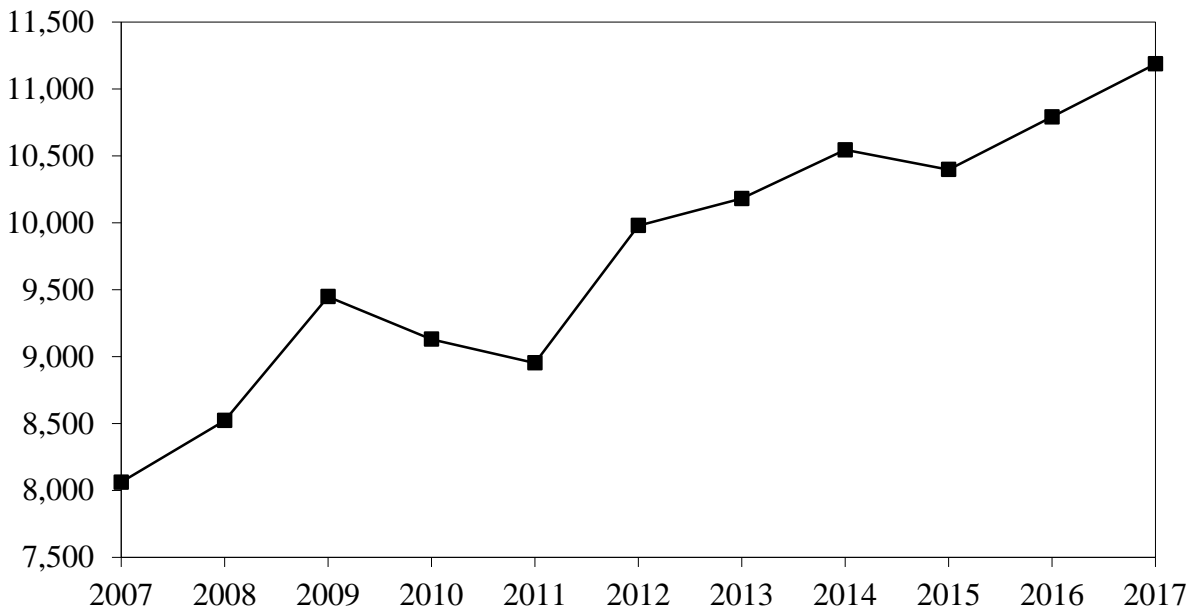


**2016**

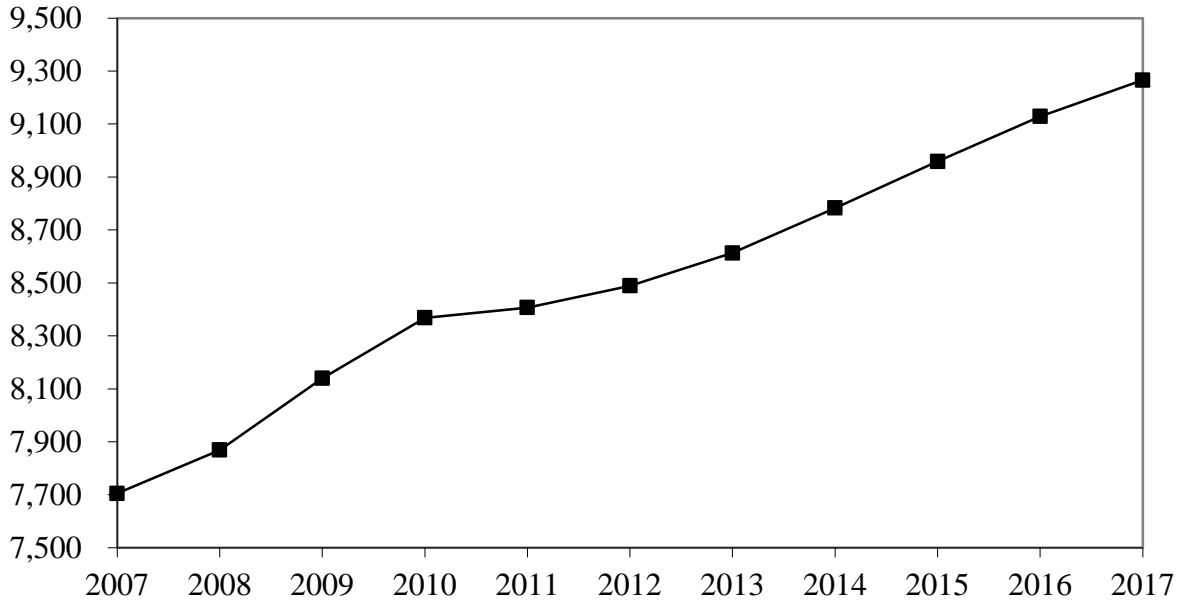
**GRAND ISLAND PUBLIC SCHOOLS**  
**BUDGETED PROPERTY TAX PER STUDENT - GENERAL FUND**  
Years Ended August 31, 2007 through 2017



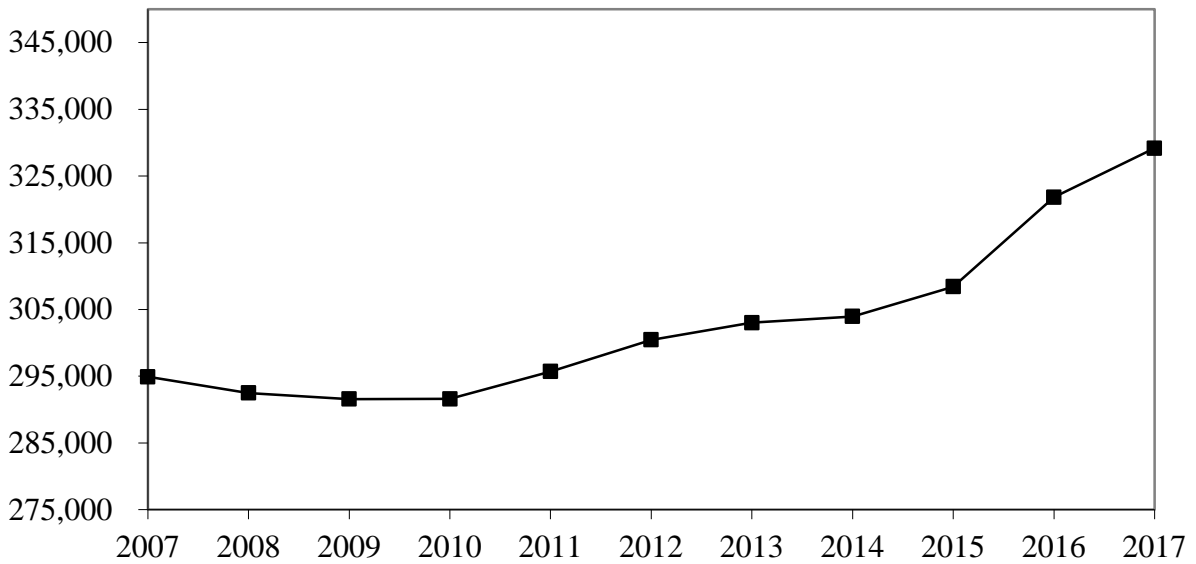
**ANNUAL COST PER STUDENT**  
Years Ended August 31, 2007 through 2017



**GRAND ISLAND PUBLIC SCHOOLS  
AVERAGE DAILY MEMBERSHIP  
Years Ended August 31, 2007 through 2017**



**ASSESSED VALUE PER STUDENT  
Years Ended August 31, 2007 through 2017**





**SINGLE AUDIT REPORTS**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended August 31, 2017**

<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	2,013,313 *
Total Special Education (IDEA) Cluster			<u>2,042,072</u>
Title I	84.010	40-0002-000	2,626,331
Migrant Education - Basic State Grant Program	84.011	40-0002-000	223,846
Infants and Toddlers with Disabilities - Preschool			
Interagency Grant	84.181	40-0002-000	20,971
Perkins Basic Grant	84.048	40-0002-000	99,698
Education for Homeless Children and Youth	84.196	40-0002-000	24,580
Advanced Placement Test Fee Program	84.330	40-0002-000	4,291
Title II - Part A	84.367	40-0002-000	225,295
Title III - Immigrant Education	84.365	40-0002-000	223,860
Total Department of Education			<u>5,490,944</u>
<b><u>Department of Agriculture</u></b>			
Child Nutrition Cluster:			
Passed Through Nebraska Department of Education:			
National School Lunch Program	10.555	40-0002-000	524,541 *
School Breakfast Program	10.553	40-0002-000	3,305,942 *
Summer Food Program for Children	10.559	40-0002-000	92,904 *
Total Child Nutrition Cluster passed through Nebraska Department of Education			<u>3,923,387</u>
Passed Through Nebraska Department of Health and Human Services:			
National School Lunch Program	10.555	47-6003169	491,577 *
Total Child Nutrition Cluster			<u>4,414,964</u>
Passed Through Nebraska Department of Education:			
Child and Adult Care Food Program	10.558	40-0002-000	17,806
Fruit and Vegetable Program	10.582	40-0002-000	134,478
Total Department of Agriculture			<u>4,567,248</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	232,393
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 10,290,585</u></u>

\*Major Programs

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

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

**Year ended August 31, 2017**

**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, the aggregate remaining fund information and the fiduciary funds of Hall County School District #2 as of and for the year ended August 31, 2017, 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 23, 2017. 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

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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Amquist, Malthalm,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
October 23, 2017



**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

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**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, 2017. 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, 2017.

## 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.

*Amquist, Maltzahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
October 23, 2017

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended August 31, 2017**

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, 2017 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 did not disclose any 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), #10.553 (School Breakfast Program), and #10.559 (Summer Food Program for Children), and Special Education (IDEA) Cluster – CFDA #84.173 (Special Education – Below Age Five) and #84.027 (Special Education – Below Age Five (IDEA, Part B).
  - (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.

None
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, 2017**

Program

Findings for the year ended August 31, 2016

There were no prior audit findings.