

Agenda

1. Osceola Public Schools Board of Education Information
2. Opening Procedures
 - 2.1. Call the Meeting to Order
 - 2.2. Roll Call
 - 2.3. Excuse Board Members Who Are Absent
3. Approval of Agenda
4. Recognition of Visitors/Communications from the Public
5. Reports
 - 5.1. Activities Director Report
 - 5.2. Principals Reports
 - 5.2.1. Elementary Report
 - 5.2.2. MS/HS Report
 - 5.3. Superintendent's Report
 - 5.4. Board Reports
6. Action Items
 - 6.1. Consent Agenda
 - 6.1.1. Approval of the Previous Meeting's Minutes
 - 6.1.2. Treasurer's Report
 - 6.1.3. Payment of general fund claims in the amount of \$377,343.31
 - 6.1.4. Payment of bond fund claims of \$100,608.75
 - 6.2. Consider, discuss and take all necessary action on
 - 6.2.1. Kyle from ALMQUIST MALTZAHN GALLOWAY & LUTH will connect via Zoom so he can answer any questions about the audit during the meeting on Monday November 14th
 - 6.2.2. Consider, discuss and take all necessary action to approve district audit for fiscal year 2021-2022.
 - 6.2.3. Accept a quote from Pro Track and Tennis, Inc for structural spray of the track for \$91,520.
 - 6.2.4. Superintendent's evaluation.
7. Discussion Items
 - 7.1. Christmas party
8. Next Meeting Dates and Times
 - 8.1. Regular meeting, December 12, 2022, 6:00 PM at the Osceola Middle/High School Media Center.
9. Adjournment

Jeffrey Elementary

November 14, 2022

Brett Webster

- Holiday Concert will be Nov. 22nd at 7 PM in the new Gym
- Book Fair Profit this year
 - We sold \$1,343.68 dollars worth of books.
 - We received \$630 dollars in free books.
 - Each teacher was able to get \$57.27 to use at the fair.
- Our Elementary School Store Fundraiser raised \$454.65
 - Gift cards are \$2,740. These are given to the teachers for their classrooms.
- The Book Buddy Program is looking for more donations! We have enough to get through this semester.
- Service Projects at the elementary school through houses
 - Givers did the food drive
 - Friendship will do Giving Tree during Christmas

Board of Education Special Meeting

Middle School/High School Media Center

565 Kimmel Street

Osceola, NE 68651

October 16, 2022 @ 7:00 PM

1. Osceola Public Schools Board of Education Information

Notice of this special meeting was posted at the Jeffrey Elementary School, Osceola Middle School/High School, Pinnacle Bank of Osceola, and the Osceola Post Office on October 13, 2022. This notice was also published in *The Polk County News* on the same date. A copy of the agenda items is tentative and may be changed by the Board if necessary.

2. Opening Procedures.

2.1. Call the Meeting to Order

President Jennifer Boruch called the special meeting to order at 7:04 PM and informed those in attendance that a current copy of the Open Meetings Act is posted in the meeting room, then directed the public to its location. This special meeting was called to approve the October bills.

2.2. Roll Call

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

Also present were Superintendent Jason Lavaley and Debra Berry. No patrons were present.

2.3. Excuse Board Members Who Are Absent

To excuse Eric Yungdahl from the meeting passed with a motion made by Michael Neujahr and a second by Jena Ockander.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

3. Approval of Agenda

To approve the agenda as written passed with a motion made by Anthony Mestl and a second by Daisy Naber.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

4. Action Items

4.1. Payment of general fund claims in the amount of \$454,755.85

To approve the consent agenda as written passed with a motion made by Anthony Mestl and a second by Jena Ockander.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

4.2. Approve claim of special building fund of \$3,929.97

To approve special building claim passed with a motion made by Michael Neujahr and a second by Daisy Naber.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

5. Next Meeting Dates and Times

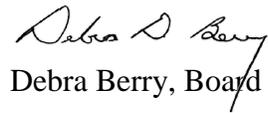
5.1. Regular meeting on November 14, 2022, 6:00PM at the Osceola Middle/High School Media Center.

6. Adjournment

To adjourn meeting at 7:09 PM. This motion passed with a motion by Anthony Mestl and a second by Daisy Naber.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

Respectfully submitted,



Debra Berry, Board Secretary Appointed

Board of Education Regular Meeting
Middle School/High School Media Center
565 Kimmel Street
Osceola, NE 68651
October 10, 2022 @ 6:30 PM

1. Osceola Public Schools Board of Education Information

Notice of this meeting was posted at the Jeffrey Elementary School, Osceola Middle School/High School, Pinnacle Bank of Osceola, and the Osceola Post Office on October 6, 2022. This notice was also published in *The Polk County News* on the same date. A copy of the agenda items is tentative and may be changed by the Board if necessary.

2. Opening Procedures

2.1. Call the Meeting to Order

President Jennifer Boruch called the meeting to order at 6:30 PM and informed those in attendance that a current copy of the Open Meetings Act is posted in the meeting room, then directed the public to its location.

2.2. Roll Call

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

Also present were Superintendent Jason Lavaley, Principal Brett Webster and Debra Berry. Principal Brent Breckner zoomed into the meeting. Educational Service Unit #7's Professional Development Director Mrs. Marci Ostmeyer and Board Member Don Elison were also in attendance. No patrons were present.

2.3. Excuse Board Members Who Are Absent

To excuse Jena Ockander and Eric Yungdahl from the meeting passed with a motion by Anthony Mestl and a second by Daisy Naber.

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

3. Approval of Agenda

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

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

Board Member Jena Ockander arrived to the meeting at 6:31 PM.

4. Recognition of Visitors/Communications from the Public

4.1. ESU 7 Representatives to speak to the Board and answer any questions they have about the ESU.

ESU #7's Professional Development Director Marci Ostmeyer and Board Member Don Elison answered questions about the services and programs that ESU #7 offers schools. Osceola Public

Schools uses many of the services offered, which saved the district \$37,532.00 during the 2021-2022 school year. The services are developed around the individual school's needs.

5. Reports

5.1. StuCo President Report

Student Council President Creighton Sterup gave his written and oral report about: the educational aspect of the school is going good from the students' prospective; college classes through Central Community College are a unique learning opportunity; and fall sports are doing well.

5.2. AD Report

Activities Director Evan Feezell was not at the meeting, but Superintendent Jason Lavaley read Mr. Feezell's report. Fall activities were reviewed, which included coaches' comments about areas that need improvement. Basic skills are a continuous focus. The Polk County Slammers are going to State. Congratulations, Ladies!

5.3. Principals Reports

5.3.1. Elementary Report

Elementary Principal Brett Webster gave his written and oral report about: Fire Prevention Week is next week; Parent Teacher Conferences have been moved to October 19th and 20th; the Bulldog Buddies program has been a powerful influence on the Elementary students; the School Store has raised over \$2,500.00 for the school through the purchasing of gift cards and donations; and the teacher group doing instructional rounds (which is learning from other teachers) has been rescheduled.

5.3.2. MS/HS Report

Middle/High School Principal Brent Breckner gave his written and oral report through Zoom. His report was about working on systems of interventions using Flex time; a reduction of ineligible students; teachers are using ICU requests and referrals for struggling students; MAPS testing is almost completed; and the continuation of teacher evaluations.

5.4. Superintendent's Report

Superintendent Jason Lavaley gave his written and oral report about: vape detectors have been installed and are working; NASB updates; the State Education Conference is November 16th through the 18th; the Polk County Slammers have qualified for the State Softball Tournament in Hastings; due to State Softball there will be no school on Wednesday, October 12th, Exeter-Milligan Public Schools and Friend Public Schools entered into a sports co-op starting next school year; the new Exeter-Milligan-Friend co-op will not be participating in the Crossroads Conference; and the review of the Superintendent's calendar.

5.5. Board Reports

President Jennifer Boruch reported that meetings between the FFA Alumni, Mrs. Rebekah Kraeger, the FFA executive team, and the schools' administration have taken place to talk about the future plans of the learning farm by the school. Animal pens, electricity, and feed bunks were discussed.

6. Action Items

6.1. Consent Agenda

To approve the minutes of the consent agenda with a special meeting to be held on Sunday, October 16, 2022, at 7:00 PM to approve the bills passed with a motion by Michael Neujahr and a second by Anthony Mestl.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

6.1.1. Approval of the Previous Meeting's Minutes

6.1.2. Treasurer's Report

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

Computer program issues have delayed the paying of the invoices, but should be completed by the end of the week. A special meeting will be held Sunday, October 16, 2022.

6.2. Consider, discuss and take all necessary action on

6.2.1. Consider, discuss, and take all necessary action on a co-op agreement to play baseball with Twin River Public Schools for the 2022-2023 and 2023-2024 school years.

To approve the baseball co-op agreement with Twin River Public Schools for the 2022-2023 and the 2023-2024 school years passed with a motion by Michael Neujahr and a second by Anthony Mestl.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

6.2.2. Consider, discuss and take any necessary action on recognizing the Osceola Education Association (OEA) as the bargaining agent for certified teaching staff for the 23-24 school year.

To recognize the Osceola Education Association (OEA) as the bargaining agent for certified teaching staff for the 2023-2024 school year passed with a motion by Anthony Mestl and a second by Daisy Naber.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

7. Discussion

7.1. Discuss the use of school facilities by an outside group called Champion Kids.

Superintendent Jason Lavaley reviewed with the Board that Champion Kids would like to use the school facilities. Champion Kids is an afterschool youth oriented group that focuses on team building and sports.

7.2. Discuss Superintendent Evaluation

Superintendent Jason Lavaley and the Board discussed the process of evaluating the Superintendent.

8. Next Meeting Dates and Times

8.1. Regular meeting November 14, 2022, 6:00 PM at the Osceola Middle/High School Media Center.

9. Adjournment

To adjourn the meeting at 7:55 PM passed with a motion by Jena Ockander and a second by Daisy Naber.

Jennifer Boruch: Yea, Anthony Mestl: Yea, Daisy Naber: Yea, Michael Neujahr: Yea, Jena Ockander: Yea

Respectfully submitted,

A handwritten signature in cursive script that reads "Debra D Berry".

Debra Berry, Board Secretary Appointed

Check #	Vendor Name	Description	Check Total
Checking	1		
Checking	1	Fund: 01 GENERAL FUND	
34447	NOYD REPAIR, LLC	REFRIGERANT	225.54
34448	AMGL CPAs & ADVISORS	DISTRICT AUDIT	9,350.00
34449	BESSE, NICHOLAS	REIMB OF LYRES	148.50
34450	BLICK ART MATERIALS	SUPPLIES	224.55
34451	CENGAGE LEARNING, INC.	TEXTBOOKS	762.30
34452	CENTRAL NEBRASKA REHABILITATION SERVICES	OT-RELATED SERVICES -SA SPED	16,077.34
34453	CITY OF OSCEOLA	WATER/SEWER/COMPACTOR	2,689.97
34454	CONTROL SERVICES, INC.	HVAC SERVICE CONTRACT	1,242.83
34455	CUBBY'S COMMUNITY STORE	FUEL	41.41
34456	DIETZE MUSIC HOUSE	SUPPLIES/REPAIRS	208.41
34457	EAKES OFFICE PLUS	SUPPLIES	647.34
34458	EDUCATIONAL SERVICE UNIT #6	ASD WORKSHOP FEE	200.00
34459	ESSENTIAL SCREENS	BACKGROUND CHECKS	58.85
34460	ESTECH SYSTEMS, INC.	PHONE SERVICES	108.55
34462	ESU #7 SPECIAL EDUCATION DEPT	SERVICES PURCHASED FROM STATE DISTRICT	8,750.43
34461	ESU #7	COMPUTER MAINTENANCE	470.92
34464	FOLLETT SCHOOL SOLUTIONS, INC.	LIBRARY BOOKS	158.90
34465	FRONTIER COOPERATIVE COMPANY	FUEL	3,963.82
34466	GARRATT CALLAHAN COMPANY	WATER TREATMENT SUPPLIES	750.00
34467	GARY'S PLUMBING, LLC	SUPPLIES	40.31
34468	GLUNZ, BRENDA	PSYCHOLOGIST SERVICES	2,171.25
34469	HOMETOWN LEASING	FLOOR SCRUBBER LEASE	1,570.65
34471	JACKSON SERVICES, INC.	RUG SERVICE	471.92
34472	KLEIN'S BLUE RIVER POWER AND RENTAL	PRUNER	749.99
34473	KSB SCHOOL LAW	LEGAL SERVICES	375.00
34474	LASSEK ELECTRIC LLC	ELECTRICAL REPAIRS	195.00
34475	LEARNING WITHOUT TEARS	SUPPLIES	418.54
34476	MATHESON TRI-GAS, INC.	SUPPLIES	35.58
34477	MIDLAND IRRIGATION	SPRINKLER SYSTEM MAINTENANCE	235.56
34478	NE COUNCIL OF SCHOOL ADMINISTRMTSS	SUMMIT REGISTRATION	250.00
34479	OPTUM	FLEX PLAN FUNDING	150.00
34480	OSCEOLA FOOD MART	SUPPLIES	133.26
34481	OSCEOLA TIRE AND SERVICE, LLC	GREASE	249.18
34482	OSTMEYER LAWN SERVICE	FALL SPRAYING	750.00
34483	POLK COUNTY HEALTH DEPARTMENT	NURSING SERVICES	1,280.00
34484	POLK COUNTY NEWS	PRINTING	1,016.56
34485	POLK COUNTY RPPD	ELECTRICITY	1,974.55

Board Report - Monthly

Posted - During Check Cycle; Fund Number 01; Processing Month 11/2022

Check #	Vendor Name	Description	Check Total
34486	PRAIRIE CREEK FAMILY MEDICINE	BUS DRIVER PHYSICAL	378.80
34487	PRESTO-X, A RENTOKIL COMPANY	PEST CONTROL	159.24
34488	SCHOLASTIC, INC.	SUBSCRIPTIONS	262.53
34489	TEACHER DIRECT	SUPPLIES	48.88
34490	TEAMBUILDR	WEIGHTROOM SOFTWARE	1,200.00
34491	TRANSPORTATION SAFETY SYSTEMS	TRANSPORTATION TRAINING	160.00
34492	WELLS FARGO VENDOR FINANCIAL SERVICES, LLC	COPIER LEASE	104.48
34493	WOODRIVER ENERGY LLC	NATURAL GAS	<u>852.89</u>

Checking Account Total: 61,313.83

Checking 1

562	ALTUS RECEIVABLES MANAGEMENT	TELEVISIONS	5,946.49
561	OPTUM	FLEX PLAN FUNDING	2,132.14
560	PLIC - SBD GRAND ISLAND	LTD INSURANCE	<u>1,950.66</u>

Checking Account Total: 10,029.29

Checking 4

2209	ACT	PRE-ACT SCORING	315.00
2210	J. F. AHERN COMPANY	FIRE SPRINKLER SYSTEM INSPECTION	340.00
2211	UNL - CSMCE	2022 MATH DAY REGISTRATION	100.00
2213	WATTS, ELLIOT	TREE REMOVAL	400.00
2212	WATTS, SCOTT	TREE REMOVAL	<u>400.00</u>

Checking Account Total: 1,555.00

TOTAL OF CHECKS & PREPAIDS	72,898.12
TOTAL OF EXTRA OCTOBER PAYROLL	168.83
TOTAL OF NOVEMBER PAYROLL	<u>304,276.36</u>
GRAND TOTAL	<u>377,343.31</u>

Board Report - Monthly

Posted - All; Fund Number 07; Processing Month 11/2022

Check #	Vendor Name	Description	Check Total
<u>Checking</u> 7			
Checking	7	Fund: 07 BOND FUND	
7	BOK FINANCIAL, NA	INTEREST PAYMENT	100,593.75
8	PINNACLE BANK - OSCEOLA	WIRE FEE FOR BOND INTEREST PAYMENT	<u>15.00</u>

GRAND TOTAL : 100,608.75

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 for the year ended August 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Osceola Public Schools – District #19 are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended August 31, 2022. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

SHAREHOLDERS:

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Twelve audit adjustments increased the fund balance of the School District's governmental funds by \$796,777. Three audit adjustments increased the net position of the Nutrition Fund by \$3,325. The following material misstatement detected as a result of audit procedures was corrected by management:

- 1) The county treasurer cash balance and property taxes were increased \$663,257 on the General Fund, \$131,797 on the Bond Fund, and \$6,048 on the Building Fund to reflect August 31, 2022, balances held by the County.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 3, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

In connection with our audit of the financial statements of Osceola Public Schools – District #19 as of August 31, 2022, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. At August 31, 2022, there was one organization with negative Activity Fund cash balances totaling (\$7,756). We recommend working with these organizations to develop a plan to cover their cash deficits.
2. Bank reconciliations for August 2022 were not completed until October 17th. We noted unknown variances of \$4,996.51 and \$444.24 on the General and Lunch Funds respectively. We recommend implementing procedures to provide oversight to ensure reconciliations are being done timely, working on cross training staff in order to ensure functionality of the District in the event the current bookkeeper has medical issues and implementing processes to ensure a secondary review either by the superintendent or school board.
3. We noted \$781.77 of checks dated August 31, 2022 that cleared the bank after September 1, 2022, that are not recorded in the District's software as of August 31, 2022. We recommend ensuring that all checks are posted in the correct periods in order to ensure accountability.
4. The District approved 2022-23 budget overstated the beginning cash balance by approximately \$1 million and due to this over statement the approved budget if will result in the District having no cash on hand at August 31, 2023. We recommend carefully reviewing budget to actuals on a monthly basis in order to ensure the District has sufficient cash flow for the future in order to ensure a consistent levy on taxpayers.

Other Matters

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

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

Restriction on Use

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

AMGL, PC

Grand Island, Nebraska
November 3, 2022

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

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

August 31, 2022

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying schedule of classification of payrolls by NCCI Codes and payrolls in total for Osceola Public Schools – District #19 for the year ended August 31, 2022.

In our opinion, the schedule of classification of payrolls by NCCI codes and payrolls in total referred to above presents fairly, in all material respects the payroll base of Osceola Public Schools – District #19 for NASB ALICAP premiums for the year ended August 31, 2022, in accordance with the modified cash basis of accounting per the interlocal agreement with the NASB All Lines Interlocal Cooperative Aggregate Pool (ALICAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of Osceola Public Schools – District #19 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

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

SHAREHOLDERS:

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Responsibilities of Management for the Financial Information

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

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19's ability to continue as a going concern within one year after the date that the schedule is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit 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 Osceola Public Schools – District #19's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on the Audit of the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Osceola Public Schools – District #19 as of and for the year ended August 31, 2022, and our report thereon dated November 3, 2022, expressed as an unmodified opinion on those financial statements.

AMGL, P.C.

Grand Island, Nebraska
November 3, 2022

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

**SCHEDULE OF CLASSIFICATION OF PAYROLLS
BY NCCI CODES AND PAYROLLS IN TOTAL
For the Year Ended August 31, 2022**

<u>Class Code</u>		<u>Total Payroll*</u>
8868	Professional Employees, Teachers, Administrators, Aides and Clerical	\$ 2,144,191
9101	Custodians, Cooks, and all other employees	213,510
7380	Bus Drivers	<u>57,311</u>
	Total Payroll	\$ <u><u>2,415,012</u></u>

*Total gross payroll before deductions.

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

Signature

Date

November 3, 2022

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

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

During the performance of our audit fieldwork for the year ended August 31, 2022, we performed the following procedures regarding Osceola Public Schools' student membership and attendance reporting:

- 1) We documented the District's policies and procedures for collecting student membership and attendance data.
- 2) We determined that the District was following its policies and procedures for collecting student census data.
- 3) We determined attendance at the District is collected at least daily and calculated to the nearest hundredth of a day.
- 4) We determined the District maintains a cumulative attendance and membership record for each student.
- 5) We determined the cumulative attendance and membership records contain the date of enrollment, number of days or partial days in attendance and absent during each school year enrolled, and the date of withdrawal or graduation.
- 6) We traced student attendance reported in the Nebraska Department of Education's approved ADVISER data collection system to the District's student information system for the 2021-2022 school year. The ADVISER report total days matched the District's information system, however ADVISER reported 22.18 more days present and 22.18 fewer days absent than the District's information system.
- 7) We sampled 15 students from the ADVISER report for the year ended August 31, 2022 and traced the days enrolled, present, and absent to the District's census report. The ADVISER report had 0.5 fewer days present, and 0.5 more days absent and the same amount of days enrolled. There were variances on four of the 15 students sampled

SHAREHOLDERS:

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

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

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

Sincerely,

AMGL, P.C.

A handwritten signature in black ink, appearing to read "K. Overturf, CPA". The signature is stylized and written in a cursive-like font.

Kyle R. Overturf, CPA

gh/dkk/15773

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

In planning and performing our audit of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the School District’s internal control to be a significant deficiencies:

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

SHAREHOLDERS:

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

**A PROFESSIONAL
CORPORATION**

The District does not have proper procedures in place to ensure that bank reconciliations are completed timely. This lack of procedures creates the opportunity for staff to commit fraud that could go undetected and prevent the Board of Education from making informed financial decisions. We recommend implementing procedures to provide oversight to ensure reconciliations are being done timely, working on cross training staff in order to ensure functionality of the District in the event the current bookkeeper has medical issues and implementing processes to ensure a secondary review either by the superintendent or school board.

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

A MGL, PC.

Grand Island, Nebraska
November 3, 2022

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

August 31, 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS - MODIFIED CASH BASIS	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Statement of Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds	14
Statement of Net Position - Proprietary Fund	15
Statement of Receipts, Disbursements, and Changes in Fund Net Position - Proprietary Fund	16
Notes to Financial Statements	17
SUPPLEMENTARY AND OTHER INFORMATION	
Budgetary Comparison Schedules	
General Fund	34
Depreciation Fund	35
Special Building Fund	36
Bond Fund	37
Combining Balance Sheet - Other Governmental Funds	38
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances - Other Governmental Funds	39
Statement of Cash Receipts, Disbursements, and Fund Balance - Activity Fund	40
Statements of Accounts with County Treasurers	
General Fund	41
Special Building Fund	42
Qualified Capital Purpose Undertaking Fund	43
Bond Fund	44
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the School District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19, as of August 31, 2022, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A, and for 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

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Osceola Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Osceola Public Schools – District #19’s financial statements. The combining nonmajor fund financial statements and Activity Fund statement of cash receipts, disbursements, and fund balances 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 second sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management’s discussion and analysis, budgetary comparison schedules, and county treasurer statements of receipts and disbursements, but does not include the financial statements and our auditor’s report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of Osceola Public Schools – District #19’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Osceola Public Schools – District #19’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Osceola Public Schools – District #19’s internal control over financial reporting and compliance.

AMGL, PC.

Grand Island, Nebraska
November 3, 2022

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended August 31, 2022**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Osceola Public Schools - District #19's annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2022. Please read the MD&A in conjunction with the entire financial report, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues were \$4,258,331, \$511,963 less than expenses.
- General Fund operational costs were \$4,770,294, a 4.6 percent increase from the prior year.
- Osceola Public Schools - District #19's Average Daily Membership (ADM) of 207 for the year ended August 31, 2022 increased 4 students from the year ended August 31, 2021, a 2.0 percent increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2022**

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was lower on August 31, 2022 than it was the year before, decreasing 13.6 percent to \$2,472,896. The decrease in the District's financial position came from its governmental activities, the net position of which decreased \$453,127 to \$2,345,177 in 2022. In 2022, the net position of the District's business-type activities increased \$64,084 to \$127,719.

Summary Statements of Net Position

	August 31, <u>2022</u>	August 31, <u>2021</u>
Assets	\$ 2,472,896	\$ 2,861,939
Liabilities	-	-
Net Position:		
Restricted	1,250,378	1,236,003
Unrestricted	1,222,518	1,625,936
Total Net Position	\$ 2,472,896	\$ 2,861,939

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2022

Governmental Activities

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

	Year Ended August 31, <u>2022</u>	Year Ended August 31, <u>2021</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 209,295	\$ 156,571	\$ 52,724
Operating grants	337,263	310,673	26,590
Taxes (property, motor vehicle, and other)	4,558,308	4,525,701	32,607
State aid	36,810	34,992	1,818
Other revenue	77,114	86,452	(9,338)
Total receipts	<u>5,218,790</u>	<u>5,114,389</u>	<u>104,401</u>
Expenses:			
Instruction	2,662,772	2,520,609	142,163
Summer school/driver's education	-	1,324	(1,324)
Support services:			
Pupils	56,835	45,312	11,523
Special education	112,401	95,381	17,020
Staff	58,067	50,904	7,163
General administration	392,902	303,272	89,630
School administration	367,765	366,641	1,124
Business	192,642	145,193	47,449
Building and grounds	582,239	770,963	(188,724)
Pupil transportation	142,694	118,401	24,293
Other support services	213,969	159,311	54,658
State categorical programs	5,383	5,442	(59)
Facilities	18,940	3,418,564	(3,399,624)
Federal programs	102,588	108,721	(6,133)
Transfer to other funds	29,006	20,000	9,006
Debt service	733,714	629,138	104,576
Total expenses	<u>5,671,917</u>	<u>8,759,176</u>	<u>(3,087,259)</u>
Decrease in net position - governmental funds	<u>\$ (453,127)</u>	<u>\$ (3,644,787)</u>	<u>\$ 3,191,660</u>

Total receipts increased \$104,401 (2.0 percent) due to timing of property tax payments and increased activity receipts.

Total expenses decreased \$3,087,259 (35.2 percent), primarily due to a \$3,399,624 decrease in facilities and a \$188,724 decrease in building and grounds relating to the bond project completed in the prior year.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2022

Business-type Activities

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

	Year Ended August 31, <u>2022</u>	Year Ended August 31, <u>2021</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 25,319	\$ 9,073	\$ 16,246
Operating grants	196,604	120,822	75,782
Other income	1,047	3,666	(2,619)
Transfer from other funds	29,006	20,000	9,006
Total receipts	<u>251,976</u>	<u>153,561</u>	<u>98,415</u>
Expenses:			
Nutrition Services	<u>187,892</u>	<u>144,374</u>	<u>43,518</u>
Increase in net position	<u>\$ 64,084</u>	<u>\$ 9,187</u>	<u>\$ 54,897</u>

In 2022, revenues of the District's business-type activities (nutrition program) increased 64.1 percent to \$251,976 primarily due to a \$75,782 increase in operating grants attributable to all student meals being free for the entire school year. The District's expenses increased 30.1 percent to \$187,892 due to increased meals served and food prices.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$2,345,177, \$453,127 less than last year's ending combined fund balances of \$2,798,304.

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2022:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 4,258,331	\$ 4,770,294	\$ (511,963)
Depreciation	40,198	27,500	12,698
Special Building	32,138	18,940	13,198
Qualified Capital Purpose			
Undertaking	1,890	221,411	(219,521)
Employee Benefit	32	-	32
Bond	733,001	512,303	220,698
Activity	218,200	186,469	31,731
Eliminations	(65,000)	(65,000)	-
Totals	<u>\$ 5,218,790</u>	<u>\$ 5,671,917</u>	<u>\$ (453,127)</u>

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2022**

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

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

As mentioned, the business-type activities' receipts exceeded expenses for 2022. In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary fund statements.

BUDGET ANALYSIS

In 2022, General Fund disbursements were \$123,912 less than budgeted appropriations, with instructional and special education actual costs \$165,220 less than the budget. Actual General Fund receipts were \$71,303 less than budget. The Nutrition Fund budget was amended due to increased food costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

- School renovations - \$56,518
- Chevrolet Malibu - \$27,500
- Computer monitors – \$11,395
- iMac computers - \$70,515
- iPad tablets - \$14,700

**OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2022**

Long-term Debt

A summary of the District's debt follows:

	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>
Limited tax obligation bonds	\$ -	\$ 220,000	\$ (220,000)
General obligation building bonds	6,775,000	7,080,000	(305,000)
Total long-term debt	<u>\$ 6,775,000</u>	<u>\$ 7,300,000</u>	<u>\$ (525,000)</u>

Long-term debt decreased \$525,000 (7.2 percent) due to scheduled debt payments and the early payoff of the limited tax obligation bonds.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The General Fund tax asking for the year ending August 31, 2022 of \$3,862,854 is \$219,845 (6.0 percent) higher than the tax asking for the prior year (\$3,642,739). The District's Special Building Fund increased its tax asking \$107,576 (317.9 percent) to \$141,414, the and the Bond Fund tax asking decreased \$201,184 (27.3 percent) to \$536,149.
- Certified state aid for next year is \$36,498 compared to \$36,810 for the prior year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Jason Lavaley
Superintendent

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

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

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

August 31, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash (note C)	\$ 431,542	\$ 127,719	\$ 559,261
Cash restricted for building projects (note C)	637,628	-	637,628
Cash restricted for bond payments (note C)	458,751	-	458,751
Cash restricted for qualified capital purpose undertakings (note C)	16,154	-	16,154
Cash with County Treasurers (note D)	801,102	-	801,102
Total assets	<u>2,345,177</u>	<u>127,719</u>	<u>2,472,896</u>
LIABILITIES			
	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted	1,250,378	-	1,250,378
Unrestricted	1,094,799	127,719	1,222,518
Total net position	<u>\$ 2,345,177</u>	<u>\$ 127,719</u>	<u>\$ 2,472,896</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended August 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Receipts</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
Instruction	\$ 2,662,772	\$ 15,945	\$ 215,271
Support services:			
Pupils	56,835	-	-
Special education	112,401	-	-
Staff	58,067	-	-
Other	213,969	193,200	-
General administration	392,902	-	-
School administration	367,765	-	-
Business	192,642	-	-
Building and grounds	582,239	150	-
Pupil transportation	142,694	-	3,939
State categorical programs	5,383	-	3,520
Facilities	18,940	-	-
Federal programs	102,588	-	114,533
Principal on long-term debt	525,000	-	-
Interest and fees on long-term debt	208,714	-	-
	5,642,911	209,295	337,263
Business-type activities:			
Nutrition services	187,892	25,319	196,604
	\$ 5,830,803	\$ 234,614	\$ 533,867
	\$ 5,830,803	\$ 234,614	\$ 533,867

See notes to financial statements.

<u>Program Receipts</u> Capital Grants and Contributions	Net (Expenses) Receipts and Changes in Net Position		Total
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	
\$ -	\$ (2,431,556)	\$ -	\$ (2,431,556)
-	(56,835)	-	(56,835)
-	(112,401)	-	(112,401)
-	(58,067)	-	(58,067)
-	(20,769)	-	(20,769)
-	(392,902)	-	(392,902)
-	(367,765)	-	(367,765)
-	(192,642)	-	(192,642)
-	(582,089)	-	(582,089)
-	(138,755)	-	(138,755)
-	(1,863)	-	(1,863)
-	95,593	-	95,593
-	(102,588)	-	(102,588)
-	(525,000)	-	(525,000)
-	(208,714)	-	(208,714)
-	(5,096,353)	\$ -	(5,096,353)
-	-	34,031	34,031
<u>\$ -</u>	<u>(5,096,353)</u>	<u>34,031</u>	<u>(5,062,322)</u>
General receipts:			
Taxes:			
Property	3,871,577	-	3,871,577
Motor vehicle	186,426	-	186,426
Other taxes	500,305	-	500,305
Fines and licenses	10,134	-	10,134
State aid	36,810	-	36,810
State apportionment	28,619	-	28,619
Interest income	2,651	69	2,720
Gain on disposal of property	12,636	-	12,636
Interfund transfers	(29,006)	29,006	-
Other	23,074	978	24,052
Total general receipts	<u>4,643,226</u>	<u>30,053</u>	<u>4,673,279</u>
Change in net position	(453,127)	64,084	(389,043)
Net position - August 31, 2021	<u>2,798,304</u>	<u>63,635</u>	<u>2,861,939</u>
Net position - August 31, 2022	<u>\$ 2,345,177</u>	<u>\$ 127,719</u>	<u>\$ 2,472,896</u>

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

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

August 31, 2022

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Special Building Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash	\$ (33,111)	\$ 295,910	\$ 637,628	\$ 458,751	\$ 184,897	\$ -	\$ 1,544,075
Cash with County Treasurers	663,257	-	6,048	131,797	-	-	801,102
Due from other funds	-	-	82,032	-	3,398	(85,430)	-
Total assets	\$ 630,146	\$ 295,910	\$ 725,708	\$ 590,548	\$ 188,295	\$ (85,430)	\$ 2,345,177
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ 85,430	\$ -	\$ (85,430)	\$ -
Fund balances:							
Restricted for:							
Building additions	-	-	725,708	-	-	-	725,708
Bond payments	-	-	-	505,118	-	-	505,118
Qualified capital purpose	-	-	-	-	19,552	-	19,552
Assigned for:							
Capital outlay	-	295,910	-	-	-	-	295,910
Extracurricular activities	-	-	-	-	130,484	-	130,484
Employee benefits	-	-	-	-	38,259	-	38,259
Budgetary stabilization	630,146	-	-	-	-	-	630,146
Total fund balances	630,146	295,910	725,708	505,118	188,295	-	2,345,177
Total liabilities and fund balances	\$ 630,146	\$ 295,910	\$ 725,708	\$ 590,548	\$ 188,295	\$ (85,430)	\$ 2,345,177

See notes to financial statements.

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

For the year ended August 31, 2022

	General <u>Fund</u>	Depreciation <u>Fund</u>
RECEIPTS		
Taxes:		
Property	\$ 3,193,515	\$ -
Motor vehicle	186,426	-
Homestead exemption	36,714	-
Property tax credit	331,130	-
Pro-rate motor vehicle	7,452	-
Carline	1,142	-
Public power district tax	25,925	-
Nameplate capacity	5,477	-
Penalties and interest on taxes	5,027	-
Fines and licenses	10,134	-
ESU receipts	1,236	-
Tuition and driver's education fees	15,945	-
State aid and grants	286,773	-
Federal grants	114,533	-
Interest income	892	198
Transfer from other funds	-	40,000
Extracurricular receipts	-	-
Sale of property proceeds	12,636	-
Other	23,374	-
Total receipts	<u>4,258,331</u>	<u>40,198</u>
DISBURSEMENTS		
Instruction	2,196,911	-
Special education programs	465,861	-
Support services:		
Pupils	56,835	-
Special education	112,401	-
Staff	58,067	-
Other	-	27,500
General administration	392,902	-
School administration	367,765	-
Business	192,642	-
Building and grounds	622,239	-
Pupil transportation	142,694	-
State categorical programs	5,383	-
Facilities	-	-
Federal programs	102,588	-
Transfer to other funds	54,006	-
Debt service:		
Principal	-	-
Interest	-	-
Bond fees	-	-
Total disbursements	<u>4,770,294</u>	<u>27,500</u>
Excess (deficiency) of receipts over disbursements	(511,963)	12,698
Fund balances - August 31, 2021	<u>1,142,109</u>	<u>283,212</u>
Fund balances - August 31, 2022	<u>\$ 630,146</u>	<u>\$ 295,910</u>

See notes to financial statements.

Special Building Fund	Bond Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
\$ 27,976	\$ 648,276	\$ 1,810	\$ -	\$ 3,871,577
-	-	-	-	186,426
340	7,431	-	-	44,485
3,076	67,024	-	-	401,230
60	1,520	10	-	9,042
10	231	-	-	1,383
241	5,247	-	-	31,413
51	1,110	-	-	6,638
19	1,017	51	-	6,114
-	-	-	-	10,134
-	-	-	-	1,236
-	-	-	-	15,945
-	-	-	-	286,773
-	-	-	-	114,533
365	1,145	51	-	2,651
-	-	25,000	(65,000)	-
-	-	193,200	-	193,200
-	-	-	-	12,636
-	-	-	-	23,374
<u>32,138</u>	<u>733,001</u>	<u>220,122</u>	<u>(65,000)</u>	<u>5,218,790</u>
-	-	-	-	2,196,911
-	-	-	-	465,861
-	-	-	-	56,835
-	-	-	-	112,401
-	-	-	-	58,067
-	-	186,469	-	213,969
-	-	-	-	392,902
-	-	-	-	367,765
-	-	-	-	192,642
-	-	-	(40,000)	582,239
-	-	-	-	142,694
-	-	-	-	5,383
18,940	-	-	-	18,940
-	-	-	-	102,588
-	-	-	(25,000)	29,006
-	305,000	220,000	-	525,000
-	206,888	1,396	-	208,284
-	415	15	-	430
<u>18,940</u>	<u>512,303</u>	<u>407,880</u>	<u>(65,000)</u>	<u>5,671,917</u>
13,198	220,698	(187,758)	\$ -	(453,127)
<u>712,510</u>	<u>284,420</u>	<u>376,053</u>		<u>2,798,304</u>
<u>\$ 725,708</u>	<u>\$ 505,118</u>	<u>\$ 188,295</u>		<u>\$ 2,345,177</u>

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

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

August 31, 2022

	<u>Nutrition Fund</u>
ASSETS	
Cash	\$ 127,719
LIABILITIES	
	<u>-</u>
NET POSITION	
Unrestricted	<u><u>\$ 127,719</u></u>

See notes to financial statements.

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

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

For the year ended August 31, 2022

	<u>Nutrition Fund</u>
Operating receipts:	
Lunch sales	\$ 25,319
Federal sources	182,120
USDA commodities	14,484
Other revenue	978
Total operating receipts	222,901
 Operating disbursements:	
Salaries and employee benefits	77,985
Food and food service supplies	107,455
Other	2,452
Total operating disbursements	187,892
Operating receipts in excess of disbursements	35,009
 Nonoperating receipts:	
Transfer from General Fund	29,006
Interest income	69
Total nonoperating receipts	29,075
Receipts in excess of disbursements	64,084
Net position - August 31, 2021	63,635
Net position - August 31, 2022	\$ 127,719

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Basis of Presentation

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued –

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

3. Basis of Accounting/Measurement Focus

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting, as are the proprietary fund financial statements. Proceeds from the issuance of long-term debt increase liabilities and payment of long-term debt reduces liabilities. Right of use assets and related lease liabilities, as defined by GASB 87, are not reflected in the accompanying modified cash basis financial statements.

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Basis of Accounting/Measurement Focus, continued

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified cash basis of accounting. Proceeds from issuance of long-term debt are recognized when received and payment of long-term debt is reported as an expenditure when paid. Capital assets 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.

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.

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

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

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

The other governmental funds are:

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types, continued

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

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

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

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

5. Net Position

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

6. Estimates

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

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, and the Special Building Fund

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

(the major governmental funds). Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act. State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

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

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

Taxes are due as of that date. The first half of the real estate taxes due January 1 become delinquent after the following May 1, with the second half becoming delinquent after September 1.

The assessed value for Osceola Public Schools - District #19 at August 31, 2021, upon which the 2021 levy was based, was \$510,737,383.

The tax levy per \$100 of assessed valuation of taxable property for the year ended August 31, 2022, was as follows:

General Fund levy subject to levy limit	\$ 0.713231
Special Building Fund	0.006625
Bond Fund	<u>0.144366</u>
	<u>\$ 0.864222</u>

NOTE C – CASH

Cash

At August 31, 2022, the carrying value of the District's deposits was \$1,671,794 and the bank balance was \$1,775,642. For reporting purposes, the collateral on the School District bank deposits is classified in these categories:

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

The bank balances of the School District's deposits as of August 31, 2022 are entirely insured or collateralized. 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, 2022 consisted of the following:

Cash on hand	\$ 1,100
Demand deposits and money market accounts	<u>1,670,694</u>
Total cash	<u>\$ 1,671,794</u>

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE C – CASH, continued

Summary of Carrying Values

The carrying values of cash shown above are included in the fund financial statements at August 31, 2022, as follows:

Carrying value:		
Cash	\$	<u>1,671,794</u>
Included in the following fund financial statements captions:		
Statement of Net Position – Governmental Funds –		
Cash	\$	431,542
Cash restricted for building projects		637,628
Cash restricted for bond payments		458,751
Cash restricted for qualified capital purposes		16,154
Statement of Net Position – Proprietary Fund –		
Cash		<u>127,719</u>
	\$	<u>1,671,794</u>

NOTE D – FUNDS HELD BY COUNTY TREASURERS

The following receipts were held by the County Treasurers for the School District at August 31, 2022. The receipts were transferred subsequent to the fiscal year ended August 31, 2022.

General Fund	\$ 663,257
Special Building Fund	6,048
Bond Fund	<u>131,797</u>
Total cash with County Treasurers at August 31, 2022	<u>\$ 801,102</u>

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE E – LONG-TERM DEBT

Following is a summary of changes in the District’s governmental activities long-term debt for the year ended August 31, 2022:

	Balance August 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2022</u>	Due Within <u>One Year</u>
Limited tax obligation bonds	\$ 220,000	\$ -	\$ (220,000)	\$ -	\$ -
General obligation building bonds	<u>7,080,000</u>	<u>-</u>	<u>(305,000)</u>	<u>6,775,000</u>	<u>310,000</u>
	<u>\$ 7,300,000</u>	<u>\$ -</u>	<u>\$ (525,000)</u>	<u>\$ 6,775,000</u>	<u>\$ 310,000</u>

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

Limited Tax Obligation Bonds – On August 29, 2012, the District issued \$490,000 limited tax obligation bonds. Interest is payable semi-annually on June 15 and December 15 of each year through maturity at rates ranging from 0.50 – 2.25 percent. Principal payments are due beginning December 15, 2013 through December 15, 2022. Final payment was made on September 30, 2021.

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

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

Year Ending <u>August 31,</u>	<u>Other Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 310,000	200,787	\$ 510,787
2024	325,000	185,287	510,287
2025	335,000	178,787	513,787
2026	345,000	168,738	513,738
2027	355,000	158,388	513,388
2028-2032	1,915,000	643,818	2,558,818
2033-2037	2,210,000	349,950	2,559,950
2038-2039	980,000	44,250	1,024,250
Totals	<u>\$ 6,775,000</u>	<u>\$ 1,930,005</u>	<u>\$ 8,705,005</u>

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN

Plan Description

Osceola Public Schools – District #19 contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2021, 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.

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

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

Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later. Vested members are eligible to receive an unreduced retirement benefit at age 65.

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN, continued

Plan Description, continued

A member's age will determine eligibility to begin receiving a monthly benefit and if those benefits are reduced or unreduced. Benefit calculations vary with early retirement. At ages 55 to 64, members who are in tier one, two, or three may qualify to receive unreduced benefits under the "Rule of 85" if the member's attained age plus creditable service equals 85 or greater. At ages 60 to 64, members may qualify to receive unreduced benefits under the tier four "Rule of 85" if the member's attained age plus creditable service equals 85 or greater.

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

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

For the District's year ended August 31, 2022, the District's total payroll for all employees was \$2,415,012. Total covered payroll was \$2,334,452. 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, 2020, to June 30, 2021 (and from July 1, 2021 through August 31, 2022). 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, 2022, was \$230,589.

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN, continued

Pension Liabilities/(Assets)

At June 30, 2021 the District had a liability/(asset) of (\$1,314,315) for its proportionate share of the net pension liability/(asset). (This liability/(asset) is not recorded in the accompanying modified cash basis financial statements.) The net pension liability/(asset) was measured as of June 30, 2021, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The NPERS School Plan was 109.90% funded as of June 30, 2021 based on actuarial calculations comparing total pension liability/(asset) to the plan fiduciary net position. The District’s proportion of the net pension liability/(asset) 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, 2021, the District’s proportion was 0.092799 percent, which was an increase of 0.001277 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District’s allocated pension expense/(income) was (\$330,863).

Actuarial Assumptions

The total pension liability/(asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.65 percent
Salary increases, including wage inflation	3.15-13.15 percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.15% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00% with no floor benefit
Investment Rate of Return, net of investment expense, including inflation	7.3 percent

The School Plan’s post-retirement mortality rates were based on the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN, continued

Actuarial Assumptions, continued

The School Plan’s disability mortality rates were based on the Pub-2010 Non-Safety Disabled Mortality Table (static table).

The actuarial assumptions used in the July 1, 2021, valuations for the School plan are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

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/(income) and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2021, (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	27.0%	4.5%
Non-US Equity	19.0%	5.3%
Global Equity	11.5%	5.8%
Fixed Income	30.0%	0.7%
Private Equity	5.0%	7.4%
Real Estate	7.5%	4.2%
Total	100.0%	

*Arithmetic mean, net of investment expenses.

POLK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN, continued

Discount Rate

The discount rate used to measure the Total Pension Liability/(Asset) at June 30, 2021 was 7.3 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2015, through June 30, 2019. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset). The projected future benefit payments for all current plan members were projected through 2120.

Sensitivity of the District's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate.

The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.3 percent, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.3 percent) or 1-percentage-point higher (8.3 percent) than the current rate:

	<u>Discount rate</u>	District's proportionate Share of net pension <u>liability/(asset)</u>
1% decrease	6.3%	\$ 536,087
Current discount rate	7.3%	(\$1,314,315)
1% increase	8.3%	(\$2,834,177)

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE F – PENSION PLAN, continued

Plan Fiduciary Net Position

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

NOTE G – RISK MANAGEMENT

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

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, 2022 are held in the name of the School District. The underlying securities consist of money market accounts.

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

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE G – RISK MANAGEMENT, continued

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, 2022, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Pinnacle Bank	\$ 1,671,710
Nebraska Liquid Asset Fund	<u>84</u>
	\$ <u>1,671,794</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District’s investments had no exposure to foreign currency risk and the School District held no investments denominated in foreign currency at August 31, 2022.

NOTE H – INTERFUND TRANSFERS AND BALANCES

During the year ended August 31, 2022, the General Fund transferred \$29,006 to the Nutrition Fund for operating support.

At August 31, 2022, the Bond Fund owed \$82,032 to the Special Building Fund. This interfund loan is expected to be repaid by August 31, 2023.

At August 31, 2022, the Bond Fund owed \$3,398 to the Qualified Capital Purpose Undertaking Fund. This interfund loan is expected to be repaid in November 2022.

During the year ended August 31, 2022, the General Fund transferred \$25,000 to the Activity Fund and \$40,000 to the Depreciation Fund. These transfers were eliminated on page 14.

NOTE I – TAX ABATEMENT

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

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

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2022

NOTE I – TAX ABATEMENT, continued

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

Information relevant to the abatements impacting the District for the year ended August 31, 2022 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	\$ 21,683

NOTE J – COMMITMENTS

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

On August 7, 2019, the District entered into an agreement with Mail Finance for the use of a postage machine. The agreement requires monthly payments of \$92 until termination of the lease on November 3, 2024.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 3, 2022, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

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

Year ended August 31, 2022

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RECEIPTS				
Local receipts:				
1110	Property	\$ 3,606,312	\$ 3,193,515	\$ (412,797)
1115	Carline	1,000	1,142	142
1120	Public power district tax	20,000	25,925	5,925
1125	Motor vehicle	175,000	186,426	11,426
1140	Penalties and interest on taxes	-	5,027	5,027
1311	Tuition and driver's education fees	9,000	5,945	(3,055)
1370	Preschool tuition and fees	10,000	10,000	-
1510	Interest	3,000	892	(2,108)
1910	Rentals of facilities	-	150	150
1911	Other local license fees	-	1,330	1,330
1920	Contributions and donations	-	150	150
	Total local receipts	<u>3,824,312</u>	<u>3,430,502</u>	<u>(393,810)</u>
County and ESU receipts:				
2110	Fines and licenses	27,500	8,804	(18,696)
2210	ESU receipts	-	1,236	1,236
	Total county and ESU receipts	<u>27,500</u>	<u>10,040</u>	<u>(17,460)</u>
State receipts:				
3110	State aid	36,810	36,810	-
3120	Special education programs	195,000	214,035	19,035
3125	Special education transportation	2,250	3,939	1,689
3130	Homestead exemption	-	36,714	36,714
3131	Property tax credit	-	331,130	331,130
3133	Nameplate capacity	5,000	5,477	477
3180	Pro-rate motor vehicle	4,500	7,452	2,952
3400	State apportionment	28,000	28,619	619
3535	Payments for High Ability Learners	10,000	3,370	(6,630)
	Total state receipts	<u>281,560</u>	<u>667,546</u>	<u>385,986</u>
4000	Federal grants	196,262	114,533	(81,729)
Non-revenue receipts:				
5301	Sale of property	-	12,636	12,636
5301	Insurance adjustments	-	9,792	9,792
5690	Other non-revenue receipts	-	13,282	13,282
	Total non-revenue receipts	<u>-</u>	<u>35,710</u>	<u>35,710</u>
	Total receipts	<u>4,329,634</u>	<u>4,258,331</u>	<u>(71,303)</u>
DISBURSEMENTS				
1100	Instructional services	2,337,675	2,196,911	(140,764)
1200	Special education programs	490,317	465,861	(24,456)
Support services:				
2100	Pupil	51,337	56,835	5,498
2141-2183	Special education	119,035	112,401	(6,634)
2200	Instructional staff	58,562	58,067	(495)
2300	General administration	354,075	392,902	38,827
2400	School administration	400,000	367,765	(32,235)
2500	Business	174,005	192,642	18,637
2600	Building and grounds	525,000	622,239	97,239
2700	Pupil transportation	130,200	142,694	12,494
3500	State categorical programs	6,000	5,383	(617)
6000	Federal programs	228,000	102,588	(125,412)
8000	Transfer to other funds	20,000	54,006	34,006
	Total disbursements	<u>4,894,206</u>	<u>4,770,294</u>	<u>(123,912)</u>
	RECEIPTS UNDER DISBURSEMENTS	<u>\$ (564,572)</u>	<u>(511,963)</u>	<u>\$ 52,609</u>
	Fund balances - August 31, 2021		<u>1,142,109</u>	
	Fund balances - August 31, 2022		<u>\$ 630,146</u>	
Composition of fund balance:			<u>8/31/2021</u>	<u>8/31/2022</u>
	Cash		\$ 379,026	\$ (33,111)
	County treasurer cash		763,083	663,257
	Total fund balance		<u>\$ 1,142,109</u>	<u>\$ 630,146</u>

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

**BUDGETARY COMPARISON SCHEDULE -
DEPRECIATION FUND**

Year ended August 31, 2022

Function Code	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>	
RECEIPTS				
Local receipts:				
1410	Interest income	\$ 1,500	\$ 198	\$ (1,302)
Non-revenue receipts:				
5200	Transfer from General Fund	-	40,000	40,000
	Total receipts	<u>1,500</u>	<u>40,198</u>	<u>38,698</u>
DISBURSEMENTS				
2900	Other support services	<u>283,005</u>	<u>27,500</u>	<u>(255,505)</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS				
	<u>\$ (281,505)</u>	12,698	<u>\$ 294,203</u>	
Fund balances - August 31, 2021		<u>283,212</u>		
Fund balances - August 31, 2022		<u>\$ 295,910</u>		
Composition of fund balance:		<u>8/31/2021</u>	<u>8/31/2022</u>	
Cash		<u>\$ 283,212</u>	<u>\$ 295,910</u>	

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

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL BUILDING FUND**

Year ended August 31, 2022

Function Code	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>		
RECEIPTS					
Local receipts:					
1110	Property	\$ 33,500	\$ 27,976	\$ (5,524)	
1115	Carline	-	10	10	
1120	Public power district sales tax	-	241	241	
1140	Penalties and interest on taxes	-	19	19	
1510	Interest income	-	365	365	
	Total local receipts	<u>33,500</u>	<u>28,611</u>	<u>(4,889)</u>	
State receipts:					
3130	Homestead exemption	-	340	340	
3131	Property tax credit	-	3,076	3,076	
3133	Nameplate capacity	-	51	51	
3180	Pro-rate motor vehicle	-	60	60	
	Total state receipts	<u>-</u>	<u>3,527</u>	<u>3,527</u>	
	Total receipts	33,500	32,138	(1,362)	
DISBURSEMENTS					
4500	Facilities	<u>248,586</u>	<u>18,940</u>	<u>(229,646)</u>	
RECEIPTS OVER (UNDER) DISBURSEMENTS					
		<u>\$ (215,086)</u>	13,198	<u>\$ 228,284</u>	
Fund balances - August 31, 2021		<u>712,510</u>			
Fund balances - August 31, 2022		<u>\$ 725,708</u>			
Composition of fund balance:		<u>8/31/2021</u>	<u>8/31/2022</u>		
Cash		\$ 445,669	\$ 637,628		
County treasurer cash		-	6,048		
Due from other funds		<u>266,841</u>	<u>82,032</u>		
Total fund balance		<u>\$ 712,510</u>	<u>\$ 725,708</u>		

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

**BUDGETARY COMPARISON SCHEDULE -
BOND FUND**

Year ended August 31, 2022

Function Code	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>	
RECEIPTS				
Local receipts:				
1110	Property	\$ 729,960	\$ 648,276	\$ (81,684)
1115	Carline	150	231	81
1120	Public power district sales tax	3,000	5,247	2,247
1140	Penalties and interest on taxes	-	1,017	1,017
1410	Interest income	50	1,145	1,095
	Total local receipts	<u>733,160</u>	<u>655,916</u>	<u>(77,244)</u>
State receipts:				
3130	Homestead exemption	-	7,431	7,431
3131	Property tax credit	-	67,024	67,024
3132	Personal property tax credit	1,500	-	(1,500)
3133	Nameplate capacity tax	-	1,110	1,110
3180	Pro-rate motor vehicle	500	1,520	1,020
	Total state receipts	<u>2,000</u>	<u>77,085</u>	<u>75,085</u>
	Total receipts	735,160	733,001	(2,159)
DISBURSEMENTS				
Debt service:				
5000	Principal	305,000	305,000	-
5000	Interest	209,888	206,888	(3,000)
5000	Bond fees	304,103	415	(303,688)
	Total disbursements	<u>818,991</u>	<u>512,303</u>	<u>(306,688)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS				
		<u>\$ (83,831)</u>	220,698	<u>\$ 304,529</u>
Fund balances - August 31, 2021			284,420	
Fund balances - August 31, 2022			<u>\$ 505,118</u>	
Composition of fund balance:			<u>8/31/2021</u>	<u>8/31/2022</u>
Cash			\$ 394,159	\$ 458,751
County treasurer cash			160,500	131,797
Due to other funds			(270,239)	(85,430)
Total fund balance			<u>\$ 284,420</u>	<u>\$ 505,118</u>

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

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

August 31, 2022

	Employee Benefit <u>Fund</u>	Qualified Capital Purpose Undertaking <u>Fund</u>	Activity <u>Fund</u>	Total Other Governmental <u>Funds</u>
ASSETS				
Cash	\$ 38,259	\$ 16,154	\$ 130,484	\$ 184,897
Due from other funds	-	3,398	-	3,398
	<u>\$ 38,259</u>	<u>\$ 19,552</u>	<u>\$ 130,484</u>	<u>\$ 188,295</u>
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Qualified capital purpose	-	19,552	-	19,552
Assigned for:				
Extracurricular activities	-	-	130,484	130,484
Employee benefits	38,259	-	-	38,259
Total fund balances	<u>38,259</u>	<u>19,552</u>	<u>130,484</u>	<u>188,295</u>
Total liabilities and fund balances	<u>\$ 38,259</u>	<u>\$ 19,552</u>	<u>\$ 130,484</u>	<u>\$ 188,295</u>

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

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

Year ended August 31, 2022

	Employee Benefit <u>Fund</u>	Qualified Capital Purpose Undertaking <u>Fund</u>	Activity <u>Fund</u>	Total Other Governmental <u>Funds</u>
RECEIPTS				
Taxes:				
Property	\$ -	\$ 1,810	\$ -	\$ 1,810
Pro-rate motor vehicle	-	10	-	10
Penalties and interest on taxes	-	51	-	51
Extracurricular receipts	-	-	193,200	193,200
Interest income	32	19	-	51
Transfer from other funds	-	-	25,000	25,000
Total receipts	<u>32</u>	<u>1,890</u>	<u>218,200</u>	<u>220,122</u>
DISBURSEMENTS				
Other support services	-	-	186,469	186,469
Debt service:				
Principal	-	220,000	-	220,000
Interest	-	1,396	-	1,396
Bond fees	-	15	-	15
Total disbursements	<u>-</u>	<u>221,411</u>	<u>186,469</u>	<u>407,880</u>
Receipts over (under) disbursements	32	(219,521)	31,731	(187,758)
Fund balances - August 31, 2021	<u>38,227</u>	<u>239,073</u>	<u>98,753</u>	<u>376,053</u>
Fund balances - August 31, 2022	<u>\$ 38,259</u>	<u>\$ 19,552</u>	<u>\$ 130,484</u>	<u>\$ 188,295</u>

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE -
ACTIVITY FUND
Year ended August 31, 2022

	Balance August 31, <u>2021</u>	Receipts and <u>Transfers</u>	<u>Disbursements</u>	Balance August 31, <u>2022</u>
<u>District-wide</u>				
Adult education	\$ 1,420	\$ -	\$ -	\$ 1,420
Annual	2,228	2,179	1,075	3,332
Athletics	(7,576)	98,247	67,150	23,521
Book club	604	895	-	1,499
Boys basketball	2,896	17,846	14,617	6,125
Business	1,703	-	-	1,703
Class of 2017	365	-	-	365
Class of 2018	43	-	-	43
Class of 2019	260	-	-	260
Class of 2020	790	-	-	790
Class of 2021	1,370	-	-	1,370
Class of 2022	4,147	411	3,254	1,304
Class of 2023	2,512	1,992	740	3,764
Class of 2024	-	2,745	53	2,692
Class of 2025	-	211	-	211
College access	81	-	-	81
Crossroads conference	500	200	-	700
Dazzlers	3,921	18,555	30,232	(7,756)
Drama	5,842	4,625	6,773	3,694
Elementary	3,380	1,623	2,035	2,968
Elementary principal	302	1,000	575	727
Embroidery	8,635	1,272	716	9,191
Entrepreneurship	-	526	-	526
Engineering	188	-	-	188
Ethan Gustafson	1,181	1	825	357
FBLA	1,990	-	-	1,990
FFA	6,903	18,508	10,186	15,225
Football	7,916	4,447	5,249	7,114
General	11,128	27,270	28,339	10,059
Girls basketball	471	4,959	1,406	4,024
HS/MS principal account	101	1,222	656	667
Miscellaneous	816	-	-	816
MS book club	-	605	-	605
MS student council	1,393	1,466	1,140	1,719
Music	9,148	104	345	8,907
National Honor Society	183	560	42	701
Parent advisory committee	6,039	420	6,459	-
Quiz bowl	1,124	2,739	1,303	2,560
Shop	879	-	47	832
Spanish club	213	-	-	213
Spelling bee	6,773	800	497	7,076
Striv TV	500	-	-	500
Student council	3,492	1,512	1,012	3,992
SWAG	3,398	90	-	3,488
Volleyball	1,494	1,170	1,743	921
Total	<u>\$ 98,753</u>	<u>\$ 218,200</u>	<u>\$ 186,469</u>	<u>\$ 130,484</u>

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

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

**Year ended August 31, 2022
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2021	\$ 763,083
Receipts:	
Local property taxes	3,192,951
Motor vehicle taxes	186,426
Carline	1,142
Pro-rate motor vehicle	7,452
Homestead exemption	36,714
Property tax credit	331,130
5% gross	25,925
Payments in lieu of taxes	564
Nameplate capacity	5,477
Fines and licenses	8,803
Penalties and interest	5,027
Total receipts	<u>3,801,611</u>
Total funds available	4,564,694
Disbursements:	
To School District	<u>3,901,437</u>
Fund Balance - August 31, 2022	<u><u>\$ 663,257</u></u>

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

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

**Year ended August 31, 2022
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2021	\$ -
Receipts:	
Local property taxes	27,961
Carline	11
Pro-rate motor vehicle	60
Homestead exemption	340
Property tax credit	3,076
Payments in lieu of taxes	15
Nameplate capacity	51
5% gross	241
Penalties and interest	19
Total receipts	<u>31,774</u>
Total funds available	31,774
Disbursements:	
To School District	<u>25,726</u>
Fund Balance - August 31, 2022	<u><u>\$ 6,048</u></u>

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

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

**Year ended August 31, 2022
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2021	\$ 7,238
Receipts:	
Local property taxes	1,810
Pro-rate motor vehicle	10
Penalties and interest	51
Total receipts	<u>1,871</u>
Total funds available	9,109
Disbursements:	
To School District	<u>9,109</u>
Fund Balance - August 31, 2022	<u><u>\$ -</u></u>

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

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

**Year ended August 31, 2022
(Unaudited)**

	<u>Polk County</u>
Fund Balance - August 31, 2021	\$ 160,500
Receipts:	
Local property taxes	648,276
Carline	231
Pro-rate motor vehicle	1,520
Homestead exemption	7,431
Property tax credit	67,024
Nameplate capacity	1,110
5% gross	5,247
Penalties and interest	1,017
Total receipts	<u>731,856</u>
Total funds available	892,356
Disbursements:	
To School District	<u>760,559</u>
Fund Balance - August 31, 2022	<u><u>\$ 131,797</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated November 3, 2022. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

SHAREHOLDERS:

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

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

- Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.
- The District does not have proper procedures in place to ensure that bank reconciliations are completed timely to ensure proper oversight and timely reporting.

Report on Compliance and Other Matters

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

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

Osceola Public Schools – District #19’s response to the findings identified above is that it is impractical to further segregate duties due to the small size of the District. The District will work on implementing a processes in order to ensure that bank reconciliations are done timely. *Government Auditing Standards* requires the auditor to perform limited procedures on Osceola Public Schools – District #19’s response to the findings identified during our audit. Osceola Public Schools – District #19’s response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
November 3, 2022

7409 N. 160th Street
Bennington, NE 68007
PH 402.238.2900
PH 800.498.4395
FX 402.238.2987
www.protrackandtennis.com

PRO TRACK AND TENNIS, INC.

Structural Spray – Track Proposal



INNOVATIVE
EXPERIENCED
PROFESSIONAL

We Proudly Present This Proposal To

Dr. Jason Lavaley
Superintendent
Osceola High School
565 S. Kimmel St.
Osceola, NE 68651
Cell: 402-984-4589

ilavaley@osceola.esu7.org

TABLE OF CONTENTS

PROPOSED SYSTEM	3
PART 1: GENERAL	4
PART 2: OWNER'S PRECONSTRUCTION RESPONSIBILITIES	5
PART 3: PRODUCTS	7
PART 4: SYSTEM INSTALLATION PROCESS	8
PART 5: WARRANTY	12
ACCEPTANCE OF PROPOSAL	13



PROPOSED SYSTEM

SINGLE COMPONENT STRUCTURAL SPRAY SYSTEM IN BLACK

Pro Track and Tennis, Inc. proposes to install the following per the following specifications:

1. **OPTION #1:** Install a new BLACK Poly Structural Spray over the track and field events. Includes patchwork and striping.
2. **OPTION #2:** Install 46 LF of Armor Crack Repair System on track surface before structural spray is applied. 5-year warranty.



PART 1: GENERAL

1.01 RELATED DOCUMENTS:

- A. If Architectural or Engineering specifications and or drawings are involved those specifications will take precedence over the following where noted and determined suitable for the project.

1.02 SUMMARY:

- A. Pro Track and Tennis, Inc. shall furnish all materials, labor, tools, and equipment necessary for the installation of the polyurethane single component structural spray synthetic track surface.
- B. The track will be laid out for line striping and event markings.

1.03 GOVERNING BODIES:

- A. Codes and standards will follow the current guidelines set forth by the National Federation of State High School Associations (NFHS), the National Collegiate Athletic Association (NCAA) and the International Association of Athletics Association (IAAF). The NFHS rules shall be enforced where differences between the three associations are noted.
- B. The American Sports Builders Association (ASBA) track construction manual will be the reference source for all guidelines for construction.

1.04 SUBMITTALS:

- A. One copy of the polyurethane binder manufacturer's product specification sheet. See attached in the appendix.
- B. One synthetic surface sample. See attached with this proposal.
- C. One copy of the Material Safety Data Sheets (MSDS) for each product to be used. See attached in the appendix.



- D. One copy of the certificate that Pro Track and Tennis, Inc. is a member of the American Sports Builders Association in good standing. See attached in the appendix.



PART 2: OWNER'S PRECONSTRUCTION RESPONSIBILITIES

2.01 APPARATUS REMOVAL:

- A. All athletic equipment should be removed and or moved out of the way of the areas to be worked on. Items such as hurdles, high jump standards, landing pits etc.
- B. Portable objects such as benches, starting/observation decks etc should be removed.
- C. Rolled out crossing mates, carpets, plywood should be picked up and stored.
- D. Rolled out runway mats should be rolled up and stored if the respective runway surface is going to be worked on.

2.02 GROUNDSKEEPING:

- A. All edges of surface areas to be worked on should be treated as needed to kill all weeds. This should include weeds in cracks in the surface also. Applications should be repeated as needed to assure that the vegetation is killed off.
- B. Drainage issues should be addressed. If there are visible drainage problems where dirt and debris are deposited onto the track surface during a rain this should be addressed prior to the work starting.
- C. Severe leaching of weeds and sod/soil encroachment should be cut back and removed prior to Pro Track and Tennis beginning work. It sometimes takes days for the surface to dry out prior to being able to work on the surface.
- D. Any deposits of caked on dirt must be removed and cleaned. Built up dirt can trap moisture and may take days to completely dry out after cleaning and washing of the surface area.
- E. Sprinklers should be shut off four days prior to Pro Track and Tennis's arrival. The sprinklers can be run as long as the heads are adjusted not to spray water onto the track. Wind blowing water onto the track should be taken into consideration.



- F. We recommend that the football field interior area be mowed prior to our arrival. We will accommodate, if possible, mowing during construction if there is a critical need.
- G. Fertilizing turf adjacent to the track surface is strictly prohibited. Fertilizer will damage and discolor the track surface.

2.03 SECURITY:

- A. We recommend that the staff at the school be notified of the dates the track will be closed. Especially gym classes that may use the track and field during the renovation period.
- B. The community should be notified if feasible to deter community walkers and joggers from attempting to enter the work area during installation.
- C. The work area should be secured as best as possible by locking all gates that will not be used and placing signage warning of the track being closed while during renovation.

The successful and timely completion of your track renovation project relies on your cooperation. We thank you in advance for your commitment to the important items listed above.



PART 3: PRODUCTS

3.01 SYNTHETIC SURFACING:

- A. The synthetic surface shall be a Red/Black Aromatic One Component Polyurethane Structural Spray synthetic track surface, permeable, spray applied. The coatings will be applied in two coats to achieve the total lbs specified. The rubber shall be EPDM virgin granulates .5-1.5mm in gradation.

3.02 SYSTEM COMPONENTS:

- A. VEGETATION STERILANT: (Roundup or equal) shall be used to control vegetation along edges and in cracks as needed.
- B. ASPHALT EMULSION CRACK SEALANT: Asphalt Emulsion crack sealer shall be used for cracks in the substrate and existing rubber system as determined by the lead technician.
- C. LATEX BASED CRACK SEALANT: 100% latex Crack Flex shall be used on the existing rubber surface only as determined by the lead technician.
- D. POLYURETHANE CRACK SEALANT: single component pure polyurethane shall be used on cracks as determined by the lead technician.
- E. Note: The above crack sealers will be used as determined by the lead technician. All or just one may be used per job surface conditions, weather and temperatures.
- F. PATCHING MATERIAL: Track binder shall be mixed with 1-3 mm rubber granulates. The mixture shall be used to full depth patch areas where the existing synthetic surface is missing or is to be cut out and replaced.
- G. PRIMER: Primer shall be used to prime all substrates to receive the synthetic surface system. This will include cured asphalt, cured concrete.
- H. POLYURETHANE BINDER: Polyurethane binder shall be used in conjunction with SBR rubber granulates to build the synthetic surface system to the desired depth. This material is batched, mixed and paved into place.
- I. POLYURETHANE STRUCTURAL SPRAY- Red Aromatic one component Polyurethane Structural Spray shall be used in conjunction with EPDM rubber granulates. This material is batched, mixed and sprayed into place to achieve the total specified pounds.
- J. LINE PAINT: Wilko Paint No. 721-22 Track, Urethane Gloss White plus desired event colors marking paint or equal shall be used to stripe all lines and events or



PART 4: SYSTEM INSTALLATION PROCESS

equal.

4.01 QUALITY ASSURANCE:

- A. The owner should have one designated person who all communication will go through during the course of the project.
- B. Pre-construction meeting. A meeting will be held on the track prior to any work beginning. The lead technician will go over the scope of work with the owner and answer any questions. The owner will be required to sign off on a production sheet attesting to the fact that this meeting took place.
- C. Material check off. The material will be inventoried with the owner to determine that the right amount of material has been shipped or brought to the job site.
- D. The owner's representative will be contacted daily by the lead technician to give a progress report.
- E. Post-construction meeting. A meeting will be held after the synthetic surface has been installed to ok the surface prior to painting the lines and events. A production sign off sheet will be reviewed with the owner at which time the owner will approve the project by signing off on the production sheet and evaluating our performance.
- F. Striping the track. The track may be striped at a later date from the completion of the surface. The striper will review the striping details with the owner, Athletic Director or Track Coach prior to painting of the lines and eve.

4.02 VEGETATION:

- A. Vegetation will be trimmed if needed on all edges to receive the synthetic surfacing.
- B. Please refer to PART 2 item 2.2



4.03 CLEANING:

- A. The entire surface areas to be coated will be blown off using high-pressure wind machines.
- B. Any areas that need additional attention will be wire brushed as needed.
- C. Heavily soiled areas may be power washed if deemed necessary.

4.04 CRACK SEALING:

- A. Cracks will be cleaned as needed using high-pressure air.
- B. Major cracks will be filled with a combination of products as determined by the field technician.
- C. Please see PART 3, 3.2, B, C and D for clarification of the different crack sealers. Poly based sealants will be used on this project.

4.05 SYNTHETIC SURFACE INSTALLATION:

A. STRUCTURAL SPRAY:

- 1) The polyurethane shall be single component structural spray. Aromatic color to be black or red. Other colors are available.
- 2) Rubber granules shall be EPDM not less than 0.5 mm and no more than 1.5 mm.
- 3) All containers shall be completely empty to ensure the proper ratio of mixture.
- 4) No solvents or emulsified agents shall be used in the building to extend the curing of the mixture.
- 5) The spray will be applied in two coats, in opposite directions to achieve the desired pounds per square yard coverage.



B. PHYSICAL PROPERTIES OF FINISHED SURFACE:

Thickness: 1-3 mm average or as specified by the architect, engineer or owner.
Color: Black, Red, Beige, Green, Blue or as specified by owner.

NOTE: This proposal is for red.

Test	Specs	Results
Weight (lbs/gal)	ASTM D 1475	9 + or - 0.5
VOC	ASTM D 3960	0 lbs/gal
Solids by Volume	Calculated	100%
Flash Point	Pansky Martens Closed cup	150° F
Storage Stability	59°F-77°F	6 months
Viscosity	Brookfield	2400 CPS
Tensile Strength (psi)	ASTM 412	1000
Elongation	ASTM 412	100%

4.06 LINES AND EVENT MARKINGS:

- A. The track will be laid out as a 400 meter track
- B. The National Federation of State High Schools Association (NFHS) rules will apply.
- C. All painting will be reviewed with the proper school representative prior to painting.
- D. See attached diagram for events to be marked.
- E. Hurdles will be one direction.
- F. Three sets of numbers.



G. Extra painting could be subject to a negotiated change order.

4.07 JOB SITE CLEAN-UP:

- A. The job site and all adjacent areas occupied during construction will be left clean.
- B. All job related debris will be cleaned up and disposed of properly off site.
- C. All unused material will be removed from the job site and recycled.



PART 5: WARRANTY

Pro Track and Tennis, Inc. warrants its labor and materials for a period of five (5) years from the date of completion of work on any track. There is a five (5) year warranty on Armor Crack Repair. All work performed by Pro Track and Tennis, Inc. is warranted against peeling, chipping and flaking under normal use. Pro Track and Tennis, Inc. further warrants that any paint applied during the striping or resurfacing of any track or tennis court will not flake or peel for a period of two (2) years from the date application is completed.

Customer acknowledges that they are aware that Pro Track and Tennis, Inc. is not responsible for defects, cracks, patches or uneven surfaces in the substrate which is being resurfaced by Pro Track and Tennis, Inc. Pro Track and Tennis, Inc. does not warrant that existing cracks or patches in existing substrate surfaces will not open or continue to increase in size. Pro Track and Tennis, Inc. shall not warrant nor be in anyway be responsible for peeling of paint or damage to any surface caused by failure of customer to keep the surface free of debris, vegetation or dirt and shall further not be responsible for damage to painted surfaces or any other actions caused by the customer. Pro Track and Tennis, Inc. does not warrant separation of the coatings from the concrete base where the base lacks a vapor barrier. Lack of a vapor barrier can cause moisture to be retained under the coating, which will eventually result in lack of adhesion to the surface. Pro Track and Tennis, Inc. does not warrant separation of the coating or bubbling of the coating when moisture is present due to passing from below an asphalt or concrete base.

In the event of any claims arising under this Warranty, damages incurred by the customer shall be limited to such repairs to be performed by Pro Track and Tennis, Inc. as are necessary to remedy any defects. Pro Track and Tennis, Inc. hereby agrees to perform any such repairs (weather permitting) promptly, after written notification of such claim from customer. Pro Track and Tennis, Inc. shall not be liable for any breach of any express or implied warranty except where expressly prohibited by applicable law.



ACCEPTANCE OF PROPOSAL

This proposal is valid for 60 days from September 6, 2022.

Pro Track and Tennis, Inc. proposes to furnish labor and material and equipment complete in accordance with the specifications in this proposal for the sum of:

Please initial the appropriate boxes below to designate acceptance of the following options.

<input type="checkbox"/>	BLACK Structural Spray over existing track Includes patch work and striping Eighty-six thousand dollars	\$86,000.00
--------------------------	---	--------------------

<input type="checkbox"/>	Add to Structural Spray Option Armor Crack Repair-46 LF Five thousand, five hundred twenty dollars	\$5,520.00
--------------------------	--	-------------------

Due to current market conditions, all prices are subject to a surcharge before date of install.

Payment to be made as follows:

A 33% down payment is due upon acceptance of proposal. Another 33% is due when project is 50% complete. Remainder is due the day the job is complete and accepted by the owner. In the event that line/event striping is done at a later date \$4,000 may be withheld and is then due upon completion of striping. Any applicable taxes will be added to the total cost.

Acceptance

The above price, specifications and conditions found in this proposal are satisfactory and are hereby accepted. Pro Track and Tennis, Inc. is authorized to do the work as specified. Payment will be made as outlined.

_____ Signature	_____ Signature
_____ Print	_____ Print
_____ Date	_____ Date
Osceola High School-Osceola, NE	Pro Track and Tennis, Inc.

After signing, please return to Pro Track and Tennis, Inc.



Pro Track and Tennis, Inc. | 800.498.4395 | www.protrackandtennis.com

