

Finance Workshop
Monday, December 9, 2024 6:15 PM
HS CONFERENCE ROOM
705 N 9th Street
Arlington, NE 68002

1. Review Financial Statements with Committee of the Full Board of Education
2. Recommendation to the board as a result of this meeting:

**WASHINGTON COUNTY SCHOOL
DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024**

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 AUGUST 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Education
Washington County School District No. 24
Arlington Public Schools
Arlington, 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, the aggregate discretely presented component unit, and each major fund of Washington County School District No. 24, Arlington Public Schools ("School District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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, the business-type activities, the aggregate discretely presented component unit, and each major fund of the School District, as of August 31, 2024, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 are required to be independent of the School District 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 opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, 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 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 the School District'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.

Auditors' 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 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 the

School District'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 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 the School District'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of receipts, disbursements, and changes in net position for the fiduciary fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of receipts, disbursements, and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 5, 2024, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 the School District's internal control over financial reporting and compliance.



SHAW, HULL & NAVARRETTE
CERTIFIED PUBLIC ACCOUNTANTS

Fremont, NE
November 5, 2024

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 AUGUST 31, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 4,700,154	154,864	4,855,018
Certificate of Deposit	\$ 268,630	-	268,630
County Treasurer	<u>1,903,713</u>	<u>-</u>	<u>1,903,713</u>
Total assets	<u>\$ 6,872,497</u>	<u>154,864</u>	<u>7,027,361</u>
 <u>NET POSITION</u>			
Restricted	\$ 1,157,312	-	1,157,312
Unrestricted	<u>5,715,185</u>	<u>154,864</u>	<u>5,870,049</u>
Total net position	<u>\$ 6,872,497</u>	<u>154,864</u>	<u>7,027,361</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating		Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	Primary Government			
Governmental Activities:							
Instruction	\$ 5,328,767	-	-	-	(5,328,767)	-	(5,328,767)
Instruction-flex spending	110,273	-	-	-	(110,273)	-	(110,273)
Poverty programs	58,018	-	-	-	(58,018)	-	(58,018)
Special education	1,033,240	-	-	-	(1,033,240)	-	(1,033,240)
Special ed-early childhood	16,723	-	-	-	(16,723)	-	(16,723)
Summer school	37,740	4,025	-	-	(33,715)	-	(33,715)
Support services-pupil	507,471	-	-	-	(507,471)	-	(507,471)
Support services-staff	342,991	-	-	-	(342,991)	-	(342,991)
Support services-admin	838,621	-	-	-	(838,621)	-	(838,621)
Central serv-business	123,532	-	-	-	(123,532)	-	(123,532)
Central serv-other	124,621	-	-	-	(124,621)	-	(124,621)
Operation and maintenance	1,148,358	-	-	-	(1,148,358)	-	(1,148,358)
Pupil transportation	279,450	-	-	-	(279,450)	-	(279,450)
High ability learners	12,954	-	-	-	(12,954)	-	(12,954)
Teacher eval develop grant	317	-	-	-	(317)	-	(317)
Building improvements	309,034	-	-	-	(309,034)	-	(309,034)
Bond payments	1,261,236	-	-	-	(1,261,236)	-	(1,261,236)
Federal programs	311,511	-	302,855	-	(8,656)	-	(8,656)
Transfers	25,000	-	-	-	(25,000)	-	(25,000)
	11,869,857	4,025	302,855	302,855	(11,562,977)	-	(11,562,977)
Business-type activities:							
School nutrition	479,104	218,706	153,676	153,676	-	(106,722)	(106,722)
Total primary government	\$ 12,348,961	222,731	456,531	456,531	(11,562,977)	(106,722)	(11,669,699)

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (continued)

	Net (Disbursements) Receipts and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Totals
Balance forward	\$ (11,562,977)	(106,722)	(11,669,699)
General receipts:			
Taxes collected	7,361,948	-	7,361,948
Interest	167,006	3,921	170,927
Other local receipts	126,273	-	126,273
County receipts	45,499	-	45,499
Other State receipts	3,948,943	-	3,948,943
Non-revenue receipts	20,590	-	20,590
	11,670,259	3,921	11,674,180
Change in net position	107,282	(102,801)	4,481
Net Position - beginning	6,765,215	257,665	7,022,880
Net Position - ending	\$ 6,872,497	154,864	7,027,361

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 AUGUST 31, 2024

	Major Funds						Total Governmental Funds
	01	02	07	08	09	Arlington Schools Leasing Corporation	
ASSETS							
Cash in bank	\$ 2,281,590		513,765	741,727	403,624	-	4,700,154
Certificate of deposit	-	759,448	-	-	-	-	268,630
Cash at County Treasurer	1,608,667	268,630	144,385	62,775	87,886	-	1,903,713
Total Assets	<u>\$ 3,890,257</u>	<u>1,028,078</u>	<u>658,150</u>	<u>804,502</u>	<u>491,510</u>	<u>-</u>	<u>6,872,497</u>
FUND BALANCES							
Restricted	\$ 7,652	-	658,150	-	491,510	-	1,157,312
Committed	21,672	-	-	746,063	-	-	767,735
Assigned	-	1,028,078	-	58,439	-	-	1,086,517
Unassigned	3,860,933	-	-	-	-	-	3,860,933
Total fund balances	<u>\$ 3,890,257</u>	<u>1,028,078</u>	<u>658,150</u>	<u>804,502</u>	<u>491,510</u>	<u>-</u>	<u>6,872,497</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

		Major	
		01	02
		General	Depr.
		<u>Fund</u>	<u>Fund</u>
<u>RECEIPTS</u>			
<u>Local Receipts:</u>			
Taxes:			
Local property taxes	1100	\$ 5,805,147	-
Carline taxes	1115	4,395	-
Public power tax	1120	36,580	-
Motor vehicle taxes	1125	483,820	-
Penalties & int on taxes	1140	12,510	-
Other local receipts:			
Summer school tuition	1312	4,025	-
Preschool tuition	1370	16,100	-
Interest on investments	1510	72,469	36,496
Local license fees	1911	351	-
Contributions & donations	1920	-	-
Miscellaneous receipts	1960	895	-
Refund of prior year's expenditures	1980	1,927	-
<u>County receipts:</u>			
County fees and licenses	2110	45,499	-
<u>State receipts:</u>			
State aid	3110	2,041,657	-
Spec ed (school age)	3120	902,809	-
Spec ed - transportation	3125	5,364	-
Homestead exemption	3130	154,939	-
Property tax credit	3131	525,444	-
School age support - flex	3166	38,856	-
Pro-rate motor vehicle	3180	15,120	-
State apportionment	3400	127,889	-
Career education	3551	7,500	-
School safety and security act	3552	7,652	-
<u>Federal receipts</u>			
IDEA Part B ARP Enrollment/Poverty	4421	2,887	-
Title I, Part A	4505	43,627	-
Title II, Part A	4509	12,532	-
IDEA PreSchool Base Poverty	4516	6,178	-
IDEA Part B Enrollment/Poverty	4518	136,411	-
Vocation & Tech (Perkins)	4525	3,888	-
Medicaid in public schools	4708	29,538	-
Medicaid administrative activities	4709	33,547	-
Presidential declared disaster aid	4995	9,653	-
Title IV, Part A	4969	10,000	-
ESSER cares	4996	14,594	-
<u>Non-Revenue receipts:</u>			
Other non-revenue receipts	5690	20,590	-
Total receipts		10,634,393	36,496

See accompanying notes to financial statements.

<u>Funds</u>					
<u>07</u>	<u>08</u>	<u>09</u>	Arlington Schools Leasing Corporation	Reclass	Total Governmental Funds
Bond Fund	Building Fund	QCPUF Fund			
498,590	209,207	305,115	-	-	6,818,059
383	166	233	-	-	5,177
3,127	1,343	-	-	-	41,050
-	-	-	-	-	483,820
762	76	494	-	-	13,842
-	-	-	-	-	4,025
-	-	-	-	-	16,100
16,012	29,330	12,699	-	-	167,006
-	-	-	-	-	351
-	107,000	-	-	-	107,000
-	-	-	-	-	895
-	-	-	-	-	1,927
-	-	-	-	-	45,499
-	-	-	-	-	2,041,657
-	-	-	-	-	902,809
-	-	-	-	-	5,364
13,474	5,848	8,196	-	-	182,457
44,081	20,137	27,898	-	-	617,560
-	-	-	-	-	38,856
987	357	735	-	-	17,199
-	-	-	-	-	127,889
-	-	-	-	-	7,500
-	-	-	-	-	7,652
-	-	-	-	-	2,887
-	-	-	-	-	43,627
-	-	-	-	-	12,532
-	-	-	-	-	6,178
-	-	-	-	-	136,411
-	-	-	-	-	3,888
-	-	-	-	-	29,538
-	-	-	-	-	33,547
-	-	-	-	-	9,653
-	-	-	-	-	10,000
-	-	-	-	-	14,594
-	-	-	373,725	(373,725)	20,590
<u>577,416</u>	<u>373,464</u>	<u>355,370</u>	<u>373,725</u>	<u>(373,725)</u>	<u>11,977,139</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (CONTINUED)

		Major	
		01	02
		General	Depr.
		<u>Fund</u>	<u>Fund</u>
<u>DISBURSEMENTS</u>			
Regular instruction	1100	\$ 5,328,767	-
Reg instruct - flex spending	1125	110,273	-
Poverty programs	1160	58,018	-
Special education	1200	1,033,240	-
Sped-early childhood	1291	16,723	-
Summer School	1300	37,740	-
Support services:			
Pupil support - guidance	2120	221,668	-
Pupil support - nurse	2130	94,793	-
Pupil support - psych	2140	18,640	-
Pupil support - ESU psych	2141	82,809	-
Pupil support - ESU ST	2151	89,561	-
Staff support - impr instr	2210	7,993	-
Staff support - curr develop	2212	112,699	-
Staff support - staff training	2213	1,124	-
Staff support - library	2220	110,079	-
Staff support - educational tv services	2224	3,000	-
Staff support - technology	2230	108,096	-
Admin support - board	2310	30,712	-
Admin support - exec admin	2320	234,424	-
Admin support - legal	2330	2,862	-
Admin support - principal	2410	498,340	-
Admin support - other (grad)	2490	72,283	-
Central services:			
Business/fiscal services	2510	123,532	-
Printing & duplicating	2530	2,338	-
Public info services	2560	16,470	-
Personnel services	2570	304	-
Admin tech services	2580	105,509	-
Operation & Maintenance:			
Operation of building	2610	487,737	-
Maintenance of building	2620	508,968	-
Grounds-care & upkeep	2630	74,985	-
Equipment-care & upkeep	2640	6,073	-
Vehicle expend-nonpupil	2650	32,505	-
Security	2660	25,222	-
Safety	2670	3,698	-
Operation & maint - other	2680	9,170	-

See accompanying notes to financial statements.

<u>Funds</u>						
<u>07</u>	<u>08</u>	<u>09</u>	Arlington Schools Leasing Corporation			Total Governmental Funds
<u>Bond Fund</u>	<u>Building Fund</u>	<u>QCPUF Fund</u>		<u>Reclass</u>		
-	-	-	-	-	-	5,328,767
-	-	-	-	-	-	110,273
-	-	-	-	-	-	58,018
-	-	-	-	-	-	1,033,240
-	-	-	-	-	-	16,723
-	-	-	-	-	-	37,740
-	-	-	-	-	-	221,668
-	-	-	-	-	-	94,793
-	-	-	-	-	-	18,640
-	-	-	-	-	-	82,809
-	-	-	-	-	-	89,561
-	-	-	-	-	-	7,993
-	-	-	-	-	-	112,699
-	-	-	-	-	-	1,124
-	-	-	-	-	-	110,079
-	-	-	-	-	-	3,000
-	-	-	-	-	-	108,096
-	-	-	-	-	-	30,712
-	-	-	-	-	-	234,424
-	-	-	-	-	-	2,862
-	-	-	-	-	-	498,340
-	-	-	-	-	-	72,283
-	-	-	-	-	-	123,532
-	-	-	-	-	-	2,338
-	-	-	-	-	-	16,470
-	-	-	-	-	-	304
-	-	-	-	-	-	105,509
-	373,725	-	-	(373,725)	-	487,737
-	-	-	-	-	-	508,968
-	-	-	-	-	-	74,985
-	-	-	-	-	-	6,073
-	-	-	-	-	-	32,505
-	-	-	-	-	-	25,222
-	-	-	-	-	-	3,698
-	-	-	-	-	-	9,170

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (CONTINUED)

		Major	
		01	02
		General Fund	Depr. Fund
<u>DISBURSEMENTS (continued)</u>			
Pupil transportation:			
Vehicle oper & purch-reg	2710	\$ 159,509	-
Vehicle oper & purch-SPED	2712	4,226	-
Vehicle oper & purch-SPED PS	2713	2,959	-
Vehicle svc & maint-reg	2730	108,471	-
Vehicle svc & maint-SPED	2732	3,635	-
Vehicle svc & maint-SPED PS	2733	650	-
High ability learners	3535	12,954	-
Teacher evaluation dev grant	3570	317	-
Building improvements	4700	-	-
Debt service payments	5000	-	-
Federal programs:			
Title I Part A	6200	68,951	-
Title II, Part A	6310	16,595	-
IDEA PreSchool Base alloc.	6406	10,139	-
IDEA Part B Base & Enroll Pov	6408	160,338	-
IDEA, Part B proportionate	6412	4,533	-
ARP SCHOOL	6421	29,863	-
IDEA PK 3-5	6422	3,956	-
Vocational & Tech (Perkins)	6700	3,888	-
REAP	6992	255	-
ESSER II	6997	715	-
ESSER III	6998	12,278	-
Transfers (outgoing)	8000	25,000	-
Total disbursements		10,299,587	-
Net change in fund balance		334,806	36,496
Fund balances - beginning,		3,555,451	991,582
Fund balances - ending		\$ 3,890,257	1,028,078
Analysis of fund balance:			
Cash in bank			
Checking accounts		\$ 2,281,590	759,448
Certificate of deposit		-	268,630
County Treasurers			
Washington County		1,480,808	-
Douglas County		24,519	-
Dodge County		103,340	-
		\$ 3,890,257	1,028,078

See accompanying notes to financial statements.

<u>Funds</u>					
<u>07</u>	<u>08</u>	<u>09</u>	Arlington Schools Leasing Corporation	<u>Reclass</u>	Total Governmental <u>Funds</u>
Bond <u>Fund</u>	Building <u>Fund</u>	QCPUF <u>Fund</u>			
-	-	-	-	-	159,509
-	-	-	-	-	4,226
-	-	-	-	-	2,959
-	-	-	-	-	108,471
-	-	-	-	-	3,635
-	-	-	-	-	650
-	-	-	-	-	12,954
-	-	-	-	-	317
-	309,034	-	-	-	309,034
541,788	-	345,723	373,725	-	1,261,236
-	-	-	-	-	68,951
-	-	-	-	-	16,595
-	-	-	-	-	10,139
-	-	-	-	-	160,338
-	-	-	-	-	4,533
-	-	-	-	-	29,863
-	-	-	-	-	3,956
-	-	-	-	-	3,888
-	-	-	-	-	255
-	-	-	-	-	715
-	-	-	-	-	12,278
-	-	-	-	-	25,000
<u>541,788</u>	<u>682,759</u>	<u>345,723</u>	<u>373,725</u>	<u>(373,725)</u>	<u>11,869,857</u>
35,628	(309,295)	9,647	-	-	107,282
<u>622,522</u>	<u>1,113,797</u>	<u>481,863</u>	-	-	<u>6,765,215</u>
<u>658,150</u>	<u>804,502</u>	<u>491,510</u>	-	-	<u>6,872,497</u>
513,765	741,727	403,624			4,700,154
-	-	-			268,630
126,078	54,816	76,742			1,738,444
9,518	4,138	5,795			43,970
<u>8,789</u>	<u>3,821</u>	<u>5,349</u>			<u>121,299</u>
<u>658,150</u>	<u>804,502</u>	<u>491,510</u>			<u>6,872,497</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
AUGUST 31, 2024

	School Nutrition <u>Fund</u>
<u>ASSETS</u>	
Cash in bank	\$ <u>154,864</u>
<u>NET ASSETS</u>	\$ <u>154,864</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND
 AUGUST 31, 2024

	School Nutrition <u>Fund</u>
<u>ADDITIONS</u>	
Sale of lunches	\$ 218,706
Federal reimbursement	151,776
State reimbursement	1,900
Interest	<u>3,921</u>
Total Additions	<u>376,303</u>
 <u>DEDUCTIONS</u>	
Wages and benefits	168,992
Food purchases	215,150
Supplies	2,130
Web-based software	1,951
Equipment	84,160
Other	<u>6,721</u>
Total Deductions	<u>479,104</u>
Change in Net Position	(102,801)
Total Net Position - Beginning	<u>257,665</u>
Total Net Position - Ending	<u>\$ 154,864</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUND
 AUGUST 31, 2024

	Activity <u>Fund</u>
<u>ASSETS</u>	
Cash on hand	\$ 1,400
Cash in bank	<u>195,012</u>
	<u>196,412</u>
 <u>NET ASSETS</u>	 <u>\$ 196,412</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN NET POSITION - MODIFIED CASH BASIS - FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	<u>Activity Fund</u>
<u>ADDITIONS</u>	
Activities Receipts	\$ 447,727
Interest	4,411
Transfer from General Fund	<u>25,000</u>
Total Additions	<u>477,138</u>
 <u>DEDUCTIONS</u>	
Activities Disbursements	<u>482,335</u>
Total Deductions	<u>482,335</u>
Change in Net Position	(5,197)
Total Net Position - Beginning	<u>201,609</u>
Total Net Position - Ending	<u><u>\$ 196,412</u></u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Overview:

The significant accounting principles and practices followed by Washington County School District No. 24 ("School District") are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The financial statements presented represent all funds maintained by school authorities, incident to school building construction, and the operation, maintenance and management of school services, activities, projects and investments.

The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

b) Basis of Accounting:

The School District prepares its financial statements on the modified cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education. These statements represent a summary of the cash activity of the various funds of the School District, adjusted for modifications described below, and do not include certain transactions that would be included if the School District prepared its financial statements in accordance with generally accepted accounting principles, as applicable to governmental units.

Under the modified cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or equivalents) during the year are recognized, except for the following modifications:

Assets that normally convert to cash or cash equivalents (i.e. certificates of deposit) that arise from transactions and events involving cash or cash equivalents are recognized, and

Taxes and other revenues collected by the county treasurers are included in revenues of the School District in the year collected by the counties and the School District funds held by the county treasurers at year end are included as assets for the School District. This is in accordance with the requirements of the State of Nebraska Department of Education.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed services that have not been

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued:

b) Basis of Accounting, continued:

collected in cash are not accrued as revenue or receivables. Additionally, capital assets, such as property, equipment, and infrastructure, are not reported and long-term liabilities, such as debt and compensated absences, are not reported.

c) Reporting Entity:

The School District is a governmental entity established under and governed by the laws of the State of Nebraska and the Nebraska Department of Education. As a political subdivision of the State, the School District is a tax-exempt entity and a class III school district of the State of Nebraska.

The School District's Board of Education ("Board") is the basic level of government. It has financial accountability and control over all activities related to public school education in the School District. The School District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in the Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public and have decision-making authority, the power to designate management, the authority to levy taxes, the ability to significantly influence operations and primary accountability for fiscal matters.

The accompanying financial statements present the activities of the School District. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and 1) the ability of the School District to impose its will on that organization, or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the School District. The blended component unit discussed below, although a separate legal entity, is included in the School District's reporting entity because of the nature and significance of its financial relationship with the School District.

Blended Component Unit:

The School District organized the Arlington Schools Leasing Corporation, a legally separate nonprofit corporation, for the purpose of financing certain educational facilities. The nonprofit corporation obtained a loan from a bank for the construction of a building addition. The School District entered into a lease purchase agreement to lease the addition from the nonprofit corporation. The School District's board members govern the corporation.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued:

c) Reporting Entity, continued:

In addition, the School District has the following related organizations not considered to have a significant operational or financial relationship:

Athletic Boosters raise money to be used in support of the athletic program.

Music Boosters raise money to be used in support of the music program.

d) Government-wide and Fund Financial Statements:

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

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

Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements, as applicable. A fund is considered major if it is the primary operating fund of the School District (General); meets specific criteria set forth by GASB, total assets, liabilities, receipts or disbursements are at least 10% of the total for all funds of that type and at least 5% of the corresponding element for all governmental and proprietary funds combined; or is designated as a major fund by the School District's management.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued:

d) Government-wide and Fund Financial Statements, continued:

The following fund types are used by the School District:

1) Governmental Fund Types:

a) Major Funds:

1) General Fund - The General Fund is the general operating fund of the School District and accounts for all receipts and disbursements of the School District not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

2) Depreciation Fund - The Depreciation Fund was established in order to specifically reserve money for the eventual acquisition of costly capital outlay purchases by reserving such monies from the General Fund. The School District accounts for the allocation of funds from the General Fund to this fund as an expense in the General Fund and as an income in the Depreciation Fund. This fund may consist of more than one account for valid allocation purposes. The purpose of a Depreciation Fund is to spread replacement costs of capital outlays over a period of years in order to avoid a disproportionate tax effect in a single year to meet such an expense. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund is considered a component of the General Fund.

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. The Board of Education may approve a budget with a levy limitation of 14.0 cents per one hundred dollars of valuation; or a tax levy not to exceed 17.5 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the School District. Although proceeds from a bond issue are ordinarily deposited into the Special Building Fund, the proceeds from the Qualified School Construction Bonds and Build America Bonds are required to be accounted for through the Qualified Capital Purpose Undertaking Fund.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued:

d) Government-wide and Fund Financial Statements, continued:

1) Governmental Fund Types, continued:

a) Major Funds, continued:

3) Qualified Capital Purpose Undertaking Fund (QCP) - The QCP Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of qualified zone academy bonds (or qualified school construction bonds) issued for a qualified capital purpose under 92 NAC 87, modifications for life safety code violations, indoor air quality projects, and mold abatement and prevention projects. General fund expenditures for the purpose of this fund are not allowable. The tax levy for this fund is limited to \$0.052 per hundred dollars of valuation. The legislature has allowed the Build America Bonds to be accounted for under this fund as well.

4) Bond Fund - The Bond Fund is established for the accumulation of funds to retire the general obligation bonds at maturity or when called and to pay interest on those bonds.

2) Proprietary Fund:

a) School Nutrition Fund - The School Nutrition Fund accounts for all receipts and disbursements of all child nutrition programs. Receipts in this fund include federal and state program cost reimbursements received by the School District and general fund support of the lunch program. All food purchases and other supplies are accounted for as expenses of the school lunch fund; accordingly, no inventories are maintained in this fund. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund.

3) Fiduciary Fund:

a) Activities Fund - The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities, not part of another fund.

e) Capital Assets:

In accordance with the modified cash basis of accounting, expenditures for capital assets are charged to expense when paid. No asset is recorded

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued:

e) Capital Assets, continued:

and no allowance for depreciation is provided or included in the accompanying financial statements.

f) Compensated Absences:

Vacation and sick leave are recorded when paid. Certified personnel are allowed a maximum of 10 days of paid sick leave per year, which can accrue up to a maximum of 45 days. Non-certified personnel are allowed a maximum of 6 days of paid sick leave per year, which can accrue up to a maximum of 35 days. They are also granted personal leave (vacation) in varying amounts, depending upon length of employment. Unused sick days are paid at \$50/day for certified personnel and at \$25/day for non-certified personnel if they meet certain requirements.

g) Fund Equity:

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent, either because they are not in spendable form (such as inventory) or because they are legally or contractually required to remain intact. The School District has no nonspendable amounts.

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 spent only for specific purposes because of a formal action by the government's highest level of decision-making authority, as well as contractual obligations. The School District's highest level of decision-making authority is the Board of Education, which could establish, modify, and/or rescind a commitment by passing a motion to do so.

Assigned - Amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as the finance committee), or by an official to whom authority has been given.

Unassigned - All amounts not included in other spendable classifications.

When an expenditure is incurred that can be paid using either restricted or unrestricted resources, the School District's policy is generally to

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

1. **SIGNIFICANT ACCOUNTING POLICIES, continued:**

g) Fund Equity, continued:

first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications -committed, assigned, and then unassigned fund balances.

h) Restricted Net Assets:

In the government-wide financial statements, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

2. **BUDGET PROCESS AND PROPERTY TAXES:**

The School District is required by state law to adopt annual budgets for the General Fund, Depreciation Fund, Special Building Fund, School Nutrition Fund, Activities Fund, Bond Fund, and Qualified Capital Purpose Undertaking Fund. Each budget is presented on the modified cash basis of accounting, which is consistent with the requirements of the Nebraska Budget Act.

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

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

- a) Prior to August 1, the administration of the School 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.
- b) Public hearings are conducted at a public meeting to obtain taxpayer comments.
- c) Prior to budget filing date, the budget is legally adopted by the Board through passage of a resolution.
- d) Total expenditures may not legally exceed the total budget of expenditures. Appropriations lapse at year end and any revisions require a public hearing and Board approval.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

2. BUDGET PROCESS AND PROPERTY TAXES, continued:

- e) The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which attaches as an enforceable lien on property within the School District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following May 1 (April 1, Douglas County), with the second half becoming delinquent after September 1 (August 1, Douglas County).

The total combined valuation of property for levy-setting purposes in 2022 was \$770,576,664. This led to a tax levy for the 2022-2023 fiscal year of \$8,090,338, or \$1.049907 per \$100 of assessed valuation. The total combined valuation of Washington, Dodge and Douglas County property for levy-setting purposes for the School District in 2023 was \$881,954,215, which led to a tax levy for the 2023-2024 fiscal year of \$7,859,092, or \$0.891099 per \$100 of assessed valuation.

3. RISK MANAGEMENT:

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the School District carried commercial insurance for general liability, medical, automobile, property coverage, errors and omissions, workers' compensation, and employer liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

4. CASH AND INVESTMENTS:

Nebraska Statute Section 79-1043 provides that school districts may, by and with the consent of the Board of Education of the school district, invest the funds of the school district in securities, including repurchase agreements, the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another. At August 31, 2024, the School District had bank deposits of \$5,156,718, all of which were covered by federal depository insurance (FDIC) and/or collateralized by U.S. Government securities and municipal obligations subject to joint custody safe keeping receipts issued by the custodial financial institution, which was not the pledging institution. In addition, the bank account for the Activities Fund, the employees' flexible spending account and the students' bank in school account are included in the School District's employer identification number. These accounts totaled \$273,803 and are included under the same coverage.

5. COUNTY TREASURER:

The amounts presented as County Treasurer are held by the Washington, Dodge and Douglas County Treasurers. The counties bill and collect the local

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

5. COUNTY TREASURER, continued:

property taxes as agents for the School District and remit the funds to the School District monthly.

6. PENSION PLAN:

a) Plan Description:

The School District 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, 2023, there were 263 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, and 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.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

6. PENSION PLAN, continued:

a) 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 School District's year ended August 31, 2024, the School District's total payroll for all employees was \$6,573,331. Total covered payroll was \$6,329,257. Covered payroll refers to all compensation paid by the School District to active employees covered by the Plan.

b) 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 non-employer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2022 through August 31, 2024. The school district (employer) contribution is 101 percent of the employee contribution. The School District's contribution to the Plan for its year ended August 31, 2024 was \$614,617.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2024

6. PENSION PLAN, continued:

c) Pension Liabilities:

At June 30, 2023, the School District had a liability of \$888,892 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS School Plan was 97.33% funded as of June 30, 2023 based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The School District's proportion of the net pension liability was based on a projection of the School 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, 2023, the School District's proportion was 0.214277 percent, which was a decrease of 0.004414 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023 (the most recent measurement date), the School District's allocated pension expense was \$237,698.

d) Actuarial Assumptions:

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.45%
Salary increases, including wage inflation	2.95-12.95%
Cost-of-living adjustment	
Members hired before July 1, 2013	2.05%
Members hired on or after July 1, 2013	1.00%
Investment rate of return, net of investment expense, including inflation	7.10%

The School Plan's pre-retirement mortality rates were based on the Pub-2010 General Members (Above Median) Employee 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.

The School Plan's post-retirement mortality rates for retirees 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.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2024

6. PENSION PLAN, continued:

d) Actuarial Assumptions, continued:

The School Plan's post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Above Median) Contingent Survivor 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.

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, 2023, 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 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, 2023, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
U.S. Equity	27.0%	4.5%
Global Equity	19.0%	5.3%
Non-U.S. 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

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2024

6. PENSION PLAN, continued:

e) Discount Rate:

The discount rate used to measure the total pension liability at June 30, 2023 was 7.10%. 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 required rates, actuarially determined. Based on those assumptions, the pension plan's 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 investments was applied to all periods of projected benefit payment to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2122.

f) Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower (6.10%) or 1.00% higher (8.10%) than the current rate:

1.00% decrease	6.10%	\$5,569,500
Current discount rate	7.10%	888,892
1.00% increase	8.10%	(2,950,831)

g) 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>.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2024

7. **LEASES:**

In June 2017, the GASB issued GASB 87, *Leases*, which became effective for periods beginning after June 15, 2021. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Because the School District reports their financial statements on the modified cash basis, right of use assets and related lease liabilities are not included in these financial statements.

The School District was obligated under the following leases at August 31, 2024:

a) Operating Lease:

The School District has an operating lease for office copiers. The lease expires in June 2027. Lease payments of \$1,806 are due monthly. Future lease payments are due as follows:

<u>Year Ending</u> <u>August 31,</u>	<u>Required</u> <u>Payment</u>
2025	\$ 21,672
2026	21,672
2027	<u>18,060</u>
Total	\$ <u>61,404</u>

b) Capital Lease:

The School District has a lease-purchase agreement with its component unit described in note 11, the Arlington Schools Leasing Corporation, for leasing the new addition. The lease calls for annual payments ranging from \$355,000 through \$370,000, plus semi-annual interest payments at 1.5%. Future minimum lease payments are as follows:

<u>Year Ending</u> <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 365,000	8,288	373,288
2026	<u>370,000</u>	<u>2,775</u>	<u>372,775</u>
Total	\$ <u>735,000</u>	<u>11,063</u>	<u>746,063</u>

8. **BOND PAYABLE:**

On the face of government-wide financial statements, long-term liabilities related to bonded indebtedness are omitted, consistent with the modified cash basis of accounting. Bond proceeds are recorded as revenues and bond payments

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2024

8. BOND PAYABLE, continued:

are recorded as expenditures in the Statement of Activities in the year in which the cash is received or paid.

The School District was obligated under bond issues at August 31, 2024 as follows:

Limited Tax Obligation Refunding Bonds, Series 2020, issued by the School District on August 5, 2020 to refinance 2015 limited tax obligation bonds in the amount of \$1,680,000. The bonds have varying maturity amounts due December 15 each year. Interest on the bonds is variable ranging from .85% to 1.05% payable semi-annually on June 15 and December 15 each year. The bond matures December 15, 2024. Interest is offset by tax credits. The bond is secured by the general revenues of the School District. \$ 345,000

General Obligation Refunding Bonds, Series 2021, issued by the School District on December 29, 2021 to refinance the 2017 General Obligation Refunding Bonds in the amount of \$5,730,000. The bonds have varying maturity amounts due December 15 each year. Interest on the bonds is variable ranging from .30% to 1.45% payable semi-annually on June 15 and December 15 each year. The bond matures December 15, 2032. The bond is secured by the general revenues of the School District. 4,770,000

Total \$ 5,115,000

The maturities of the governmental long-term debt are as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>August 31,</u>			
2025	\$ 845,000	50,719	895,719
2026	520,000	45,588	565,588
2027	540,000	41,473	581,473
2028	560,000	36,378	596,378
2029	585,000	30,360	615,360
2030-2033	<u>2,065,000</u>	<u>47,420</u>	<u>2,112,420</u>
Total	<u>\$5,115,000</u>	<u>251,938</u>	<u>5,366,938</u>

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

9. INTERFUND TRANSFERS:

Interfund transfers from one fund to another where repayment is not expected are reported as transfers in and out. Transfers for the year from the General Fund consisted of \$25,000 to the Activities Fund for extracurricular programs.

10. FUND BALANCES:

- a) General Fund: The School District received a state grant for \$7,652 to be used for school safety and security purposes. Since it was not spent during the year, that amount is restricted for this purpose. In addition, a portion of the fund balance, \$21,672, has been committed towards the lease payments described in Note 7. The remaining balance is unassigned.
- b) Depreciation Fund: The fund balance of \$1,028,078 has been assigned through Board action to be used for the acquisition of capital outlay, including buses, technology, textbooks, and other equipment.
- c) Special Building Fund: A portion of the fund balance, \$746,063, has been committed towards the lease purchase payments for the classroom addition. The remaining fund balance is assigned for various building projects.
- d) Qualified Capital Purpose Undertaking Fund: The Qualified Capital Purpose Undertaking Fund fund balance consists of county tax collections, which are restricted by state statute for the retirement of the Limited Tax Obligation Refunding Bonds and specified projects. Therefore, its balance of \$491,510 is reported as restricted.
- e) Bond Fund: The fund balance of \$658,150 consists of county tax collections restricted by state statute for the retirement of general obligation bonds.

11. BLENDED COMPONENT UNIT:

On November 9, 2020, the School District's board members organized the Arlington Schools Leasing Corporation, a nonprofit corporation, managed by the School District. On February 24, 2021, the corporation entered into a loan agreement with a bank to finance the construction of the addition in the amount of \$1,800,000. Annual payments ranging from \$355,000 through \$370,000 are due each February, plus semi-annual interest payments at 1.5%. The remaining balance on the note is \$735,000 at August 31, 2024.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

12. NON-CASH TRANSACTIONS:

The School District receives USDA Federal Food Commodities that are passed through the State Department of Health & Human Services Food Distribution Program. The Department provides the School District with various food items during the school year to be incorporated into the School District's nutrition program. For the year ending August 31, 2024, the value of commodities received by the School District was \$39,855.

13. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 5, 2024, the date on which the financial statements were available to be issued.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
 SCHOOL ACTIVITIES FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Net Position 9/1/2023	Receipts	Transfers To (From)	Disbursements	Net Position 8/31/2024
One School One Team	\$ (630)	31,851	-	30,934	287
Activities Interest	-	4,411	-	-	4,411
Alpaca	4,600	7	-	4,600	7
Always For Kids	22,264	28,545	-	22,307	28,502
Always for Kids - HS	-	433	-	263	170
Art Class	7,496	3,396	-	5,029	5,863
Art Club	1,632	-	-	-	1,632
Athletics	(20,318)	75,442	25,000	118,035	(37,911)
Band	3,207	12,655	-	11,523	4,339
Baseball Fund	5,961	2,017	-	3,916	4,062
Baylor/ACT	2,981	438	-	426	2,993
Book Club	271	-	-	-	271
Boys Basketball	2,137	5,523	-	5,405	2,255
Boys Golf	2,908	1,754	-	244	4,418
Cheerleading	1,361	19,875	-	22,720	(1,484)
Class of 2020	303	-	-	-	303
Class of 2023	1,044	-	-	-	1,044
Class of 2024	3,169	-	-	2,370	799
Class of 2025	4,658	1,976	-	5,172	1,462
Class of 2026	930	2,572	385	668	3,219
Class of 2027	90	1,908	685	-	2,683
Class of 2028	-	315	-	-	315
Concessions	3,090	33,060	-	37,033	(883)
Cross Country	5,896	5,987	-	3,862	8,021
Dance Squad	(537)	17,207	-	13,026	3,644
Drama	708	4,452	-	3,075	2,085
Fam Cons Science	552	1,400	-	1,954	(2)
FBLA	14,497	40,967	-	43,622	11,842
FFA	25,205	34,674	-	40,991	18,888
Floor Fund	428	-	-	-	428
Football	11,696	7,730	-	3,382	16,044
Girls Basketball	2,123	6,063	-	4,655	3,531
Girls Golf	4,869	1,759	-	580	6,048
Girls Wrestling	-	954	-	-	954
Girls on the Run	444	-	-	-	444
Honor Society	1,159	380	-	480	1,059
HS Lounge	251	-	-	132	119
Industrial Tech/Woods	1,367	4,596	-	3,352	2,611
K3 Basketball Camp	-	7,941	-	5,739	2,202
Library Fund Elem/HS	3,736	4,872	-	7,070	1,538
Metro	30,801	-	-	-	30,801
MS Girls Basketball	24	240	-	240	24
MS STEM	60	75	-	60	75
MS Student Council	2,829	591	(1,070)	535	1,815
MS Track	222	-	-	-	222
Pepsi	1,557	2,239	-	3,002	794
Quiz Bowl	871	-	-	-	871
Reimbursement (general)	695	959	-	1,065	589
RR Store	-	8,500	-	-	8,500
SKILLS	593	5,042	-	4,363	1,272
Softball	1,876	3,746	-	3,418	2,204
Spanish Club	150	-	-	-	150
SPED - Eagles Market	981	2,291	-	2,984	288
Speech	247	473	-	507	213
Spring Musical	11,499	18,141	-	17,752	11,888
STRIV	3,835	1,675	-	3,951	1,559
Student Council	3,816	3,068	-	3,109	3,775

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
 SCHOOL ACTIVITIES FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (continued)

	Net Position 9/1/2023	Receipts	Transfers To (From)	Disbursements	Net Position 8/31/2024
Student Vending	\$ 1,403	2,171	-	-	3,574
Swing Choir	3,239	-	-	2,126	1,113
Track Fund	2,713	3,525	-	1,599	4,639
Transition	1,614	-	-	-	1,614
Volleyball	5,089	8,452	-	5,245	8,296
Welding	965	660	-	33	1,592
Wellness	981	5,765	-	6,746	-
Wrestling	954	9,720	-	10,107	567
Yearbook	5,047	9,645	-	12,928	1,764
Totals	<u>\$ 201,609</u>	<u>452,138</u>	<u>25,000</u>	<u>482,335</u>	<u>196,412</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 3,349,366	3,555,451	206,085
Receipts (inflows):			
Local receipts:			
Local property taxes, net of fees	6,605,497	5,805,147	(800,350)
Carline taxes	4,000	4,395	395
Public power tax	-	36,580	36,580
Motor vehicle taxes	400,000	483,820	83,820
Penalties and interest on taxes	-	12,510	12,510
Preschool tuition	15,000	16,100	1,100
Summer school tuition	-	4,025	4,025
Interest on investments	15,000	72,469	57,469
Local license fees	10,000	351	(9,649)
Other local receipts	-	2,821	2,821
	<u>7,049,497</u>	<u>6,438,218</u>	<u>(611,279)</u>
County receipts:			
County fines and license fees	30,000	45,499	15,499
	<u>30,000</u>	<u>45,499</u>	<u>15,499</u>
State receipts:			
State aid	2,041,657	2,041,657	-
Special education (school age)	500,000	902,809	402,809
Special education - transportation	-	5,364	5,364
Homestead exemption	-	154,939	154,939
Property tax credit	-	525,444	525,444
School age support - Flex	-	38,856	38,856
Pro-rate motor vehicle	10,000	15,120	5,120
State apportionment	90,000	127,889	37,889
Other state categorical programs	5,000	-	(5,000)
High ability learners	6,000	-	(6,000)
Career education	-	7,500	7,500
School safety and security act	-	7,652	7,652
	<u>2,652,657</u>	<u>3,827,230</u>	<u>1,174,573</u>
Federal receipts:			
Title I	60,000	43,627	(16,373)
Title II, Part A	-	12,532	12,532
IDEA Grant Part B Base	160,000	139,298	(20,702)
IDEA PS Base Poverty	-	6,178	6,178
Vocation & Tech (Carl Perkins)	4,000	3,888	(112)
Medicaid in Public Schools	32,000	63,085	31,085
Presidential declared disaster aid	-	9,653	9,653
ESSER cares	-	14,594	14,594
Title IV, Part A	-	10,000	10,000
	<u>256,000</u>	<u>302,855</u>	<u>46,855</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (continued)

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Receipts (inflows), continued:			
Non-revenue receipts:			
Other non-revenue receipts	\$ -	20,590	20,590
	<u>-</u>	<u>20,590</u>	<u>20,590</u>
Total receipts	9,988,154	10,634,392	646,238
Total available resources	<u>13,337,520</u>	<u>14,189,843</u>	<u>852,323</u>
Disbursements (outflows):			
Instruction:			
Regular instructional	5,644,569	5,328,767	315,802
Regular Instruction-flex spending	47,014	110,273	(63,259)
Poverty programs	46,714	58,018	(11,304)
Special education instructional	1,296,719	1,033,240	263,479
Special edu-early childhood	3,047	16,723	(13,676)
Summer school	27,550	37,740	(10,190)
Support services:			
Pupil support - guidance	223,663	221,668	1,995
Pupil support - nurse	89,548	94,793	(5,245)
Pupil support - psych	11,650	18,640	(6,990)
Pupil support - ESU psych	93,574	82,809	10,765
Pupil support - ESU ST	82,811	89,561	(6,750)
Pupil support - ESU OT	22,000	-	22,000
Pupil support - ESU PT	8,000	-	8,000
Pupil support - ESU VT	1,500	-	1,500
Staff support - impr of instruction	14,846	7,993	6,853
Staff support - curriculum development	138,442	112,699	25,743
Staff support - instrct staff training	22,172	1,124	21,048
Staff support - library	110,207	110,079	128
Staff support - educational tv services	16,620	3,000	13,620
Staff support - technology	151,381	108,096	43,285
Admin support - board	57,500	30,712	26,788
Admin support - executive	258,166	234,424	23,742
Admin support - legal services	25,000	2,862	22,138
Admin support - principal	485,562	498,340	(12,778)
Admin support - other (grad)	72,500	72,283	217
Central services:			
Business/fiscal services	90,885	123,532	(32,647)
Printing & duplicating	8,500	2,338	6,162
Public info services	14,200	16,470	(2,270)
Personnel services	14,900	304	14,596
Admin technology services	109,423	105,509	3,914

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024
 (continued)

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
Disbursement (outflows), continued:			
Operation and maintenance:			
Operation of building	\$ 587,946	487,737	100,209
Maintenance of building	550,604	508,968	41,636
Grounds care & upkeep	107,500	74,985	32,515
Equipment care & upkeep	17,000	6,073	10,927
Vehicle oper & purch - nonpupil	45,700	32,505	13,195
Security	22,000	25,222	(3,222)
Safety	34,500	3,698	30,802
Operation & maintenance - other	14,750	9,170	5,580
Pupil transportation:			
Vehicle oper & purch - regular	285,277	159,509	125,768
Vehicle oper & purch - SPED	13,385	4,226	9,159
Vehicle oper & purch - SPED preschool	19,722	2,959	16,763
Vehicle service & maint - regular	107,529	108,471	(942)
Vehicle service & maint - SPED	2,500	3,635	(1,135)
Vehicle service & maint - SPED preschool	2,950	650	2,300
High ability learners	16,193	12,954	3,239
Teacher evaluation dev grant	-	317	(317)
Facilities acquisitions & construction	5,000	-	5,000
Federal programs	241,301	311,510	(70,209)
Transfers to other funds	25,000	25,000	-
	<u>11,287,520</u>	<u>10,299,586</u>	<u>987,934</u>
Total disbursements			
Fund balance, August 31, 2024	<u>\$ 2,050,000</u>	<u>3,890,257</u>	<u>1,840,257</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 DEPRECIATION FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 969,272	991,582	22,310
Receipts (inflows):			
Interest	-	36,496	36,496
Total receipts	-	36,496	36,496
Total funds available	969,272	1,028,078	58,806
Disbursements (outflows):			
Capital outlay	969,272	-	969,272
Total disbursements	969,272	-	969,272
Fund balance, August 31, 2024	\$ -	1,028,078	1,028,078

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 SCHOOL NUTRITION FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 418,815	257,665	(161,150)
Receipts (inflows):			
Local receipts:			
Food sales	194,590	218,706	24,116
Interest	<u>3,729</u>	<u>3,921</u>	<u>192</u>
	198,319	222,627	24,308
State receipts:			
State reimbursements	500	1,900	1,400
Federal receipts:			
Federal reimbursements	<u>153,634</u>	<u>151,776</u>	<u>(1,858)</u>
Total receipts	<u>352,453</u>	<u>376,303</u>	<u>23,850</u>
Total funds available	<u>771,268</u>	<u>633,968</u>	<u>(137,300)</u>
Disbursements (outflows):			
Food	200,000	215,150	(15,150)
Labor	140,000	136,039	3,961
Employee benefits	18,000	32,953	(14,953)
Supplies	2,500	2,130	370
Equipment	250,268	84,160	166,108
Web-based software	-	1,951	(1,951)
Other	<u>-</u>	<u>6,721</u>	<u>(6,721)</u>
Total disbursements	<u>610,768</u>	<u>479,104</u>	<u>131,664</u>
Fund balance, August 31, 2024	<u>\$ 160,500</u>	<u>154,864</u>	<u>(5,636)</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 BOND FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 565,842	622,522	56,680
Receipts (inflows):			
Local receipts:			
Local property taxes	575,005	498,590	(76,415)
Carline taxes	300	383	83
Public power tax	-	3,127	3,127
Penalties & interest on taxes	-	762	762
Interest on investments	800	16,012	15,212
	<u>576,105</u>	<u>518,874</u>	<u>(57,231)</u>
State receipts:			
Homestead exemption	-	13,474	13,474
Property tax credit	-	44,081	44,081
Pro-rate motor vehicle	100	987	887
	<u>100</u>	<u>58,542</u>	<u>58,442</u>
Total receipts	<u>576,205</u>	<u>577,416</u>	<u>1,211</u>
Total funds available	<u>1,142,047</u>	<u>1,199,938</u>	<u>57,891</u>
Disbursements (outflows):			
Redemption of principal	-	490,000	(490,000)
Interest expense	-	51,388	(51,388)
Bond & other debt costs	-	400	(400)
Total disbursements	<u>-</u>	<u>541,788</u>	<u>(541,788)</u>
Fund balance, August 31, 2024	<u>\$ 1,142,047</u>	<u>658,150</u>	<u>(483,897)</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL BUILDING FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 1,093,334	<u>1,113,797</u>	<u>20,463</u>
Receipts (inflows):			
Local receipts:			
Local property taxes	250,000	209,207	(40,793)
Carline taxes	-	166	166
Public power tax	-	1,343	1,343
Penalties & interest on taxes	-	76	76
Interest on investments	-	29,330	29,330
Contributions & donations	-	107,000	107,000
	<u>250,000</u>	<u>347,122</u>	<u>97,122</u>
State receipts:			
Homestead exemption	-	5,848	5,848
Property tax credit	-	20,137	20,137
Pro-rate motor vehicle	-	357	357
	<u>-</u>	<u>26,342</u>	<u>26,342</u>
Total receipts	<u>250,000</u>	<u>373,464</u>	<u>123,464</u>
Total funds available	<u>1,343,334</u>	<u>1,487,261</u>	<u>143,927</u>
Disbursements (outflows):			
Building improvements	223,546	309,034	(85,488)
Rent expense	-	373,725	(373,725)
Repayment of loan	1,119,788	-	1,119,788
Total disbursements	<u>1,343,334</u>	<u>682,759</u>	<u>660,575</u>
Fund balance, August 31, 2024	<u>\$ -</u>	<u>804,502</u>	<u>804,502</u>

See accompanying notes to financial statements.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE
 QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Fund balance, September 1, 2023	\$ 480,540	481,863	1,323
Receipts (inflows):			
Local receipts:			
Local property taxes	350,000	305,115	(44,885)
Carline taxes	200	233	33
Penalties & interest on taxes	-	494	494
Interest on investments	600	12,699	12,099
	<u>350,800</u>	<u>318,541</u>	<u>(32,259)</u>
State receipts:			
Homestead exemption	-	8,196	8,196
Property tax credit	-	27,898	27,898
Pro-rate motor vehicle	500	735	235
	<u>500</u>	<u>36,829</u>	<u>36,329</u>
 Total receipts	 <u>351,300</u>	 <u>355,370</u>	 <u>4,070</u>
 Total funds available	 <u>831,840</u>	 <u>837,233</u>	 <u>5,393</u>
Disbursements (outflows):			
Redemption of principal	340,000	340,000	-
Interest expense	7,023	5,323	1,700
Bond & other debt costs	-	400	(400)
	<u>347,023</u>	<u>345,723</u>	<u>1,300</u>
 Fund balance, August 31, 2024	 <u>\$ 484,817</u>	 <u>491,510</u>	 <u>6,693</u>

See accompanying notes to financial statements.



INDEPENDENT AUDITORS' 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
Washington County School District No. 24
Arlington Public Schools
Arlington, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of Washington County School District No. 24, Arlington Public Schools ("School District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 5, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the School District prepares its financial statements on the modified cash basis, 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 the School District's internal control over financial reporting (internal control) as a basis for designing 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 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 described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a material weakness.

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 deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

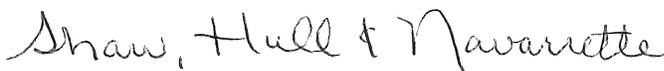
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

School District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



SHAW, HULL & NAVARRETTE
Fremont, NE
November 5, 2024

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
 ARLINGTON PUBLIC SCHOOLS
 ARLINGTON, NEBRASKA
 Schedule of Findings and Responses
 For the Year Ended August 31, 2024

Part I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiency identified not considered to be a material weakness?	<u> X </u>	Yes	<u> </u> No
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u> No

Part II - Financial Statement Findings Section

<u>Reference Number</u>	<u>Significant Deficiency</u>
2024-001	Preparation of Financial Statements

Condition:

The School District does not have an internal control system designed to provide for the preparation of financial statements being audited.

Criteria or Specific Requirement:

School District personnel should prepare financial statements to be used in the audit.

Effect:

Audit staff assisted with the preparation of the financial statements and accompanying disclosures.

Cause:

Personnel do not have the qualifications needed to completely prepare the financial statements and notes.

Questioned Cost:

None

Context:

This circumstance is not unusual in a school district of this size.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
Schedule of Findings and Responses
For the Year Ended August 31, 2024

Recommendation:

It is the responsibility of management and those charged with governance to decide whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials:

Management and those charged with governance will monitor the risk associated with this condition.

Reference Number

Material Weakness

2024-002

Bank reconciliations

Condition:

Bank accounts were not completely reconciled on a monthly basis. In addition, material receipts and disbursements were not posted or not posted correctly to the general ledger system.

Criteria or Specific Requirement:

Management is responsible for reconciling the accounts of the School District.

Effect:

This condition could result in undetected errors and irregularities and misstated interim financial reports. Multiple adjustments, including several material adjustments, to the School District's accounting records were proposed.

Cause:

Some audit adjustments were oversights due to lack of training of accounting procedures. Additional errors and mispostings were caused by the business manager not having a complete understanding of all procedures. The risk with this condition is that necessary adjustments to the financial statements to record material misstatements may be missed.

Questioned Cost:

None

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
Schedule of Findings and Responses
For the Year Ended August 31, 2024

Recommendation:

School District personnel should prepare bank reconciliation for all bank accounts of the School District, including certificates of deposit, on a monthly basis. Adjustments or corrections should be posted on a timely basis to ensure that financial data provided to management and those charged with governance is complete and accurate and to ensure that the financial statements will not include material misstatements. The School District might consider seeking assistance and/or training to help personnel better utilize the accounting software. In addition, the auditor is available to work with School District personnel to make them more knowledgeable about their responsibility for the financial statements.

Views of Responsible Officials:

Management and those charged with governance have agreed to rectify and monitor the situation.

Reference Number

Significant Deficiency

2024-003

Segregation of Duties

Condition:

The School District does not have enough staff to implement certain internal controls that would be preferred to provide optimum segregation of duties.

Criteria or Specific Requirement:

A good system of internal control allows for segregation of duties between authorization, custody, record-keeping, and reconciliation.

Context:

Although there is some oversight from Board members, and there is division of certain duties, the members of management are still able to perform and oversee most accounting functions, including receipting and depositing of revenue, initiating and approving invoices, writing and signing checks, and preparation and review of financial reports.

Effect:

When one individual is able to perform multiple accounting functions, without oversight on a day-to-day basis, intentional or unintentional errors could be made and not detected, transactions could be reported in improper categories, and steps could be taken to cover up fraud.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA
Schedule of Findings and Responses
For the Year Ended August 31, 2024

Cause:

The School District has limited staffing resources with skills, experience, and competency to participate in the financial reporting process.

Recommendation:

While additional staff would be ideal to segregate the duties to a fuller extent, we realize that may not be possible due to limited resources. Therefore, we recommend that the Board and management continue to review, implement and monitor their financial procedures to segregate duties to the extent possible. We also encourage Board involvement in oversight, questioning transactions, and reviewing the financial reports monthly.

Response:

The School District will continue to monitor and review their financial procedures and policies, incorporating Board oversight as much as possible. Adding additional staff to provide a more robust system of internal control is not practical.

WASHINGTON COUNTY SCHOOL DISTRICT NO. 24
ARLINGTON PUBLIC SCHOOLS
ARLINGTON, NEBRASKA

Schedule of Prior Year Findings and Responses
For the Year Ended August 31, 2024

Prior year findings 2023-001, 2023-002 and 2023-003 are repeated again as 2024-001, 2024-002 and 2024-003 in the Schedule of Findings and Responses.