MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

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MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

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SCHUMACHER, SMEJKAL,
BROCKHAUS AND HERLEY, P.C.

CERTIFIED
PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

Richard E. Schumacher
Scott T. Smejkal
Mark J. Brockhaus
Brock J. Herley

3403 27th Street
P.O. Box 280
Columbus, NE 68602-0280
P: 402 564 1366
F: 402 564 1360

508 West Prospect Avenue
P.O. Box 368
Norfolk, NE 68702-0368
P: 402 379 2722
F: 402 379 2218

www.gotcpas.com

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American Institute of
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Madison County School District No. 2
Norfolk Public Schools
Madison County, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison County School District No. 2, Norfolk Public Schools (the District), as of and for the fiscal year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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, each major fund, and the aggregate remaining fund information of Madison County School District No. 2, Norfolk Public Schools as of August 31, 2020, and the respective changes in modified cash basis financial position, thereof for the fiscal year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Emphasis of Matter

As described in Note 3 to the financial statements, the District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). The pension plan administered by NPERS has a June 30 fiscal year end and its audited financial statements are generally not made publically available until after November 5th, which is the deadline for Nebraska school districts to submit their audited financial statements to the Nebraska Department of Education and the Nebraska Auditor of Public Accounts. Due to this issue, the District, which is required to comply with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, is not able to include the most current year end information in Note 3 regarding the pension plan the District contributes to. The District is using information released by NPERS for the pension plan's fiscal year ended June 30, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County School District No. 2, Norfolk Public Schools' basic financial statements. The budgetary comparison schedules on pages 31 through 46, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021, on our consideration of Madison County School District No. 2, Norfolk Public Schools' 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 Madison County School District No. 2, Norfolk Public Schools' 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 Madison County School District No. 2, Norfolk Public Schools' internal control over financial reporting and compliance.

Schumacher Smejkal, Brockhaus & Herley, P.C.

SCHUMACHER, SMEJKAL, BROCKHAUS & HERLEY, P.C.
Certified Public Accountants

Norfolk, Nebraska
February 9, 2021

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

STATEMENT OF NET POSITION
MODIFIED CASH BASIS

AUGUST 31, 2020

	Governmental Activities
Assets	
Cash in Bank	$ 25,738,228
Cash at County Treasurers	6,543,428
Investments	11,536,386
Total Assets	$ 43,818,042
Net Position	
Restricted for	
Capital Projects	$ 4,348,803
Debt Services	9,240,764
Unrestricted	30,228,475
Total Net Position	$ 43,818,042

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Functions/Programs:	Expenditures	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Net (Expenditures) Receipts
Governmental Activities:				
Regular Instruction	$ 16,037,551	$ -	$ 48,400	$ (15,989,151)
Career Academy Program	580,204	-	-	(580,204)
Regular Instruction (Flex-Spending)	265,839	-	-	(265,839)
Limited English Proficiency Programs	753,275	-	-	(753,275)
Poverty Programs	3,454,775	-	-	(3,454,775)
Early Childhood Educational Program	295,143	-	-	(295,143)
SPED Instructional Programs - School Age	5,221,475	98,441	2,710,779	(2,412,255)
SPED Instructional Programs - Ages 3-5	112,601	-	-	(112,601)
SPED Instructional Programs - Ages 0-2	31,064	-	-	(31,064)
Summer School	264,614	-	-	(264,614)
Support Services - Students	6,848,339	715,188	2,256,765	(3,876,386)
Support Services - Instruction				
Improvement of Instruction	238,837	-	-	(238,837)
School Improvement	118,355	-	-	(118,355)
Instructional Staff Training	28,277	-	-	(28,277)
Implementation of Standards	113,474	-	-	(113,474)
Library/Media Services	692,730	-	-	(692,730)
Audio/Visual Services	937	-	-	(937)
Support Services - General Administration				
Board of Education	26,889	-	-	(26,889)
Executive Administration	384,614	-	-	(384,614)
District Legal Services	24,420	-	-	(24,420)
Office of the Principal	2,638,435	-	-	(2,638,435)
School Administration - Other	4,542	-	-	(4,542)
Central Services	1,352,204	-	-	(1,352,204)
Operat. & Mainten. of Buildings and Sites	7,106,475	-	-	(7,106,475)
Student Transportation				
Regular Pupil Transportation	203,267	-	-	(203,267)
Special Education Pupil Transportation	64,759	-	32,338	(32,421)
Below Age Five SPED Transportation	2,054	-	-	(2,054)
Other Support Services	1,081,296	-	-	(1,081,296)
State Categorical Programs	540,895	-	284,744	(256,151)
Federal Programs	3,407,334	-	2,531,839	(875,495)
Debt Service				
Principal	7,275,000	-	-	(7,275,000)
Interest	259,266	-	-	(259,266)
Fees	32,223	-	-	(32,223)
Total Governmental Activities	$ 59,461,163	$ 813,629	$ 7,864,865	$ (50,782,669)

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

General Receipts:	
Taxes:	
Property	$ 29,355,092
Carline	6,440
Public Power District Sales	824,546
Motor Vehicle	2,630,818
Interest	468,377
Other Local Receipts	34,655
County Receipts	371,928
State Receipts	15,204,559
Federal Receipts	237,593
Bond Proceeds	8,290,000
Net Premium (Discount) on Bonds Issued	192,861
Other Non-Revenue Receipts	77,062
Total General Receipts	$ 57,693,931
Change in Net Position	$ 6,911,262
Net Position - Beginning of Year	36,906,780
Net Position - End of Year	$ 43,818,042

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

GOVERNMENTAL FUNDS STATEMENT OF ASSETS AND
FUND BALANCES - MODIFIED CASH BASIS

AUGUST 31, 2020

	MAJOR GOVERNMENTAL FUNDS					
	General Fund	Bond Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash in Bank	$ 13,466,606	$ 3,431,636	$ 2,576,487	$ 4,707,843	$ 1,555,656	$ 25,738,228
Cash at County Treasurers	5,649,311	414,493	269,647	209,970	7	6,543,428
Investments	9,556,895	442,272	1,502,669	34,550	-	11,536,386
Total Assets	$ 28,672,812	$ 4,288,401	$ 4,348,803	$ 4,952,363	$ 1,555,663	$ 43,818,042
Fund Balances						
Restricted for:						
Capital Projects	$ -	$ -	$ 4,348,803	$ -	$ -	$ 4,348,803
Debt Service	-	4,288,401	-	4,952,363	-	9,240,764
Committed for:						
Capital Projects	7,797,564	-	-	-	-	7,797,564
Employee Benefits	5,279	-	-	-	-	5,279
Cooperative - Special Education	-	-	-	-	687,092	687,092
Food Service	-	-	-	-	868,571	868,571
Unassigned	20,869,969	-	-	-	-	20,869,969
Total Fund Balances	$ 28,672,812	$ 4,288,401	$ 4,348,803	$ 4,952,363	$ 1,555,663	$ 43,818,042

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

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

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	MAJOR GOVERNMENTAL FUNDS					
	General Fund	Bond Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Taxes						
Property	$ 25,066,238	$ 1,981,719	$ 1,293,562	$ 1,013,449	$ 124	$ 29,355,092
Carline	5,575	368	279	218	-	6,440
Public Power District Sales	824,546	-	-	-	-	824,546
Motor Vehicle Taxes	2,630,818	-	-	-	-	2,630,818
Tuition	-	-	-	-	98,441	98,441
Interest	331,734	32,952	45,635	35,660	22,396	468,377
Other Local Receipts	34,793	-	-	-	715,050	749,843
County Receipts	371,928	-	-	-	-	371,928
State Receipts	17,638,664	174,819	112,328	86,989	280,283	18,293,083
Federal Receipts	2,769,432	-	-	-	2,244,502	5,013,934
Other Non-Revenue Receipts	-	-	-	-	77,062	77,062
Total Receipts	$ 49,673,728	$ 2,189,858	$ 1,451,804	$ 1,136,316	$ 3,437,858	$ 57,889,564
Expenditures						
Regular Instruction	$ 16,037,551	$ -	$ -	$ -	$ -	$ 16,037,551
Career Academy Program	580,204	-	-	-	-	580,204
Regular Instruction (Flex-Spending)	265,839	-	-	-	-	265,839
Limited English Proficiency Programs	753,275	-	-	-	-	753,275
Poverty Programs	3,454,775	-	-	-	-	3,454,775
Early Childhood Educational Program	295,143	-	-	-	-	295,143
SPED Instructional Programs-School Age	4,936,267	-	-	-	285,208	5,221,475
SPED Instructional Programs-Ages 3-5	112,601	-	-	-	-	112,601
SPED Instructional Programs-Ages 0-2	31,064	-	-	-	-	31,064
Summer School	264,614	-	-	-	-	264,614
Support Services - Students	4,076,411	-	-	-	2,771,928	6,848,339

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

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

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	MAJOR GOVERNMENTAL FUNDS					
	General Fund	Bond Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Other Governmental Funds	Total Governmental Funds
Expenditures, Continued						
Support Services - Instruction						
Improvement of Instruction	238,837	-	-	-	-	238,837
School Improvement	118,355	-	-	-	-	118,355
Instructional Staff Training	28,277	-	-	-	-	28,277
Implementation of Standards	113,474	-	-	-	-	113,474
Library/Media Services	692,730	-	-	-	-	692,730
Audio/Visual Services	937	-	-	-	-	937
Support Services - General						
Board of Education	26,889	-	-	-	-	26,889
Executive Administration	384,614	-	-	-	-	384,614
District Legal Services	24,420	-	-	-	-	24,420
Office of the Principal	2,638,435	-	-	-	-	2,638,435
School Administration - Other	4,542	-	-	-	-	4,542
Central Services	1,342,017	-	-	-	10,187	1,352,204
Operat. & Mainten. of Buildings and Sites	5,148,273	-	609,149	1,349,053	-	7,106,475
Student Transportation						
Regular Pupil Transportation	203,267	-	-	-	-	203,267
School Age SPED Transportation	64,759	-	-	-	-	64,759
Below Age Five SPED Transportation	2,054	-	-	-	-	2,054
Other Support Services	1,081,296	-	-	-	-	1,081,296
State Categorical Programs	540,895	-	-	-	-	540,895
Federal Programs	3,407,334	-	-	-	-	3,407,334
Debt Services						
Principal	-	1,805,000	-	5,470,000	-	7,275,000
Interest	-	142,715	-	116,551	-	259,266
Fees	-	400	-	31,823	-	32,223
Total Expenditures	$ 46,869,149	$ 1,948,115	$ 609,149	$ 6,967,427	$ 3,067,323	$ 59,461,163

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

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

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	MAJOR GOVERNMENTAL FUNDS					
	General Fund	Bond Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Other Governmental Funds	Total Governmental Funds
Excess Receipts/(Expenditures) Before Other Financing Sources/(Uses)	$ 2,804,579	$ 241,743	$ 842,655	$ (5,831,111)	$ 370,535	$ (1,571,599)
Other Financing Sources/(Uses)						
Bond Proceeds	$ -	$ -	$ -	$ 8,290,000	$ -	$ 8,290,000
Net Premium(Discount) on Bonds Issued	-	-	-	192,861	-	192,861
Total Other Financing Sources/(Uses)	$ -	$ -	$ -	$ 8,482,861	$ -	$ 8,482,861
Net Change in Fund Balance	$ 2,804,579	$ 241,743	$ 842,655	$ 2,651,750	$ 370,535	$ 6,911,262
Fund Balance - Beginning of Year	25,868,233	4,046,658	3,506,148	2,300,613	1,185,128	36,906,780
Fund Balance - End of Year	$ 28,672,812	$ 4,288,401	$ 4,348,803	$ 4,952,363	$ 1,555,663	$ 43,818,042

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

FIDUCIARY FUNDS STATEMENT OF NET POSITION
MODIFIED CASH BASIS

AUGUST 31, 2020

	Activities Fund	Student Fee Fund	Agency Fund	Total Fiduciary Funds
Assets				
Cash in Bank	$ 1,136,469	$ 338,880	$ 157,634	$ 1,632,983
Liabilities				
Funds Held on Behalf of Employees	$ -	$ -	$ 157,634	$ 157,634
Net Position	$ 1,136,469	$ 338,880	$ -	$ 1,475,349
Total Liabilities and Net Postion	$ 1,136,469	$ 338,880	$ 157,634	$ 1,632,983

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO.
NORFOLK PUBLIC SCHOOLS

FIDUCIARY FUNDS STATEMENT OF CHANGES IN
NET POSITION - MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Activities Fund	Student Fee Fund	Total Fiduciary Funds*
Receipts			
Activities Receipts	$ 1,690,190	$ -	$ 1,690,190
Extracurricular Activity Fees	-	65,749	65,749
Summer or Night School Fees	-	4,405	4,405
Interest	12,943	4,283	17,226
Total Receipts	$ 1,703,133	$ 74,437	$ 1,777,570
Expenditures			
Support Services - Pupils	$ -	$ 103,296	$ 103,296
Supplies and Materials	1,773,790	-	1,773,790
Total Expenditures	$ 1,773,790	$ 103,296	$ 1,877,086
Net Change in Net Position	$ (70,657)	$ (28,859)	$ (99,516)
Net Position - Beginning of Year	1,207,126	367,739	1,574,865
Net Position - End of Year	$ 1,136,469	$ 338,880	$ 1,475,349

*Agency Fund receipts and expenditures are not included in the Fiduciary Funds Statement of Changes in Net Position - Modified Cash Basis. See Note 1 to the financial statements.

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Madison County School District No. 2, Norfolk Public Schools (the District) was founded in 1889 and is a tax-exempt political subdivision and a class III school district of the State of Nebraska.

Overview – The significant accounting principles and practices followed by the 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 Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

Reporting Entity – The modified cash basis of accounting requires government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financial accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

These financial statements include only the primary government of the District. The District has the following related organizations that are not considered to have a significant operational or financial relationship:

The Norfolk Public Schools Foundation receives donations to be used for student scholarships and various school projects.

The Norfolk Panther Boosters raise money to be used to support the athletic programs of the District.

There are other organizations operating to raise money to support the District in a variety of ways, including the NSHS Drama Boosters and various parent teacher organizations.

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe "which" transactions are recorded within the financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

The government-wide financial statements, the fund financial statements, and the fiduciary fund financial statements are reported using the modified cash basis measurement focus. Their reported net position/fund balance is considered a measure of "available cash and investments." The operating statements focus on cash received and disbursed.

The District prepares its financial statements on the modified cash basis of accounting, which is in conformity with the accounting practices prescribed or permitted by the Nebraska Department of Education. Consequently, these statements represent a summary of the cash activity of the various funds of the District and do not include certain transactions that would be included if the District prepared its financial statements in accordance with generally accepted accounting principles, as applicable to governmental units. Under the modified cash basis, receipts are recognized when collected rather than when earned, and expenditures are recognized when paid rather than when incurred. Taxes levied by the District, and other taxes/fees allocable to the District, are paid to the county treasurers of Madison, Wayne, Pierce, and Stanton counties. Per State Statute these monies are treated as receipts of the District upon receipt by the various counties. The funds held at the aforementioned county treasurers are included in the cash balances of the corresponding funds for which the taxes and fees were levied. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units.

Basis of Presentation, Fund Accounting – The District's basic financial statements consist of Government-Wide Statements and Fund Financial Statements.

Government-Wide Statements – The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis display all information about the District as a whole. They include all funds of the District except for fiduciary funds. The statements present the District's financial statements as governmental activities. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange receipts. Alternatively, business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services. The District does not operate any business-type activities.

The Statement of Activities – Modified Cash Basis presents a comparison between direct expenditures and program receipts for each function of the District's governmental activities. Direct expenditures are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Fund Accounting (Continued)

The comparison of direct expenditures with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the District. Because interfund transfers are eliminated within the Statement of Activities – Modified Cash Basis, total receipts and expenditures will not agree to the fund financial statements.

Fund Financial Statements – The fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its cash, certificates of deposit, cash held by the county treasurers, investments, fund balance, receipts, and expenditures. Funds of the District are organized into two major categories: governmental and fiduciary. The District currently has no proprietary funds. An emphasis is placed on major funds within the governmental and fiduciary categories. A fund is considered major if it is the primary operating fund of the District, meets specific mathematical criteria set forth by GASB or is identified as a major fund by the District's management. All funds not shown as major are consolidated under the column title "Other Governmental Funds."

Governmental Funds

Major Funds:

General Fund – The General Fund finances all facets of services rendered by the District. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. General Fund expenditures are limited by state statutes and the Fund's ability to levy taxes to fund operations is also limited by state statute.

Reported as part of the General Fund is the Depreciation Fund and the Employee Benefit Fund.

Depreciation Fund – A Depreciation Fund may be established by the District to facilitate the eventual purchase of costly capital outlays by reserving such monies from the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such expenditures. This fund is restricted by state statutes as part of the Allowable Reserve limitation.

Employee Benefit Fund – An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of the District's employees (unemployment compensation, early retirement, health insurance deductibles, etc.).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Bond Fund – A Bond Fund shall be used to record tax receipts, investment income, and the payment of bond principal, interest, and other related expenditures. If the fund balance is not sufficient to meet interest or bond retirement payments from the Bond Fund, the General Fund shall be used for these payments. Receipts from a levy to retire bonds in the District are retained in a separate fund by the county treasurer, the financing institution serving as the fiscal agent, or the District itself. Funds shall be expended upon appropriate demand. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended for the actual building project. The tax levy for this fund is restricted for expenditures other than principal and interest on bonds.

Special Building Fund – A Special Building Fund is established to acquire or improve sites and/or to erect, alter, or improve buildings or other real property. The sale of bonds, the sale of property, or tax receipts will be the primary sources of receipts for the Special Building Fund. Regardless of the source of the money to be used for building construction and related costs, all income for the purposes of this fund shall be accountable through this fund. General Fund expenditures for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those expenditures associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund project is active at the same time, separate accounts for each project may be established within the single Special Building Fund. The tax levy for this fund is restricted by state statute.

Qualified Capital Purpose Undertaking Fund – A Qualified Capital Purpose Undertaking Fund (QCPUF) may be established for the removal of environmental hazards, reduction or elimination of accessibility barriers in school district buildings, repayment of a qualified zone academy bond issued for a qualified capital purpose, 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 and duration of this fund is restricted.

Nonmajor Funds:

Lunch Fund – The Lunch Fund is required to accommodate the financial activities of all Nutrition Programs operated by the District. The Lunch Fund shall reflect a record of all receipts and expenditures incident to the operation of all Nutrition Programs. If a deficit is incurred in the operations, the deficiency shall be covered by funds transferred from the General Fund.

Cooperative Fund – The Cooperative Fund may be used by the District acting as the fiscal agent for any cooperative activity between two or more school districts or political subdivisions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Activities Fund – The Activities Fund is required to account for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities. The inclusion of such accounts in the General Fund would distort the financial position of the basic school operation and would complicate the computation of the net expenditure incurred in conducting school services. The Activities Fund shall not be used to record general operation receipts and expenditures, nor shall this fund be used as a clearinghouse of the General Fund. The District may divide this fund into more than one account to allocate portions of this fund for different purposes. The financial operations of all school-connected activities are a legal responsibility of the District's board of education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such transfers shall finance only those projects that qualify for approval under policies established by the District board of education for such activities.

Student Fee Fund – The Student Fee Fund is a separate District fund not funded by tax receipts into which all money collected from students pursuant to the Public Elementary and Secondary Fee Authorization Act must be deposited. Included are fees for Extracurricular Activities, Postsecondary Education, and Summer or Night School. Expenditures from this fund must be for the purpose for which the fees were collected.

Agency Fund – The District holds resources for the employees' Internal Revenue Code Section 125 flexible benefits plan in a custodial capacity. As such, receipts and expenditures of funds are not required to be disclosed in the Fiduciary Funds Statement of Changes in Net Position – Modified Cash Basis.

Equity Classification

Government-Wide Statements – Equity is classified as net position and displayed in two components: restricted and unrestricted. Restricted net position has constraints placed on the use either by external groups, such as creditors, grantors, contributors, laws and regulations of other governments, or law through constitutional provisions or enabling legislation. Unrestricted net position does not meet the definition of "restricted". It is the District's policy to use restricted net position prior to the use of unrestricted net position when a disbursement is made for the purposes in which both restricted and unrestricted net position are available.

Governmental Fund Financial Statements – The District has adopted GASB No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable – This consists of fund balances that cannot be spent because it is either not in spendable form, or is legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This consists of fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Equity Classification (Continued)

Governmental Fund Financial Statements (Continued)

Committed – This consists of fund balances that can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – This consists of fund balances that are constrained by the District's intent to be used for a specific purpose but is neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a District official delegated that authority by formal board approval.

Unassigned – This consists of fund balances that have not been restricted, committed or assigned to a specific purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Investments – Investments are carried at cost, which approximates fair value. Additional cash and investment disclosures are presented in Note 2.

Capital Assets – Expenditures for property and equipment are charged to expenditures when paid. Capital assets are not reported in the government-wide or fund financial statements. No allowance for depreciation is provided or included in the accompanying financial statements.

Encumbrance Accounting - The School District does not utilize encumbrance accounting.

Inter-fund Transactions – In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated.

Long-Term Debt – Long-term debt arising from cash transactions is not reported as a liability in the government-wide or fund financial statements. The debt proceeds and related premium or discount are, instead, reported as other financing sources and the payment of principal and interest is reported as cash expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This consists of fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Equity Classification (Continued)

Governmental Fund Financial Statements (Continued)

Committed – This consists of fund balances that can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – This consists of fund balances that are constrained by the District's intent to be used for a specific purpose but is neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a District official delegated that authority by formal board approval.

Unassigned – This consists of fund balances that have not been restricted, committed or assigned to a specific purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events – Subsequent events have been evaluated through February 9, 2021, which is the date the accompanying financial statements are available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

Nebraska Statute Section 79-1043 provides that the District may, by and with the consent of the Board of Education of the District, invest the funds of the 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.

Deposits – Custodial credit risk is the risk, that in the event of bank failure, the District's deposits may not be returned. The District does not have an investment policy addressing custodial credit risk other than requirements set forth in state statute as specified below. As of August 31, 2020, monies were exposed to custodial credit risk as follows:

Insured	$25,313,582
Collateral held by pledging bank's trust department not in the School District's name	14,137,581
Uninsured and Uncollateralized	-
Total deposits	$39,451,163

State law requires that all bank balances be insured or collateralized by U.S. Government securities held by the District's third-party agent or the pledging financial institution's trust department in the name of the District. No attorney's opinion has been obtained regarding the enforceability of claims which might arise under the custodial arrangements.

Nebraska Statute 77, Article 23 covers the deposit and investment of public funds. The District may invest surplus funds in the following:

- U.S. Government Securities;
- Bonds and debentures issued by the Federal Land Bank, Intermediate Credit banks, Cooperative banks under the supervision of the Farm Credit Administration, and loan participation guaranteed by the Commodity Credit Corp;
- U.S. Treasury notes, bills, or certificates maturing within two years;
- Certificates of deposits; and
- In any securities in which the state investment officer is authorized to invest.

No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be allowed to accumulate in any financial institution unless:

- the financial institution gives a surety bond;
- the financial institution provides the District with securities as collateral on the excess funds; or
- the financial institution issues a joint custody receipt to the benefit of the District where a third party financial institution actually holds the security.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – For reporting purposes, the District's investments, which are carried at cost, consisted of the following at August 31, 2020:

Nebraska Liquid Asset Fund:	
General Fund	$ 9,556,895
Bond Fund	442,272
Qualified Capital Purpose Undertaking Fund	34,550
Special Building Fund	1,502,669
Total Investments	$ 11,536,386

The Nebraska Liquid Asset Fund (NLAF) is similar in nature to an open-end mutual fund which is designed specifically for Nebraska school entities, investing only in those securities allowable for such entities under Nebraska law. As of August 31, 2020, all of the investments in the NLAF were in money market funds and short-term certificates of deposit.

NOTE 3 - PENSION PLAN

Plan Description - The 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, 2019 there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

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

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

NOTE 3 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

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

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

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

For the District's year ended August 31, 2020, the District's total payroll for all employees was $34,060,323. Total covered payroll was $29,864,065. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Fiscal Year Ended August 31,	Total Payroll	Covered Payroll	District's NPL as a % of District's Covered Payroll
2020	$ 34,060,323	$ 29,864,065	48.82%
2019	32,999,901	28,880,073	57.04%
2018	32,052,667	28,226,179	68.75%
2017	31,359,605	27,771,728	68.17%

Basis of Presentation – Due to the fact that the pension plan for school districts has a June 30 fiscal year end, the audited financial statements for the pension plan are generally not publically available until after November 5th, which is the date Nebraska school districts are required to submit their audited financial statements to the Nebraska Department of Education and the Nebraska Auditor of Public Accounts. Due to this fact, the District is not able to include the most up-to-date information in its financial statements. To comply with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the District is using information released by NPERS for the pension plan fiscal year ended June 30, 2019.

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, 2018, to June 30, 2019, (and from July 1, 2019, through August 31,

NOTE 3 - PENSION PLAN (CONTINUED)

Contributions (Continued)

2020). The District (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its fiscal year ended August 31, 2020 was $2,950,837.

Fiscal Year Ended August 31,	Employee Contributions	Employer Contributions
2020	$ 2,920,703	$ 2,950,837
2019	2,824,471	2,852,505
2018	2,760,522	2,788,125
2017	2,716,070	2,743,227

Pension Liabilities – At June 30, 2019 the District had a liability of $14,579,164 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, 2019, and the total pension liability used to calculate the net pension liability was determined using an actuarial valuation as of that date.

Fiscal Year Ended June 30,	School District's NPL	Non-Employer Portion of NPL	Total NPL
2019	$ 14,579,164	$ 3,003,706	$ 17,582,870
2018	16,475,508	3,399,479	19,874,987
2017	19,404,270	3,992,025	23,396,295
2016	18,931,251	3,913,129	22,844,380

The NPERS School Plan was 90.91% funded as of June 30, 2019 based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the District's proportion was 1.198933 percent, which was a decrease of .012556 percent from its proportion measured as of June 30, 2018.

Fiscal Year Ended June 30,	NPERS School Plan Funded Status	School District's Proportion of NPERS School Plan NPL	Change in School District's Proportion of NPERS School Plan NPL
2019	90.91%	1.198933%	-0.012556%
2018	89.50%	1.211489%	-0.013709%
2017	87.25%	1.225198%	-0.032825%
2016	86.56%	1.258023%	0.059090%

NOTE 3 - PENSION PLAN (CONTINUED)

Pension Liabilities (Continued)

For the fiscal year ended June 30, 2019, the District's allocated pension expense/(income) was $3,073,108.

Fiscal Year Ended June 30,	School District's Allocated Pension Expense/(Income)
2019	$ 3,073,108
2018	1,205,334
2017	1,337,438
2016	786,266

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	2.75 percent
Salary increases, including wage inflation	3.50 – 8.50 percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.25% with a floor benefit equal to 75.00% 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	7.50%

The School Plan's pre-retirement mortality rates were based on the RP-2014 White Collar Table for Employees, projected generationally with MP-2015 (sex distinct with 100 percent of male rates for males and 55 percent of female rates for females).

The School Plan's post-retirement rates were based on the RP-2014 White Collar Table for Employees, set back two years, scaled, and projected generationally with a Society of Actuaries projection scale tool using a 0.5 percent ultimate rate in 2035 (sex distinct and generationally blended with males under age 80 at 1.008, males over age 80 at 1.449, females under age 85 at 0.924, and females over age 85 at 1.5855).

The School Plan's disability mortality rates were based on the RP-2014 Disabled Lives Table (static table).

NOTE 3 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2019 valuations for the School plan are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2015. The experience study report is dated November 17, 2016.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2019, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap US Equity	26.1%	5.83%
Small Cap US Equity	2.9%	7.56%
Global Equity	15.0%	6.51%
International Developed Equity	10.8%	6.80%
Emerging Markets	2.7%	10.55%
Core Bonds	20.0%	1.63%
High Yield	3.5%	5.22%
Bank Loans	5.0%	2.78%
International Bonds	1.5%	1.41%
Private Equity	5.0%	9.70%
Real Estate	7.5%	5.18%
Total	100.0%	

* Arithmetic mean, net of investment expenses

Discount Rate – The discount rate used to measure the Total Pension Liability at June 30, 2019 and June 30, 2018 was 7.50 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2011, through June 30, 2015. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

NOTE 3 - PENSION PLAN (CONTINUED)

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and contributions from employers and non-employers will be made at the greater of the contractually required rates and the actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2118.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	District's Proportionate Share of Net Pension Liability/(Asset)
1% Decrease	6.5%	$36,774,140
Current Discount Rate	7.5%	$14,579,164
1% Increase	8.5%	$(3,742,835)

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 by:

1. Writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816,

2. via the internet at http://www.nebraska.gov/auditor/FileSearch/entity.cgi

NOTE 4 - LONG-TERM DEBT

Governmental activities long-term debt at August 31, 2020 consisted of the following:

Series 2012 limited tax obligation bonds payable in the original amount of $5,425,000 dated September 19, 2012. Interest rates range from 0.55% to 2.20%. See the following schedule for principal and interest due. Final payment is due December 15, 2022.	$ -
Series 2013 bonds payable in the original amount of $9,895,000 dated September 30, 2013. Interest rates range from 0.35% to 2.95%. See the following schedule for principal and interest due. Final payment is due December 15, 2022.	4,635,000
Series 2014 limited tax obligation bonds payable in the original amount of $4,455,000 dated October 8, 2014. Interest rates range from 0.65% to 2.60%. See the following schedule for principal and interest due. Final payment is due December 15, 2024.	-
Series 2020 limited tax school bonds payable in the original amount of $8,290,000 dated April 14, 2020. Interest rates range from 0.80% to 2.00%. See the following schedule for principal and interest due. Final payment is due December 15, 2031.	8,290,000
Total Long-Term Debt Outstanding	$ 12,925,000

The following is a summary of long-term debt transactions of the District for the fiscal year ended August 31, 2020.

	Beginning of Year	Issued	Retired	End of Year	Due Within One Year
2012 Series	$ 2,260,000	$ -	$ 2,260,000	$ -	$ -
2013 Series	6,440,000	-	1,805,000	4,635,000	1,840,000
2014 Series	3,210,000	-	3,210,000	-	-
2020 Series	-	8,290,000	-	8,290,000	620,000
Total	$ 11,910,000	$ 8,290,000	$ 7,275,000	$ 12,925,000	$ 2,460,000

NOTE 4 - LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all long-term debt outstanding at August 31, 2020, including interest payments, are as follows:

Year Ending August 31	Principal	Interest	Total
2021	$ 2,460,000	$ 257,102	$ 2,717,102
2022	2,515,000	199,864	2,714,864
2023	1,550,000	147,823	1,697,823
2024	655,000	121,450	776,450
2025	670,000	108,200	778,200
2026-2030	3,550,000	333,000	3,883,000
2031-2035	1,525,000	30,650	1,555,650
	$ 12,925,000	$ 1,198,089	$ 14,123,089

There was a total of $7,566,489 of debt service payments recorded on the Statement of Activities – Modified Cash Basis that consists of $259,266 of bond interest, $7,275,000 of bond principal, and $32,223 in other expenditures for the fiscal year ended August 31, 2020. All general obligation debt of the District is liquidated through the Bond Fund and all limited tax obligation debt is liquidated by the Qualified Capital Purpose Undertaking Fund. There was a total of $192,861 in net premium (discounts) on bond issued recorded in the Statement of Activities – Modified Cash Basis.

NOTE 5 - COMMITMENTS

Compensated Absences – As a result of the District's use of the modified cash basis of accounting, accrued liabilities related to compensated absences and any employer-related costs earned and unpaid, are not reflected in the government-wide or fund financial statements. Certified staff members are allowed to accumulate up to 80 days of paid sick leave. No payment is made to staff members for unused sick leave upon resignation, retirement, or termination. The amount expected to be paid from current resources is immaterial for compensated absences.

NOTE 6 - JOINT VENTURE

The District is the fiscal agent for a cooperative formed to provide deaf education to one of the four regional programs established in Nebraska. The region served by the cooperative includes the service areas of Educational Service Unit (ESU) #1, ESU #8, and ESU #7. The activity for the cooperative is included in the District's Cooperative Fund.

NOTE 7 - CONTINGENCY

The District receives funds under various Federal and state grant programs and such assistance is to be expended in accordance with the provisions of various grants. Compliance with the grant agreements is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of various grant provisions and the results of adjustment, if any, relating to such audits would not have any material financial impact.

NOTE 8 - RISK MANAGEMENT

The 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 District carried commercial insurance for general liability, public official's liability, property coverage, workers' compensation coverage, commercial excess liability coverage, crime, and blanket bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District participates in a workers' compensation risk pool. The District pays annual premiums based upon the actual salaries paid to employees, making the policy retrospectively rated. In turn, all workers' compensation claims are paid by the risk pool.

NOTE 9 - PROPERTY TAXES

Property taxes levied by the District attach 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 taxes become delinquent on the following May 1, with the second one-half becoming delinquent on September 1.

NOTE 10 - DEFINED CONTRIBUTION PLAN

The District sponsors a Section 403(b) tax-sheltered annuity plan for all of the District's employees. Employees are eligible to participate on their first day of employment with the District. Employee's basic salary deferral limit contribution is $19,500 for 2020 with an additional $6,500 if the employee is over age 50 and all contributions are immediately vested. The School District does not match any type of employees' contributions.

NOTE 11 - RELATED PARTY TRANSACTIONS

On August 27, 2015, the Board approved the hiring of the Norfolk Public Schools Foundation Executive Director as the District's Communications Director with salary and benefits to be provided by the District starting in the 2018-2019 fiscal year. The District will be reimbursed by the Foundation for any Foundation related work performed by the Executive Director while in her official capacity as the District's Communications Director. During the fiscal year ending August 31, 2020 the District received $56,778 in reimbursements from the Foundation.

NOTE 12 - SERVICE CONCESSION AGREEMENT

The District has entered into an agreement with a third party vendor to operate their food service programs. The Contract shall be in effect for one year and may be renewed by mutual agreement for up to four additional one-year periods. Either party may terminate the Contract at any time upon 60 days prior written notice to the other party. The third party vendor began operating the food service programs for the school year beginning August 2016. The contract was approved to operate for the fiscal year 2020/2021.

NOTE 13 – COVID-19 AND MANAGEMENT'S PLAN

On January 30, 2020 the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Later, on March 11, 2020, the World Health Organization made the assessment that COVID-19 was a global health pandemic. Measures taken by federal, state and local officials to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of nonessential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

The outbreak of COVID-19 has also caused disruption in operations for the District. In an effort to minimize the spread of COVID-19, the school moved to online learning in March for the remainder of the 2019-2020 school year. The outbreak of COVID-19 may adversely impact the ability of the District to conduct its operations and result in increased cost of operations, declines in revenue and declines in investments.

The ultimate impact of the pandemic is highly uncertain. While the District expects that the COVID-19 outbreak may adversely impact the District's 2020-2021 results, the District cannot at this time accurately predict the full extent to which the COVID-19 outbreak will affect the District's finances and operations. The District continues to monitor developments and the directives of federal, state and local officials to determine what additional precautions and procedures need to be implemented by the District.

NOTE 14 - ACCOUNTS WITH COUNTY TREASURERS

Balances held by various County Treasurers on behalf of the School District at August 31, 2020 are as follows:

County	General Fund	Bond Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Cooperative Fund	Total
Madison	$ 4,181,140	$ 299,866	$ 197,803	$ 154,031	$ 1	$ 4,832,841
Pierce	100,368	3,572	4,922	3,832	5	112,699
Stanton	1,142,292	92,423	55,915	43,537	1	1,334,168
Wayne	225,511	18,632	11,007	8,570	-	263,720
Total	$ 5,649,311	$ 414,493	$ 269,647	$ 209,970	$ 7	$ 6,543,428

SUPPLEMENTARY INFORMATION

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Local Receipts		
Local Property Taxes	$ 25,687,394	$ 25,066,238
Carline Taxes	6,400	5,575
Public Power District Sales Tax	847,500	824,546
Motor Vehicle Taxes	2,060,000	2,630,818
Interest	350,000	252,021
Local License Fees	36,000	29,083
Community Service Activities	25,000	4,500
Rental of School Equipment and Facilities	6,500	1,210
Total Local Receipts	$ 29,018,794	$ 28,813,991
Country Receipts:		
County Fines and Licenses	$ 292,000	$ 371,928
State Receipts		
State Aid	$ 11,562,838	$ 11,562,838
Special Education Programs (School Age)	2,742,764	2,708,415
Special Education Transportation (School Age)	21,114	32,338
Homestead Exemption	1,660,000	783,333
Property Tax Credit	-	1,293,546
Personal Property Tax Credit	-	100,933
Payments For High Ability Learners	28,200	30,045
Textbook Loan	218,000	-
Wards of the State/Court (Regular Education)	78,100	48,400
Wards of the State/Court (Special Education)	-	2,364
Pro-Rate Motor Vehicle	52,500	68,730
State Appointment	658,000	753,023
Distance Education Incentive Payments	-	1,690
State Early Childhood	-	89,730
Early Childhood Endowment Grants	-	163,279
Other State Receipts	143,000	-
Total State Receipts	$ 17,164,516	$ 17,638,664

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Federal Receipts		
Title I, Part A, Improving Basic Programs	$ 1,130,000	$ 920,697
Title II, Supporting Effective Instruction	-	168,990
IDEA Part B (611) Base Allocation	878,000	76,694
IDEA Part B (619) Base/IDEA Enrollment/Poverty	-	18,892
IDEA Part B (611) Base & Enrollment Poverty Allocation	-	723,589
IDEA Enrollment/Poverty	-	162,520
IDEA Part B Proportionate Share	-	119,103
IDEA PART C Planning Region Team	9,041	15,713
MEDICAID in Public Schools	20,000	-
Medicaid Administrative Activities	82,000	237,593
Federal Vocational & Applied Technology Education	51,000	47,572
Indian Education	63,350	53,569
Title III, Limited English Proficient Grant	-	38,641
Title IV, Part A ESEA/ESSA SAE Grant	-	55,832
21st Century Community Learning	165,180	130,027
Other Federal Categorical Receipts	13,310	-
Total Federal Receipts	$ 2,411,881	$ 2,769,432
Non-Revenue Receipts		
Other Non-Revenue Receipts	$ 60,500	$ -
Total Cash Receipts	$ 48,947,691	$ 49,594,015

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Disbursements		
Regular Instruction Programs	$ 21,526,407	$ 16,037,551
Career Academy Program	-	580,204
Regular Instruction (Flex-Spending)	-	265,839
Limited English Proficiency Programs	-	753,275
Poverty Programs	-	3,454,775
Early Childhood Educational Program	-	295,143
SPED Instructional Programs - School Age	7,393,573	4,936,267
SPED Instructional Programs - Ages 3-5	-	112,601
SPED Instructional Programs - Ages 0-2	-	31,064
Summer School	326,737	264,614
Support Services - Students	4,378,341	4,076,411
Support Services - Instruction		
Improvement of Instruction	1,714,172	238,837
School Improvement	-	118,355
Instructional Staff Training	-	28,277
Implementation of Standards	-	113,474
Library/Media Services	-	692,730
Audio/Visual Services	-	937
Support Services - General Administration		
Board of Education	112,646	26,889
Executive Administration	395,854	384,614
District Legal Services	22,000	24,420
Office of the Principal	2,774,801	2,638,435
School Administration - Other	-	4,542
Central Services	1,598,938	1,342,017
Operation & Maintenance of Buildings & Sites	5,826,234	5,148,273
Vehicle Acquisition & Maintenance	62,966	-
Student Transportation		
Regular Pupil Transportation	285,000	203,267
School Age SPED Transportation	80,896	64,759
Below Age Five SPED Transportation	-	2,054
State Programs	697,658	540,895
Federal Programs	2,585,670	3,407,334
Adult Education	11,533,117	-
Transfers to Other Funds	-	1,537,549
Total Cash Disbursements	$ 61,315,010	$ 47,325,402
Fund Balance, August 31, 2019		$ 18,601,356
Total Cash Receipts		49,594,015
Total Funds Available		$ 68,195,371
Total Cash Disbursements		47,325,402
Fund Balance, August 31, 2020		$ 20,869,969

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - DEPRECIATION FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Interest	$ 151,000	$ 79,609
Transfers from General Fund	150,000	1,537,549
Total Cash Receipts	$ 301,000	$ 1,617,158
Cash Disbursements		
Support Services Business:		
Capital Outlay	$ 7,589,885	$ 1,080,645
Fund Balance, August 31, 2019		$ 7,261,051
Total Cash Receipts		1,617,158
Total Funds Available		$ 8,878,209
Total Cash Disbursements		1,080,645
Fund Balance, August 31, 2020		$ 7,797,564

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - EMPLOYEE BENEFIT FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Interest	$ 80	$ 104
Transfers from General Fund	130,000	-
Total Cash Receipts	$ 130,080	$ 104
Cash Disbursements		
Support Services Business:		
Employee Benefits	$ 135,888	$ 651
Fund Balance, August 31, 2019		$ 5,826
Total Cash Receipts		104
Total Funds Available		$ 5,930
Total Cash Disbursements		651
Fund Balance, August 31, 2020		$ 5,279

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - ACTIVITIES FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 08/31/2019	Receipts	Disbursements	Transfers in (out)	Balance 08/31/2020
Senior High					
Chromebook Fines	$ -	$ 3,192	$ 4,846	$ -	$ (1,654)
B/G Cross Country Club	15,048	1,209	3,423	-	12,834
Patch Grant-J. Hall	1,000	-	-	-	1,000
FUND BALANCE REUNION-CLASS OF '19	3,733	-	-	-	3,733
FUND BALANCE REUNION-CLASS OF '07	-	565	-	-	565
FUND BALANCE REUNION-CLASS OF '09	1,000	-	-	-	1,000
FUND BALANCE REUNION-CLASS OF '10	1,000	-	-	-	1,000
FUND BALANCE REUNION-CLASS OF '11	902	-	-	-	902
NECC CNA Program	11,677	2,720	3,158	-	11,239
Authentic Problems Solving	733	2,217	2,188	-	762
The Other White Meat Grant	5,747	-	2,580	-	3,167
Video Creation Grant	-	300	300	-	-
FFA	22,631	25,546	22,812	-	25,365
AP Accounting	4,503	-	54	-	4,449
Girls Golf Club	1,242	628	652	-	1,218
Girls Cross Country	-	1,666	1,666	-	-
Foundation Grants	404	3,918	3,399	-	923
Biology	(130)	147	16	-	1
FUND BALANCE-REUNION CLASS OF '14	1,364	-	-	-	1,364
Jarosz-Dont You Wish This P	1,782	5,019	1,969	-	4,832
Bruckner-Smart Moves	145	-	-	-	145
Vending-Staff	724	429	1,049	-	104
Exchange	2,406	109,890	110,940	-	1,356
Concessions	184,842	49,274	43,915	-	190,201
Discretionary Account	9,468	10,419	11,704	-	8,183
Vending-Student	3,115	-	349	-	2,766
Parking Tickets	6,888	2,910	2,018	-	7,780
Accounting	2,760	-	17	-	2,743
Athletic Program	2,682	1,535	1,093	-	3,124
Baseball Club	5,972	2,277	2,716	-	5,533
Boys' Basketball Club	40,477	10,473	34,132	-	16,818
Boys' Soccer Club	4,276	4,108	5,484	-	2,900
Boys' Tennis Club	4,117	316	1,728	-	2,705
Boys' Track Club	2,831	417	235	-	3,013
Yell Squad	11,895	15,589	17,328	-	10,156
Choraleers	257	6,928	6,401	-	784
Drama Club	1,825	1,737	1,369	-	2,193
Debate/Speech	-	13,859	13,859	-	-
Theatre	-	25,127	25,127	-	-
Panther Posse	118	-	-	-	118
Vocal Music	872	-	-	-	872
Football Club	48,704	2,761	11,663	-	39,802
Future Activities/Donation	53,883	51,564	84,352	-	21,095
Baseball	-	8,264	8,264	-	-
Boys' Basketball	-	(11,725)	(11,725)	-	-
Boys' Golf	-	789	789	-	-
Boys' Soccer	-	4,804	4,804	-	-
Boys' Tennis	-	1,116	1,116	-	-
Boys' Track	-	3,627	3,627	-	-
Cross Country	-	1,586	1,586	-	-
Football	-	31,366	31,366	-	-
Girls' Basketball	-	11,575	11,575	-	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - ACTIVITIES FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 08/31/2019	Receipts	Disbursements	Transfers in (out)	Balance 08/31/2020
Girls' Golf	-	2,096	2,096	-	-
Girls' Soccer	-	5,027	5,027	-	-
Girls' Tennis	-	274	274	-	-
Girls' Track	-	2,415	2,415	-	-
Softball	-	5,758	5,758	-	-
Swimming	-	5,683	5,683	-	-
Volleyball	-	18,007	18,007	-	-
Wrestling	-	19,296	19,296	-	-
Girls' Basketball Club	2,913	9,841	8,400	-	4,354
Girls' Soccer Club	6,944	1,761	3,164	-	5,541
Girls' Tennis Club	3,877	4,266	4,253	-	3,890
Girls' Track Club	2,674	1,644	1,950	-	2,368
Golf Club	481	2,564	2,402	-	643
NFL-National Forensics League	7,570	13,018	8,809	-	11,779
Norfolk Track/Field Classic	23,551	5,694	7,166	-	22,079
Orchestra Club	225	254	254	-	225
Pink Panthers	(7,455)	15,419	17,795	-	(9,831)
Milestone	3,245	4,325	2,769	-	4,801
Softball Club	10,438	4,362	2,069	-	12,731
Stage Band	477	10,006	10,274	-	209
Swimming Club	7,692	2,931	3,281	-	7,342
Volleyball Club	14,352	4,779	6,896	-	12,235
Wrestling Club	5,461	16,919	15,533	-	6,847
Alternatives For Success	643	2,881	1,899	-	1,625
Autistic Program	3,421	-	998	-	2,423
DECA	2,202	-	220	-	1,982
FBLA	481	164	204	-	441
Mu Alpha Theta	302	129	373	-	58
Student Council	8,094	6,073	4,424	-	9,743
Skills USA	1,110	1,971	1,060	-	2,021
Junior Statesmen	1,946	175	525	-	1,596
Quiz Bowl	21	307	165	-	163
World Language Club	200	-	-	-	200
Stage Fund	76	-	-	-	76
AP English/Research Comp	19,612	-	456	-	19,156
AP Exams	588	3,099	2,666	-	1,021
Activity Cards	784	(784)	-	-	-
Courtesy Fund	1,618	634	80	-	2,172
Fines	10,566	1,734	1,146	-	11,154
Athletic Fines	65	(65)	-	-	-
Prom	6,483	-	37	-	6,446
Personal Hygiene Machine	45	177	-	-	222
Metals	2,364	5,086	5,614	-	1,836
AP Math	39,723	-	1,339	-	38,384
AP Psychology	37,419	-	3,408	-	34,011
Post Prom	-	31,357	31,357	-	-
Power Mechanics	7	-	-	-	7
Retirement	196	375	-	-	571
Scholarships	155	6,900	5,950	-	1,105
Woods	689	2,529	864	-	2,354
Book Club	536	-	94	-	442
District Music Contest	550	-	-	-	550
Creative Design	62	-	39	-	23

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - ACTIVITIES FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 08/31/2019	Receipts	Disbursements	Transfers in (out)	Balance 08/31/2020
General Athletics	23,522	(5,027)	8,130	-	10,365
Miscellaneous	7,151	74,408	81,796	-	(237)
Fine Arts	32	-	-	-	32
National Honor Society	127	2,210	1,330	-	1,007
GSA Club	95	-	-	-	95
Bully No More	505	599	895	-	209
Poetry Club	573	-	-	-	573
College Access Grant	7,387	3,025	5,718	-	4,694
Adult Transition	632	30	41	-	621
Graduation Fees	866	-	-	-	866
FUND BALANCE CLASS OF 2012 REUNION	858	-	-	-	858
FUND BALANCE CLASS OF 2013 REUNION	1,706	-	-	-	1,706
Circle Of Friends Grant	307	(210)	-	-	97
FUND BALANCE REUNION-CLASS OF '15	4,918	-	-	-	4,918
Fund Balance AP Industrial Tech	(401)	401	-	-	-
AP Agriculture Fund Balance	4,449	-	2,152	-	2,297
AP Speech & Debate Fund Balance	19,163	-	-	-	19,163
FUND BALANCE REUNION CLASS OF '16	2,959	-	-	-	2,959
FUND BALANCE REUNION CLASS OF '17	3,132	-	(500)	-	3,632
Flags Club	341	32	-	-	373
Weight Room Club	2,539	-	1,324	-	1,215
ACT Incentives	2,048	2,130	2,048	-	2,130
FUND BALANCE-REUNION CLASS OF '18	1,826	-	-	-	1,826
UNIFIED BOWLING CLUB	91	1,100	97	-	1,094
Subtotal - Senior High	$ 768,122	$ 705,921	$ 793,464	$ -	$ 680,579
Junior High					
Best Committee	$ 1,048	$ -	$ -	$ -	$ 1,048
Drama	713	335	1,048	-	-
Foundation Grants	1,093	1,676	750	-	2,019
Band Club	620	-	401	-	219
Coca Cola Account-Lounge	1,178	229	394	-	1,013
Speech/Debate	(122)	616	495	-	(1)
Concessions	6,269	8,688	8,615	-	6,342
Milk Machine Account	438	-	-	-	438
Junior High Account	6,345	105	1,806	-	4,644
Coca Cola Account-Cafeteria	503	-	-	-	503
General Business Account	7,514	27,543	10,680	-	24,377
Craft Projects	(26)	26	-	-	-
7/8 Industrial Tech Project	(7,814)	13,199	4,865	-	520
Athletic General Account	9,433	9,298	18,197	-	534
Football	1,283	2,571	3,060	-	794
Volleyball	808	3,954	2,560	-	2,202
Boys Basketball	255	2,450	2,556	-	149
Girls Basketball	(247)	2,063	1,816	-	-
Wrestling	11	882	893	-	-
Track	144	44	187	-	1
X-Country	(177)	482	305	-	-
Library-Lost Book Fine Account	3,073	620	297	-	3,396
Band	406	1,700	2,046	-	60
Yearbook	12,438	164	3,791	-	8,811
Student Council	3,465	279	-	-	3,744

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - ACTIVITIES FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 08/31/2019	Receipts	Disbursements	Transfers in (out)	Balance 08/31/2020
Wrestling Club	920	2,653	3,323	-	250
Girls Basketball Club	417	80	-	-	497
Volleyball Club	1,377	3,060	1,795	-	2,642
Track Club	1,866	175	507	-	1,534
Investment Account	76,831	-	-	-	76,831
Fund Balance	(693)	1,869	1,176	-	-
SCIP	373	-	-	-	373
Subtotal - Junior High	$ 129,742	$ 84,761	$ 71,563	$ -	$ 142,940
Subsidiary					
MS PTO Acct	$ 78	$ -	$ -	$ -	$ 78
Middle School Fund	29,801	10,420	38,341	-	1,880
MS Student Council	2,431	144	-	-	2,575
MS 07 Concession Stand	4,231	336	236	-	4,331
MS Coca Cola Income/Commission	84	845	555	-	374
MS Library	12,741	6,575	6,955	-	12,361
MS Band & Orchestra	7,375	12,731	8,765	-	11,341
Courtesy Fund	291	94	120	-	265
Cafeteria Food Service	193	-	-	-	193
AFS C/C Commission	80	-	-	-	80
Misc. Funds	76,464	41,105	30,798	-	86,771
Elementary Book Fines	4,087	430	92	-	4,425
JH C/C Commission	49	67	50	-	66
SH C/C Commission	115	118	115	-	118
Laminating	183	9	-	-	192
District Coke Cola Fund	68,015	17,270	3,038	-	82,247
Bel Air Fund	19,457	11,903	10,557	-	20,803
Special Ed Program	5,234	4,056	-	-	9,290
District Wellness	7,327	5,175	6,493	-	6,009
Grant Fund	5,063	13,250	9,687	-	8,626
Jefferson Fund	3,716	4,282	5,384	-	2,614
Reiche School	-	133,560	133,560	-	-
Lincoln Fund	727	134	232	-	629
Deaf & Hard Of Hearing	3,213	-	-	-	3,213
Montessori School Fund	4,749	7,257	6,162	-	5,844
Washington Fund	5,964	2,151	1,771	-	6,344
Westside Fund	7,603	2,255	2,503	-	7,355
Woodland Park Fund	6,250	15,910	13,345	-	8,815
Elementary Gifted Art	30	-	-	-	30
Digital Training	149	9,848	550	-	9,447
Red Ribbon Day	2,660	1,860	1,465	-	3,055
Challenge Fund	1,845	-	-	-	1,845
Reimbursement/Exchange Acct	(27,368)	518,414	576,472	-	(85,426)
ECC	1,399	9,032	7,669	-	2,762
Summer Insurance/Annuities	194	6,519	6,401	-	312
Returned Checks	(716)	-	-	-	(716)
21st Century Grant	21,330	29,530	8,153	-	42,707
EC Network Respite Grant	2	-	-	-	2
Computer Sales	32,754	24,171	7,816	-	49,109
Band Instrument Replacement	411	23,000	21,478	-	1,933
Middle School Autism Program	681	-	-	-	681
ECC Autism	330	-	-	-	330
Replacement Activity Cards	40	-	-	-	40

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - ACTIVITIES FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 08/31/2019	Receipts	Disbursements	Transfers in (out)	Balance 08/31/2020
Subtotal - Subsidiary	$ 309,262	$ 912,451	$ 908,763	$ -	$ 312,950
Total Activity Fund	$ 1,207,126	$ 1,703,133	$ 1,773,790	$ -	$ 1,136,469
Original/Final Budget		$ 2,980,000	$ 4,050,053		

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - LUNCH FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Interest	$ 4,500	$ 7,863
Sale of Lunches/Milk	826,513	715,188
State Reimbursement	11,600	12,263
Federal Reimbursement	1,500,000	2,244,502
Other Local Receipts	-	29,440
Transfers from General Fund	254,000	-
Total Cash Receipts	$ 2,596,613	$ 3,009,256
Cash Disbursements		
Purchased Services	$ 2,400,000	$ 2,702,425
Supplies and Materials (Excluding Food)	64,650	24,165
Capital Outlay	52,700	43,403
Other Expenses	589,196	1,935
Total Cash Disbursements	$ 3,106,546	$ 2,771,928
Fund Balance, August 31, 2019		$ 631,243
Total Cash Receipts		3,009,256
Total Funds Available		$ 3,640,499
Total Cash Disbursements		2,771,928
Fund Balance, August 31, 2020		$ 868,571

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - BOND FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Local Property Taxes	$ 1,950,000	$ 1,981,719
Carline Taxes	465	368
Interest	62,000	32,952
Other Local Receipts	160,000	-
Homestead Exemption	-	64,581
Property Tax Credit	-	97,548
Personal Property Tax Credit	-	7,437
Pro-Rate Motor Vehicle	4,050	5,253
Total Cash Receipts	$ 2,176,515	$ 2,189,858
Cash Disbursements		
Debt Services:		
Principal	$ 1,885,834	$ 1,805,000
Interest	61,881	142,715
Fees	-	400
Other Miscellaneous Expense	4,414,828	-
Total Cash Disbursements	$ 6,362,543	$ 1,948,115
Fund Balance, August 31, 2019		$ 4,046,658
Total Cash Receipts		2,189,858
Total Funds Available		$ 6,236,516
Total Cash Disbursements		1,948,115
Fund Balance, August 31, 2020		$ 4,288,401

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - SPECIAL BUILDING FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Local Property Taxes	$ 1,284,370	$ 1,293,562
Carline Taxes	310	279
Interest	77,500	45,635
Other Local Receipts	97,400	-
Homestead Exemption	-	39,167
Property Tax Credit	-	63,083
Personal Property Tax Credit	-	6,641
Pro-Rate Motor Vehicle	2,310	3,437
Total Cash Receipts	$ 1,461,890	$ 1,451,804
Cash Disbursements		
Business - Building & Sites:		
Purchased Services	$ 700,000	$ 385,073
Building, Acquisition and Improvements	4,328,903	223,970
Supplies and Materials	-	106
Total Cash Disbursements	$ 5,028,903	$ 609,149
Fund Balance, August 31, 2019		$ 3,506,148
Total Cash Receipts		1,451,804
Total Funds Available		$ 4,957,952
Total Cash Disbursements		609,149
Fund Balance, August 31, 2020		$ 4,348,803

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO.2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - QUALIFIED CAPITAL PURPOSE
UNDERTAKING FUND - MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original Budget	Amended/Final Budget	2020 Actual
Cash Receipts			
Local Property Taxes	$ 1,000,000	$ 1,000,000	$ 1,013,449
Carline Taxes	256	256	218
Interest	35,000	35,000	35,660
Other Local Receipts	78,000	78,000	-
Homestead Exemption	-	-	30,497
Property Tax Credit	-	-	49,117
Personal Property Tax Credit	-	-	4,684
Pro-Rate Motor Vehicle	2,100	2,100	2,691
Bond Proceeds	-	8,500,000	8,290,000
Net Premium(Discount) on Bonds Issued	-	-	192,861
Total Cash Receipts	$ 1,115,356	$ 9,615,356	$ 9,619,177
Cash Disbursements			
Business Services - Buildings and Sites:			
Purchased Services	$ -	$ -	$ 1,347,098
Supplies and Materials	-	-	106
Building, Acquisition and Improvements	2,501,894	3,740,911	1,849
Debt Services:			
Principal	927,753	8,188,736	5,470,000
Interest	51,170	51,170	116,551
Fees	-	-	31,823
Total Cash Disbursements	$ 3,480,817	$ 11,980,817	$ 6,967,427
Fund Balance, August 31, 2019			$ 2,300,613
Total Cash Receipts			9,619,177
Total Funds Available			$ 11,919,790
Total Cash Disbursements			6,967,427
Fund Balance, August 31, 2020			$ 4,952,363

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - COOPERATIVE FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Original/Final Budget	2020 Actual
Cash Receipts		
Local Property Taxes	$ -	$ 124
Tuition from Other Districts (Special Education)	230,600	98,441
Interest	-	14,533
Other Local Receipts	-	(138)
Personal Property Tax Credit	-	1
Other State Receipts	261,400	268,019
Technology Bond Proceeds	-	47,622
Other Non-Revenue Receipts	38,600	-
Total Cash Receipts	$ 530,600	$ 428,602
Cash Disbursements		
Special Education Instruction	$ 700,219	$ 285,208
General Administration - Business Services	-	10,187
Adult Education	341,778	-
Total Cash Disbursements	$ 1,041,997	$ 295,395
Fund Balance, August 31, 2019		$ 553,885
Total Cash Receipts		428,602
Total Funds Available		$ 982,487
Total Cash Disbursements		295,395
Fund Balance, August 31, 2020		$ 687,092

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

BUDGETARY COMPARISON SCHEDULE - STUDENT FEE FUND
MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

UNAUDITED

	Balance 8/31/2019	Receipts	Disbursements	Transfers In (Out)	Balance 8/31/2020
Instrument Rental & Repair Fees	$ 10,596	$ 4,055	$ 9,979	$ -	$ 4,672
Instrument Rental Fee	325	-	-	-	325
Golf Shirt 9-12	528	-	528	-	-
Act Prep Book Fee	1,998	-	-	-	1,998
Baseball Hats, Belts, & Socks	(289)	380	504	-	(413)
Boys' Tennis Fee	944	878	1,822	-	-
Cheerleading Uniform Fee	-	7,922	11,594	-	(3,672)
Choir Robe Cleaning Fee	(587)	945	-	-	358
Boys Soccer Socks Fee	167	385	500	-	52
Girls Tennis Fee	(22)	400	378	-	-
Pink Panther Silver & Black Fee	(3,198)	7,218	3,198	-	822
Swimming Fee 9-12	53	925	1,693	-	(715)
FBLA	24	-	-	-	24
Pottery Project Fee	519	-	-	-	519
Activity Cards 9-12	20,230	(10,191)	10,004	-	35
Graduation Fees	369	-	-	-	369
Industrial Arts Lab-Safety Glasses	1,575	-	-	-	1,575
Chemistry Goggles Fee	146	-	-	-	146
21st Century Grant Fee	6,580	11,661	16,326	-	1,915
Business Services	10,462	4,312	40	-	14,734
Participation Fee	21,480	1,875	12,680	-	10,675
Technology Fee 7-12	195,736	26,952	9,327	-	213,361
21st Century Living Project Fee	350	-	-	-	350
7/8 Challenge Fee	16	-	-	-	16
Art 7 Fee	65	-	50	-	15
Industrial Tech 7 Fee	278	-	-	-	278
Wellness Workbook Fee 7-8	24	-	-	-	24
Art 8 Fee	978	-	496	-	482
Industrial Tech 8 Fee	2,044	-	889	-	1,155
Show Choir Shirt Fee	266	-	-	-	266
Activity Card Fee 7-8	10,180	880	11,060	-	-
Art Class Fee	1,930	660	1,094	-	1,496
Band Shoes 9-12	299	144	443	-	-
Band Uniform Cleaning Fee	4,242	375	1,684	-	2,933
Choraleer Performance Outfit	(253)	6,594	6,546	-	(205)
Flags/Color Guard	(1,415)	3,317	1,902	-	-
Activity Cards K-6	27,070	245	-	-	27,315
Summer School	53,878	4,405	220	-	58,063
Girls Soccer Socks Fee	151	100	339	-	(88)
Totals	$ 367,739	$ 74,437	$ 103,296	$ -	$ 338,880
Original/Final Budget		$ 160,000	$ 444,113		

THE ACCOMPANYING NOTES ARE AN INTEGRAL
PART OF THE FINANCIAL STATEMENTS

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

NOTE TO BUDGETARY COMPARISON SCHEDULES
ALL FUNDS

AUGUST 31, 2020

UNAUDITED

NOTE 1 - BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for all the funds it uses. The budget is presented on the cash basis of accounting, which is consistent with the requirements of the Nebraska Budget Act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that government entities 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 supplementary information:

1. As of August 1, or shortly thereafter, the 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 the 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 property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes. The tax levy attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent on the following May 1, with the second one-half becoming delinquent on September 1.

6. The District amended the Qualified Capital Purposes Undertaking Fund for the fiscal year ending August 31, 2020, due to the issuance of bond series 2020.

SCHUMACHER, SMEJKAL,
BROCKHAUS AND HERLEY, P.C.

CERTIFIED
PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

Richard E. Schumacher

Scott T. Smejkal

Mark J. Brockhaus

Brock J. Herley

3403 27th Street
P.O. Box 280
Columbus, NE 68602-0280
P: 402 564 1366
F: 402 564 1360

508 West Prospect Avenue
P.O. Box 368
Norfolk, NE 68702-0368
P: 402 379 2722
F: 402 379 2218

www.gotcpas.com

MEMBERS

American Institute of
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Nebraska Society of
Certified Public Accountants

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
Madison County School District No. 2
Norfolk Public Schools
Norfolk, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison County School District No. 2, Norfolk Public Schools, as of and for the fiscal year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise Madison County School District No. 2, Norfolk Public Schools' basic financial statements and have issued our report thereon dated February 9, 2021.

Our report disclosed that, as described in Note 1 to the financial statements, Madison County School District No. 2, Norfolk Public Schools prepares its financial statements 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison County School District No. 2, Norfolk Public Schools' 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 Madison County School District No. 2, Norfolk Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Madison County School District No. 2, Norfolk Public Schools' 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 District'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.

Madison County School District No. 2
Norfolk Public Schools

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County School District No. 2, Norfolk Public Schools' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schumacher, Smejkal, Brockhaus + Herley, P.C.

SCHUMACHER, SMEJKAL, BROCKHAUS & HERLEY, P.C.
Certified Public Accountants

Norfolk, Nebraska
February 9, 2021

SCHUMACHER, SMEJKAL,
BROCKHAUS AND HERLEY, P.C.

CERTIFIED
PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

Richard E. Schumacher
Scott T. Smejkal
Mark J. Brockhaus
Brock J. Herley

3403 27th Street
P.O. Box 280
Columbus, NE 68602-0280
P: 402 564 1366
F: 402 564 1360

508 West Prospect Avenue
P.O. Box 368
Norfolk, NE 68702-0368
P: 402 379 2722
F: 402 379 2218

www.gotcpas.com

MEMBERS
American Institute of
Certified Public Accountants
Nebraska Society of
Certified Public Accountants

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

To the Board of Education
Madison County School District No. 2
Norfolk Public Schools
Norfolk, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Madison County School District No. 2, Norfolk Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Madison County School District No. 2, Norfolk Public Schools' major federal programs for the fiscal year ended August 31, 2020. Madison County School District No. 2, Norfolk Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Madison County School District No. 2, Norfolk Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County School District No. 2, Norfolk Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County School District No. 2, Norfolk Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Madison County School District No. 2, Norfolk Public Schools, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended August 31, 2020.

Report on Internal Control over Compliance

Management of Madison County School District No. 2, Norfolk Public Schools, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County School District No. 2, Norfolk Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County School District No. 2, Norfolk Public Schools' internal control over compliance.

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

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

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

Schumacher, Smejkal, Brockhaus + Herley, P.C.

SCHUMACHER, SMEJKAL, BROCKHAUS & HERLEY, P.C.
Certified Public Accountants

Norfolk, Nebraska
February 9, 2021

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	TOTAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program (NSLP)	10.555	59-0002	$ 1,178,999
School Breakfast Program (SBP)	10.553	59-0002	229,161
Summer Food Service Program for Children (SFSPC)	10.559	59-0002	1,072,848
Fresh Fruit & Vegetable Program	10.582	59-0002	13,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ 2,494,008
U.S. DEPARTMENT OF EDUCATION			
Direct Funding			
Indian Education	84.060		$ 49,021
Passed through State Department of Education:			
Special Education Cluster (IDEA)			
Special Education - IDEA, Part B (611)	84.027	59-0002	$ 1,049,684
Special Education - IDEA Preschool (619)	84.173	59-0002	21,985
Total Special Education Cluster (IDEA)			$ 1,071,669
Title I Grants to Local Educational Agencies	84.010	59-0002	$ 1,004,688
Title IV, Part A	84.424	59-0002	57,641
Career/Technical Education - Basic Grants	84.048	59-0002	51,835
Special Education - IDEA, Part C Projects	84.181	59-0002	7,300
21st Century Community Learning Centers	84.287	59-0002	128,901
Title III - LEP and Immigrants Grants	84.365	59-0002	27,025
Title II, Part A ESEA/ESSA Supporting Effective Instruction	84.367	59-0002	169,488
Elementary and Secondary School Emergency Relief	84.425D	59-0002	839,766
TOTAL U.S. DEPARTMENT OF EDUCATION			$ 3,407,334
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Association of School Boards (NASB):			
Medicaid Administrative Activities	93.778	59-0002	$ 237,593
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 6,138,935

See accompanying notes to the Schedule of Expenditures of Federal Awards

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUGUST 31, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Madison County School District No. 2, Norfolk Public Schools, and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

NOTE 2 - INDIRECT COSTS

Madison County School District No. 2, Norfolk Public Schools did not elect to use the 10% de minimis indirect cost rate allowed when computing the amounts in the schedule of expenditures of federal awards.

NOTE 3 - COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received as determined by the Nebraska Department of Health and Human Services. The total value of commodities included in the schedule of expenditures of federal awards is $249,506.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Madison County School District No. 2, Norfolk Public Schools.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Madison County School District No. 2, Norfolk Public Schools, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of internal control over major federal programs are reported in the Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance.
5. The Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance for Madison County School District No. 2, Norfolk Public Schools, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance.
7. The programs tested as major programs included:

Program Name	CFDA #
Child Nutrition Cluster (CNC)	10.555
Elementary and Secondary School Emergency Relief	84.425D

8. The threshold used for distinguishing between Type A and B programs was $750,000.
9. Madison County School District No. 2, Norfolk Public Schools, did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None