

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NORFOLK, NEBRASKA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AUGUST 31, 2025



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NORFOLK PUBLIC SCHOOLS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska, as of August 31, 2025, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of

the discretely presented component unit, the Norfolk Public Schools Foundation, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's basic financial statements. The supplementary information on pages 36-54 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 36-54 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 36-54 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial statements. The other information comprises the Activities Fund Schedule of Changes in Cash Balances and Student Fee Fund Schedule of Changes in Cash Balances but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control over financial reporting and compliance.

Forward CPA, LLC

Omaha, Nebraska
November 5, 2025

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2025

		Program Receipts		Net (Disbursement) Receipts and Changes in Net Position	
				Primary Government	Component Unit
	Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Norfolk Public Schools Foundation
FUNCTIONS/PROGRAMS					
Governmental Activities					
Instruction	38,325,723	504,048	10,837,688	(26,983,987)	
Student support services	6,988,497	1,513,512		(5,474,985)	
Instructional support	2,059,145			(2,059,145)	
General administration	4,098,149			(4,098,149)	
Central and business services	1,193,780			(1,193,780)	
Operation and maintenance of plant	14,804,194		1,000,000	(13,804,194)	
Student Transportation	108,655			(108,655)	
Operation of non-instructional services	400,000			(400,000)	
Nutrition program	3,128,847	1,075,009	1,745,188	(308,650)	
Debt Service	778,600			(778,600)	
Capital outlay	47,302			(47,302)	
Total Governmental Activities	<u>71,932,892</u>	<u>3,092,569</u>	<u>13,582,876</u>	<u>(55,257,447)</u>	<u>-</u>
Component Unit					
Norfolk Public Schools Foundation	<u>346,671</u>		<u>358,897</u>		<u>12,226</u>
General Receipts					
Taxes					
Property taxes - general purposes				23,341,813	
Property taxes - debt service				870,909	
Carline tax				3,898	
Motor vehicle taxes				3,165,941	
Public Power District sales tax				9,850	
Interest				1,199,262	342,490
County fines and licenses				508,975	
State aid				11,286,885	
State apportionment				1,902,238	
Homestead exemption				1,288,077	
Property tax credit				10,989,385	
State and federal funds not restricted for a specific purpose				275,851	
Other local receipts				231,426	
Total General Receipts				<u>55,074,510</u>	<u>342,490</u>
CHANGE IN NET POSITION				(182,937)	354,716
NET POSITION, beginning of year				<u>41,124,304</u>	<u>3,466,774</u>
NET POSITION, end of year				<u>40,941,367</u>	<u>3,821,490</u>

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2025

	Primary Government Total Governmental Activities	Component Unit Norfolk Public Schools Foundation
ASSETS		
Cash in bank	37,236,518	3,226,576
Certificates of deposit	536,634	594,914
Cash at county treasurers	3,168,215	
TOTAL ASSETS	<u>40,941,367</u>	<u>3,821,490</u>
NET POSITION		
Restricted for capital outlay	2,727,220	
Restricted for nutrition program	612,641	
Restricted for debt service	2,958,383	
Restricted for scholarships		2,339,725
Unrestricted	34,643,123	1,481,765
TOTAL NET POSITION	<u>40,941,367</u>	<u>3,821,490</u>

See accompanying notes to financial statements.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS AND STATEMENT
OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS				
Local receipts				
Property taxes	23,341,813	303,560	567,349	24,212,722
Carline taxes	3,866	22	10	3,898
Public Power District sales tax	9,736		114	9,850
Motor vehicle taxes	3,165,941			3,165,941
Interest	769,917	188,885	240,460	1,199,262
Other local receipts	93,142		217,812	310,954
Nutrition program receipts			988,898	988,898
Student activities			1,513,512	1,513,512
County receipts	508,975			508,975
State receipts	32,034,068	1,849	488,564	32,524,481
Federal receipts	4,289,870		1,731,658	6,021,528
Other	141,823	1,000,000	148,111	1,289,934
Total receipts	<u>64,359,151</u>	<u>1,494,316</u>	<u>5,896,488</u>	<u>71,749,955</u>
DISBURSEMENTS				
Instruction	37,833,102		492,621	38,325,723
Student support services	5,061,189		1,927,308	6,988,497
Instructional support	2,059,145			2,059,145

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS AND STATEMENT
OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
DISBURSEMENTS (continued)				
General administration	4,098,149			4,098,149
Central and business services	1,193,780			1,193,780
Operation and maintenance of plant	8,572,759	6,231,435		14,804,194
Student transportation	108,655			108,655
Operation of non-instructional services	400,000			400,000
Nutrition program			3,128,847	3,128,847
Debt service			778,600	778,600
Capital outlay			47,302	47,302
Total disbursements	<u>59,326,779</u>	<u>6,231,435</u>	<u>6,374,678</u>	<u>71,932,892</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,032,372	(4,737,119)	(478,190)	(182,937)
FUND BALANCES, beginning of year	27,607,278	7,464,339	6,052,687	41,124,304
FUND BALANCES, end of year	<u>32,639,650</u>	<u>2,727,220</u>	<u>5,574,497</u>	<u>40,941,367</u>

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS AND STATEMENT
OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash in Bank	29,535,711	2,727,209	4,973,598	37,236,518
Certificates of deposit			536,634	536,634
Cash at County Treasurer	3,103,939	11	64,265	3,168,215
TOTAL ASSETS	<u>32,639,650</u>	<u>2,727,220</u>	<u>5,574,497</u>	<u>40,941,367</u>
FUND BALANCES				
Restricted for:				
Capital outlay		2,727,220		2,727,220
Nutrition program			612,641	612,641
Debt service			2,958,383	2,958,383
Committed for:				
Student activities			1,724,520	1,724,520
Assigned for				
Capital outlay	6,532,633			6,532,633
Employee benefits	254,179			254,179
Future year's budget	12,249,553			12,249,553
Cooperative programs			278,953	278,953
Unassigned	13,603,285			13,603,285
TOTAL FUND BALANCES	<u>32,639,650</u>	<u>2,727,220</u>	<u>5,574,497</u>	<u>40,941,367</u>

See accompanying notes to financial statements.

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUNDS
 AUGUST 31, 2025

	Custodial Fund
	<u>Section 125 Plan</u>
ASSETS	
Cash	<u>51,170</u>
TOTAL ASSETS	<u>51,170</u>
NET POSITION	
Restricted	
Funds Held on Behalf of Employees	<u>51,170</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>51,170</u></u>

See accompanying notes to financial statements.

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 STATEMENT OF CHANGES IN NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

	Custodial Fund
	<u>Section 125 Plan</u>
RECEIPTS	
Employee Contributions	264,808
Interest	<u>2,609</u>
Total receipts	<u>267,417</u>
EXPENDITURES	
Disbursement of Funds to Employees	253,463
Forfeitures closed to the General Fund	<u>184,876</u>
Total expenditures	<u>438,339</u>
NET CHANGE IN NET POSITION	(170,922)
NET POSITION, beginning of year	<u>222,092</u>
NET POSITION, end of year	<u><u>51,170</u></u>

See accompanying notes to financial statements.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the District.

Reporting Entity

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

All significant activities and organizations on which the District exercises oversight responsibility have been included in the District's financial statements.

Component Units

The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District.
- There is fiscal dependency by the organization on the District.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Units (Continued)

Based on the aforementioned criteria, the following component unit is included within the District's reporting entity:

The Norfolk Public Schools Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation is a nonprofit organization, which supports the charitable and education functions and betterment of the District and has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code. Support is received primarily through contributions and fundraising programs. The Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. The Foundation has a December 31 year-end; therefore, the financial statements include the financial information for the Foundation for the most recent year-end of December 31, 2024. The Foundation does not issue separate financial statements.

The District has the following related organizations that are not considered to have a significant operational or financial relationship:

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.

Government-Wide Statements

The District utilizes the reporting provisions of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* within the provisions of the modified cash basis of accounting. Statement 34 establishes standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into the following components: restricted and unrestricted.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Statements (Continued)

The statement of net position and statement of activities report information on the District as a whole. The effects of inter-fund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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

Fund Financial Statements

The fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, receipts, and expenditures. All of the District's funds are considered governmental funds. An emphasis is placed on major funds within the governmental category. 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 remaining governmental funds by category are summarized into a single column as nonmajor governmental funds.

The District reports the following major governmental funds:

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

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The General Fund for financial reporting purposes also includes the following components, which are considered funds for budgetary purposes but do not meet the definition as special revenue funds as clarified in GASB 54, or whose activities are insignificant and reporting as part of the General Fund is allowable.

Depreciation Fund – The Depreciation Fund is used to accumulate funds for the eventual purchase of significant capital outlay by reserving such monies from the General Fund.

Employee Benefit Fund – The Employee Benefit Fund is established to specifically reserve General Fund money for the benefit of the District employees.

Special Building Fund – The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvement of buildings.

The District reports the following nonmajor governmental funds:

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

School Nutrition Fund – The School Nutrition Fund is used to accommodate all aspects of the School Lunch Program and accounts for all receipts and disbursements of all Child Nutrition Programs.

Bond Fund – This fund accounts for taxes levied and other revenue specifically maintained for the payment of bond principal and interest. Proceeds from bond issuance are deposited and recorded as a receipt in the Special Building Fund. Proceeds from refunding bond issues are deposited and recorded as a receipt in the Bond Fund. The General Fund is used to make bond principal and interest payments if the Bond Fund balance is not sufficient to meet these requirements.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Qualified Capital Purpose Undertaking Fund - The Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in District buildings, and the repayment of a qualified zone academy bond issued for a qualified special purpose. General Fund disbursements for the purpose of this fund are not allowed.

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.

Student Fee Fund - A Student Fee Fund is established to collect fees for participation in extracurricular activities, postsecondary education costs, and summer school or night school. The money is expended for the purposes for which it was collected from the students.

Fiduciary Fund Types

Custodial Funds - The District holds resources for the employee's Internal Revenue Code Section 125 flexible benefits plan in a custodial capacity.

Basis of Accounting

The District prepares its financial statements on the modified cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education.

The modified cash basis of accounting is a basis of accounting other than Generally Accepted Accounting Principles (GAAP) as established by GASB. The modified cash basis of accounting is based on the recording of cash and cash equivalents and charges therein and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or equivalents) during the period are recognized, except for the following modifications:

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

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

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets, such as property, equipment, and infrastructure, and long-term liabilities, such as debt and compensated absences are not reported. Right-to-use assets and liabilities related to leases and subscription-based technology arrangements are not reported.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Unrestricted net position consists of assets that do not meet the definition of restricted.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Government-Wide Statements (Continued)

It is the District's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for a purposes in which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either are not in spendable form or because they are legally or contractually required to be maintained intact. The District currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned

This classification includes amount that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the District administrator through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserve the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-fund Balances and Activities

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 or reclassified.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

Budgetary Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the modified cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse at year-end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing. State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various disbursements and/or tax levy limitations.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which 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 after the following May 1, with the second one-half becoming delinquent after September 1.

Compensated Absences

In accordance with the modified cash basis of accounting, vacation, and sick leave are recorded as disbursements when paid.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Right to Use Assets

Right-to-use assets are not recorded as assets on the government-wide or fund financial statements, and amortization is not recognized. Likewise, the related liabilities for these leases and subscription-based technology arrangements are not recognized in the financial statements. Payment on all leases and subscription-based technology arrangements are recorded as disbursements by function in the financial statements.

NOTE 2: DEPOSITS AND INVESTMENTS

For the following disclosures, deposits – including checking accounts, savings accounts, money market accounts – are all classified as cash or cash and cash equivalents on the financial statements. Certificates of deposit are shown separately or in combination with cash on the financial statements.

The District's cash and investments are reported as follows:

Governmental activities	37,773,152
Fiduciary funds	51,170
Total cash and investments	<u>37,824,322</u>

The carrying value (fair value) of the cash and investments consisted of the following:

Demand deposits (checking and money market)	34,379,828
NLAF investments	2,907,860
Certificates of deposit	536,634
Total cash and investments	<u>37,824,322</u>

At August 31, 2025, there were no certificates of deposit maturing beyond one year.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. As of August 31, 2025, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits.

Investments

The NLAF was formed in 1988 under the Interlocal Cooperation Act to provide a cash management program for school districts, educational service units and community colleges, public agencies, and other governmental subdivisions. The NLAF was established to assist public bodies throughout the State of Nebraska with the investment of their available cash reserves. Participation in the investment fund is voluntary for its members. The objective of the fund is to provide a means for investors to achieve a high rate of return while preserving principal and maintaining liquidity while investing only in instruments permitted by applicable Nebraska statutes. NLAF seeks to achieve its investment objective through professionally managed investment funds governed by the investment policies and restrictions specified. The NLAF Board of Trustees is elected from representatives of various participants in the fund. The NLAF Board of Trustees has engaged PFM Asset Management, LLC as administrator and investment advisor. For a copy of the most recent audit report for the NLAF, contact NLAF at 1-877-667-3523 or via the NLAF website at <https://www.nlafpool.org>.

The NLAF is a pooled cash account that invests primarily in U.S. government and agency obligations and repurchase agreements. The NLAF seeks to maintain a stable net asset value of \$1 per share, but it is possible to lose money investing in the NLAF. The NLAF is not insured or guaranteed by the FDIC or any other governmental agency.

At August 31, 2025, the District had \$2,907,860 in NLAF investments.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Shares of NLAF are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. NLAF's Board of Trustee may temporarily suspend the right of withdrawal or postpone the date of payment of redemption proceeds for the whole or any part of any period: (1) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Nebraska or any general suspension of trading or limitation on prices on the New York or American Stock Exchange or (2) during which any financial emergency situation exists as a result of which disposal by NLAF of fund property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the NLAF to determine the value of its net assets.

The District is exposed to risks noted below in relation to its investments in NLAF. The District does not have a policy for these risks. The following NLAF risk policies below were taken from footnotes in the NLAF audit report.

Interest Rate Risk

The NLAF investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that the portfolio maintain a dollar-weighted average maturity of not greater than 60 days. The weighted average maturity of the entire portfolio at May 31, 2025, the date of the latest NLAF audit report, was 42 days.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in NLAF is rated AA+ by Standard & Poor's (S&P). According to the latest audit report on the NLAF, as of May 31, 2025, the NLAF limits the investments to certain fixed income instruments which school entities are permitted to invest in under Nebraska law.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Norfolk Public Schools Foundation

The carrying value (fair value) of the cash and investments consisted of the following:

Checking and savings accounts	3,226,576
Certificates of deposit	594,914
Total cash and investments	<u>3,821,490</u>

At December 31, 2024, there were no certificates of deposit maturing beyond one year.

Custodial Credit Risk

As of December 31, 2024, the Foundation's bank balances were \$3,756,040, of which \$1,005,757 was insured by the FDIC and \$2,750,283 was uninsured.

NOTE 3: RETIREMENT PLAN

Plan Description

Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska, 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, 2024, there were 263 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, and Nebraska Community Colleges), are members of the plan.

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

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 3: RETIREMENT PLAN (Continued)

Plan Description (Continued)

greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

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

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

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

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

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

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 3: RETIREMENT PLAN (Continued)

Contributions

On May 6, 2025, LB645 was signed into law. LB645 changes contribution rates for the School Employees Retirement System ("the Plan"). The contribution rate for members, employers, and the State of Nebraska will now be dependent on the funded status of the Plan as determined by the independent, third-party actuarial valuation report.

LB645 states the contribution rates shall be calculated as of July 1 each year and will be based on the actuarial value of assets in the Plan as of the most recent actuarial valuation report presented to the Public Employees Retirement Board. The funded status in the report will determine the contribution rate to be implemented July 1 of the next year.

Funded Status	Employee	Employer	State
100% or above	7.25%	7.32%	0.0%
Between 98% and less than 100%	8.00%	8.08%	0.7%
Between 96% and less than 98%	8.75%	8.84%	0.7%
Less than 96%	9.75%	9.85%	2.0%

The employee contribution was equal to 9.78 percent from July 1, 2023 to June 30, 2024. The employee contribution was 8.0 percent from July 1, 2025, to August 31, 2025. The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2025 was \$2,558,226.

The state contributed an amount equal to two percent of the compensation of all members through June 30, 2025 and 0.7 percent July 1, 2025, to August 31, 2025. This contribution is considered a nonemployer contribution since school employees are not employees of the state.

For the District's year ended August 31, 2025, the District's total payroll for all employees was \$39,266,871. The Total covered payroll was \$36,070,503. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 3: RETIREMENT PLAN (Continued)

Plan Fiduciary Net Position

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

NOTE 4: LONG-TERM DEBT

Limited Tax School Bonds, Series 2020

Limited Tax School Bonds, Series 2020, in the amount of \$8,290,000 carrying interest of 0.80% - 2.00% dated April 14, 2020 are due serially in installments of \$620,000 - \$770,000 plus interest through December 15, 2031. Payments are being made through the Qualified Capital Purpose Undertaking Fund.

The District has no unused lines of credit at August 31, 2025, and none of their long-term debt agreements have terms related to default or termination events with finance-related consequences or subjective acceleration clauses.

Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the District for the fiscal year ended August 31, 2025.

	Balance September 1, 2024	Additions	Payments	Balance August 31, 2025	Amounts Due Within One Year
2020 Series	5,745,000		(670,000)	5,075,000	680,000

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 4: LONG-TERM DEBT (Continued)

Annual Debt Service Requirements

Maturities on the above long-term debt are as follows:

Year Ending August 31	Principal	Interest	Total
2026	680,000	94,700	774,700
2027	695,000	80,950	775,950
2028	710,000	66,900	776,900
2029	725,000	52,550	777,550
2030	740,000	37,900	777,900
2031-2032	1,525,000	30,650	1,555,650
	<u>5,075,000</u>	<u>363,650</u>	<u>5,438,650</u>

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: FEDERAL AWARD PROGRAMS

The District received funds under various federal grant programs, and such assistance is to be expended in accordance with provisions of the various grants. Compliance with the grants 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 the various grant provisions and the results of adjustments, if any, relating to such audits would not have a material 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.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 8: RISK MANAGEMENT (continued)

To manage its workers' compensation and property and casualty risks, the District has joined All Lines Interlocal Cooperative Aggregate Pool (ALICAP), currently operating as a common risk management and insurance program for its members. The District pays an annual contribution to ALICAP for its pooled self-insurance coverage of property, general liability, automobile liability, and physical damage, school board errors and omissions, crime, public employee dishonesty, workers' compensation, and associated coverages. The District contributed \$543,514 to ALICAP during the year ended August 31, 2025. Settled claims have not significantly exceeded the coverage limits offered by ALICAP in any of the past three fiscal years.

NOTE 9: DEFERRED 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 \$23,500 for 2025 with an additional \$7,500 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 10: NUTRITION PROGRAM COMMITMENT

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 2021. The contract was approved to operate for the fiscal year 2025/2026 with an estimated cost of \$3,250,534.

NOTE 11: LEASE AGREEMENTS

Lease agreements are summarized as follows:

Description	Date	Terms	Payment Amount	Balance August 31, 2025
Copier Lease	4/23/2021	60 months	\$ 3,917	\$ 39,175

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 11: LEASE AGREEMENTS (Continued)

Copy machines were leased during April 2021, for a term of 60 months. At the end of the lease, the District has the option to purchase the equipment at fair market value, renew the agreement, or return the equipment. Payment terms are \$3,917 per month. There were no other contingent or sublease rentals related to the lease.

Annual requirements for the leased equipment are as follows:

Year Ending August 31	
<u>2026</u>	
	39,175
	<u>39,175</u>

NOTE 12: ACCOUNTS WITH COUNTY TREASURERS

County	General Fund	Special Buidling Fund	Qualified Capital Purpose Undertaking Fund	Total
Madison	2,365,339	11	48,040	2,413,390
Pierce	83,752	-	1,850	85,602
Stanton	478,176	-	10,443	488,619
Wayne	176,672	-	3,932	180,604
Total	<u>3,103,939</u>	<u>11</u>	<u>64,265</u>	<u>3,168,215</u>

NOTE 13: TAX ABATEMENTS

The District is subject to tax abatements granted by various Community Redevelopment Authorities (CRA) located throughout the district, who have entered into tax incremental financing (TIF) agreements with various redevelopers. The incremental increase in valuation from the development is not included in the District's available valuation base until the TIF agreement has expired, which is generally 15 years. The incremental taxes, including the District's share is returned to the developer, effectively rebating the taxes on the increased valuation.

MADISON COUNTY SCHOOLS DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 13: TAX ABATEMENTS (Continued)

Information relevant to the tax abatements impacting the District for the year ending August 31, 2025, are as follows:

Total TIF valuation 2024	126,996,436
District's total levy (per \$100 valuation)	1.024693
District's share of tax abatement	1,301,324

NOTE 14: COMMITMENTS

As of August 31, 2025, a building construction project was completed and \$353,489 remained to be paid on the related contracts. The remaining balance will be paid out of the Special Building Fund.

The District has entered into a cooperative agreement with Northeast Community College and the City of Norfolk, Nebraska dated June 14, 2023 which allows for shared costs for the construction of softball team lockers. Each party to the agreement contributed \$400,000. Costs of the project exceeding \$1,200,000, were funded by the City of Norfolk, Nebraska. The agreement also imposes a usage fee for the facilities based on total usage time. The estimated usage fee for the District is \$50,005. In addition to the usage fee, the District is required to contribute \$12,500 to be used for turf replacement. The agreement remains in effect until June 2028.

NOTE 15: NORFOLK PUBLIC SCHOOLS FOUNDATION

The Foundation is a component unit of the District. The goal of the Foundation is to create opportunities and experiences for teachers, staff, and students that traditional school funding cannot support. This includes scholarships to Norfolk senior high graduates and classroom grants to support teachers and staff in the classroom. Scholarship awards for the year were \$69,800 and classroom grants to support teachers for the year were \$28,048.

The Foundation's restricted net assets on December 31, 2024, included amounts temporarily restricted by donors for scholarships of \$2,339,725.

NOTE 16: SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 5, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 GENERAL FUND COMPONENTS - COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
 FUND BALANCE - MODIFIED CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclass- ifications	Total
RECEIPTS					
Local receipts					
Property taxes	23,341,813				23,341,813
Carline tax	3,866				3,866
Public Power District sales tax	9,736				9,736
Motor vehicle taxes	3,165,941				3,165,941
Interest	522,311	247,131	475		769,917
Other local receipts	93,142				93,142
County receipts	508,975				508,975
State receipts	32,034,068				32,034,068
Federal receipts	4,289,870				4,289,870
Other	141,823				141,823
Total receipts	64,111,545	247,131	475	-	64,359,151
DISBURSEMENTS					
Instruction	35,031,157			2,801,945	37,833,102
Student support services	5,061,189				5,061,189
Instructional support	2,059,145				2,059,145
General administration	4,117,038			(18,889)	4,098,149

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

GENERAL FUND COMPONENTS - COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS AND SCHEDULE OF ASSETS AND FUND BALANCE - MODIFIED CASH
BASIS (CONTINUED)

FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclass- ifications	Total
DISBURSEMENTS (continued)					
Central and business services	1,193,780				1,193,780
Operation and maintenance of plant	7,614,002	958,500	257		8,572,759
Student transportation	564,655			(456,000)	108,655
Operation of non-instructional services	400,000				400,000
State categorical programs	716,459			(716,459)	-
Federal programs	2,720,825			(2,720,825)	-
Total disbursements	59,478,250	958,500	257	(1,110,228)	59,326,779
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,633,295	(711,369)	218	1,110,228	5,032,372
OTHER FINANCING USES					
Transfers in (out)		860,228	250,000	(1,110,228)	-
Total other financing sources (uses)	-	860,228	250,000	(1,110,228)	-
NET CHANGE IN FUND BALANCES	4,633,295	148,859	250,218	-	5,032,372
FUND BALANCES, beginning of year	21,219,543	6,383,774	3,961		27,607,278
FUND BALANCES, end of year	25,852,838	6,532,633	254,179	-	32,639,650

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

NONMAJOR FUNDS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS AND SCHEDULE OF ASSETS AND FUND BALANCE - MODIFIED CASH
FOR THE YEAR ENDED AUGUST 31, 2025

	Activities Fund	School Nutrition Fund	Bond Fund	Qualified Capital Purpose Undertaking Fund	Cooperative Fund	Student Fee Fund	Total
RECEIPTS							
Local receipts							
Property taxes			119	567,230			567,349
Carline taxes				10			10
Interest	60,572	38,890	36,521	41,684	43,901	18,892	240,460
Public Power District sales tax				114			114
Nutrition program receipts		988,898					988,898
Student activities	1,513,512						1,513,512
Other local receipts					59,829	157,983	217,812
State receipts		13,530		254,337	220,697		488,564
Federal receipts		1,731,658					1,731,658
Non-revenue receipts		86,111			62,000		148,111
Total receipts	1,574,084	2,859,087	36,640	863,375	386,427	176,875	5,896,488
DISBURSEMENTS							
Instruction					367,099	125,522	492,621
Student support services	1,433,660				493,648		1,927,308
Nutrition program		3,128,847					3,128,847
Capital outlay				47,302			47,302
Debt service				778,600			778,600
Total disbursements	1,433,660	3,128,847	-	825,902	860,747	125,522	6,374,678
RECEIPTS OVER (UNDER) DISBURSEMENTS	140,424	(269,760)	36,640	37,473	(474,320)	51,353	(478,190)
FUND BALANCES, beginning of year	1,012,968	882,401	1,161,400	1,722,870	753,273	519,775	6,052,687
FUND BALANCES, end of year	1,153,392	612,641	1,198,040	1,760,343	278,953	571,128	5,574,497

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS

NONMAJOR FUNDS COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS AND SCHEDULE OF ASSETS AND FUND BALANCE - MODIFIED CASH (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Activities Fund	School Nutrition Fund	Bond Fund	Qualified Capital Purpose Undertaking Fund	Cooperative Fund	Student Fee Fund	Total
ASSETS							
Cash	784,342	445,057	1,198,040	1,696,078	278,953	571,128	4,973,598
Certificates of deposit	369,050	167,584					536,634
Cash at county treasurers				64,265			64,265
TOTAL ASSETS	1,153,392	612,641	1,198,040	1,760,343	278,953	571,128	5,574,497
FUND BALANCES							
Restricted for							
Nutrition program		612,641					612,641
Debt service			1,198,040	1,760,343			2,958,383
Committed							
Student activities	1,153,392					571,128	1,724,520
Assigned							
Cooperative programs					278,953		278,953
Total fund balances	1,153,392	612,641	1,198,040	1,760,343	278,953	571,128	5,574,497
TOTAL FUND BALANCES	1,153,392	612,641	1,198,040	1,760,343	278,953	571,128	5,574,497

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>16,987,227</u>	<u>21,219,543</u>	<u>4,232,316</u>
RECEIPTS			
Local sources			
Taxes			
1100 Local district taxes	33,950,140	23,341,813	(10,608,327)
1115 Carline taxes	6,390	3,866	(2,524)
1120 Public Power District sales tax	850,000	9,736	(840,264)
1125 Motor vehicle taxes	2,750,000	3,165,941	415,941
1510 Interest	200,000	522,311	322,311
1800 Community Service Activities	20,000	19,650	(350)
1910 Rentals of school equipment	3,500	2,705	(795)
1911 Local license fees	25,000	24,898	(102)
1955 Postsecondary receipts		45,889	45,889
Total local sources	<u>37,805,030</u>	<u>27,136,809</u>	<u>(10,668,221)</u>
County and ESU sources			
2110 Fines and licenses	<u>400,000</u>	<u>508,975</u>	<u>108,975</u>
State sources			
3110 State aid	11,286,885	11,286,885	-
3120 Special education programs	5,970,117	6,024,013	53,896
3125 Special education transportation	50,000	105,297	55,297
3130 Homestead exemption		1,240,077	1,240,077
3131 Property tax credit		10,787,343	10,787,343
3133 Nameplate capacity tax		117,421	117,421
3160 Wards of the state/court (regular education)	20,000	64,723	44,723
3161 Wards of the state/court (special education)		857	857
3166 Flex funding		70,316	70,316
3180 Pro-rate motor vehicle	70,000	81,970	11,970
3400 State apportionment	800,000	1,902,238	1,102,238
3535 Payments for high ability learners	30,000	33,286	3,286
3540 State early childhood		20,949	20,949
3541 Early childhood endowment grants	277,683	298,693	21,010
3990 Other state receipts	392,854		(392,854)
Total state sources	<u>18,897,539</u>	<u>32,034,068</u>	<u>13,136,529</u>

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
RECEIPTS (continued)			
Federal sources			
4307 Native American education	64,770	51,465	(13,305)
4416 IDEA Part C, Planning region team	48,884	14,010	(34,874)
4505 Title I, Part A: ESSA	1,223,105	1,523,542	300,437
4509 Title II, Part A: ESSA		212,981	212,981
4516 IDEA Preschool base enrollment poverty allocation		24,515	24,515
4518 IDEA Part B base enrollment poverty	1,282,911	1,108,849	(174,062)
4521 IDEA Part B Proportionate share		130,439	130,439
4525 Carl Perkins	59,540	59,215	(325)
4527 Title III, Part A: ESSA		43,875	43,875
4528 Title III ESSA Immigrant		19,959	19,959
4530 Other federal categorical receipts	35,251	17,500	(17,751)
4531 Title IV, Part B: 21st Century Community Learning		159,143	159,143
4708 Medicaid in public schools (MIPS)		167,682	167,682
4709 Medicaid administrative activities (MAAPS)	296,000	72,816	(223,184)
4969 Title IV, Part A		94,686	94,686
4988 ARP ELC After school		42,064	42,064
4989 ARP ELC Summerschool		84,812	84,812
4993 ARP Homeless children and youth I		2,519	2,519
4994 ARP Homeless children and youth II		7,021	7,021
4998 ESSER III		452,777	452,777
Total federal sources	<u>3,010,461</u>	<u>4,289,870</u>	<u>1,279,409</u>
Nonrevenue receipts			
5690 Other non-revenue receipts		141,823	141,823
Total nonrevenue receipts	<u>-</u>	<u>141,823</u>	<u>141,823</u>
Total receipts	<u>60,113,030</u>	<u>64,111,545</u>	<u>3,998,515</u>
TOTAL FUNDS AVAILABLE	<u>77,100,257</u>	<u>85,331,088</u>	<u>8,230,831</u>
DISBURSEMENTS			
1000 Instruction			
1100 Regular instruction	28,769,969	20,569,785	(8,200,184)
1115 Career academy programs		655,395	655,395
1125 Regular instruction (flex-spending)		94,716	94,716
1150 Limited English proficiency programs		1,503,319	1,503,319
1160 Poverty Programs		4,199,258	4,199,258

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
DISBURSEMENTS (continued)			
1190 Early childhood educational programs		974,155	974,155
1200 Special education programs	6,955,293	6,536,532	(418,761)
1291 Special education programs - ages 3-5		126,464	126,464
1292 Special education programs - ages 0-2		55,806	55,806
1295 Special education programs - unified sports		3,693	3,693
1300 Summer school	311,000	312,034	1,034
2100 Support services - students	5,141,907		
2110 Attendance and social work services		26,381	26,381
2120 Guidance services		1,697,109	1,697,109
2130 Health services		614,559	614,559
2131 Health services SPED school age		89,148	89,148
2132 Health services SPED ages 3-5		7,435	7,435
2140 Psychological services		243,630	243,630
2141 Psychological services - SPED school age		629,121	629,121
2142 Psychological services - SPED ages 3-5		1,295	1,295
2151 Speech pathology and audiology services - SPED school age		1,243,336	1,243,336
2152 Speech pathology and audiology services - SPED ages 3-5		31,942	31,942
2153 Speech pathology and audiology services - SPED ages 0-2		1,221	1,221
2161 Occupational therapy - SPED school age		107,018	107,018
2162 Occupational therapy - SPED ages 3-5		47,114	47,114
2163 Occupational therapy - SPED ages 0-2		47,114	47,114
2171 Physical therapy - SPED school age		97,650	97,650
2172 Physical therapy - SPED ages 3-5		40,939	40,939
2173 Physical therapy - SPED ages 0-2		41,908	41,908
2181 Visually impaired - SPED school age		84,107	84,107
2182 Visually impaired - SPED ages 3-5		49	49
2183 Visually impaired - SPED ages 0-2		45	45
2190 Support services - other		10,068	10,068

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
DISBURSEMENTS (continued)			
2200 Support Services - Instruction	2,282,612		
2210 Improvement of instruction		382,448	382,448
2211 School improvement		125,623	125,623
2213 Instructional staff training		33,128	33,128
2214 Implementation of standards		119,032	119,032
2220 Library/Media services		862,848	862,848
2223 Audio/Visual services		1,775	1,775
2230 Instructional related technology		534,291	534,291
2300 Support services - general administration			
2310 Board of education	111,946	102,886	(9,060)
2320 Executive administration	618,607	544,498	(74,109)
2330 District legal services	250,000	34,532	(215,468)
2410 Office of the principal	3,497,289	3,326,967	(170,322)
2490 School administration - other		108,155	108,155
2500 Central services	1,737,614		
2510 Fiscal services		1,142,517	1,142,517
2530 Printing, publishing and duplicating services		42,253	42,253
2570 Personnel services		9,010	9,010
2600 Operation and maintenance of plant	7,047,735		
2610 Operation of buildings		1,851,735	1,851,735
2620 Maintenance of buildings		4,712,647	4,712,647
2630 Care and upkeep of grounds		149,432	149,432
2650 Vehicle operation, maintenance and purchasing	76,373	540,724	464,351
2660 Security		116,025	116,025
2670 Safety		243,439	243,439
2700 Student Transportation			
2710 Regular pupil transportation	585,655	479,744	(105,911)
2712 Special education pupil transportation	200,599	70,170	(130,429)
2713 Vehicle operation and purchasing - SPED ages 3-5		14,741	14,741
3000 Operation of non-instructional services			
3300 Community service operations		400,000	400,000
3500 State categorical programs			
3535 High ability learners	744,226	227,601	(516,625)
3540 State early childhood		25,148	25,148
3541 Early childhood endowment grants		224,170	224,170
3551 Career education		25,651	25,651
3599 Other state categorical programs		213,889	213,889

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
DISBURSEMENTS (continued)			
6000 Federal programs	2,671,275		(2,671,275)
6200 Title I, Part A: Improving basic programs		885,901	885,901
6310 Title II, Part A ESEA/ESSA supporting effective instruction		140,860	140,860
6406 IDEA preschool base		23,867	23,867
6408 IDEA Part B base enrollment poverty		1,113,580	1,113,580
6412 IDEA Part B proportionate share		130,619	130,619
6416 IDEA Part C planning region team		13,791	13,791
6700 Carl Perkins		59,390	59,390
6910 Native American education		60,780	60,780
6925 Title III, Part A English language acquisition		38,642	38,642
6926 Title III Immigrant education		13,183	13,183
6968 Title IV, Part B 21st century community learning centers		127,915	127,915
6969 Title IV, Part A student support and academic enrichment		53,492	53,492
6989 ARP ELC summer		16,497	16,497
6990 Other federal categorical programs		21,004	21,004
6998 ESSER III		21,304	21,304
8000 Transfers out	500,000		(500,000)
Reappropriated funds	8,693,163		(8,693,163)
Total disbursements	<u>70,195,263</u>	<u>59,478,250</u>	<u>(10,717,013)</u>
FUND BALANCE, end of year	<u>6,904,994</u>	<u>25,852,838</u>	<u>18,947,844</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking account		22,748,899	
County treasurer		3,103,939	
TOTAL FUND BALANCE		<u>25,852,838</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - DEPRECIATION FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>6,363,592</u>	<u>6,383,774</u>	<u>20,182</u>
RECEIPTS			
1510 Interest		247,131	247,131
5200 Transfers from General Fund	<u>500,000</u>	<u>860,228</u>	<u>360,228</u>
Total receipts	<u>500,000</u>	<u>1,107,359</u>	<u>607,359</u>
TOTAL FUNDS AVAILABLE	<u>6,863,592</u>	<u>7,491,133</u>	<u>627,541</u>
DISBURSEMENTS			
2900 Other support services	<u>6,863,592</u>	<u>958,500</u>	<u>(5,905,092)</u>
FUND BALANCE, end of year	<u>-</u>	<u>6,532,633</u>	<u>6,532,633</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		<u>6,532,633</u>	
TOTAL FUND BALANCE		<u><u>6,532,633</u></u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - EMPLOYEE BENEFIT
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>3,946</u>	<u>3,961</u>	<u>15</u>
RECEIPTS			
1510 Interest		475	475
5200 Transfers from General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total receipts	<u>250,000</u>	<u>250,475</u>	<u>475</u>
TOTAL FUNDS AVAILABLE	<u>253,946</u>	<u>254,436</u>	<u>490</u>
DISBURSEMENTS			
2900 Other support services	253,946	257	(253,689)
FUND BALANCE, end of year	<u>-</u>	<u>254,179</u>	<u>254,179</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		<u>254,179</u>	
TOTAL FUND BALANCE		<u>254,179</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - ACTIVITIES FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>950,485</u>	<u>1,012,968</u>	<u>62,483</u>
RECEIPTS			
1510 Interest		60,572	60,572
1710 Admissions		152,249	152,249
1750 Revenue from enterprise activities		124,863	124,863
1790 Other activity income	<u>1,600,000</u>	<u>1,236,400</u>	<u>(363,600)</u>
Total receipts	<u>1,600,000</u>	<u>1,574,084</u>	<u>(25,916)</u>
TOTAL FUNDS AVAILABLE	<u>2,550,485</u>	<u>2,587,052</u>	<u>36,567</u>
DISBURSEMENTS			
2900 Other support services	<u>2,550,485</u>	<u>1,433,660</u>	<u>(1,116,825)</u>
FUND BALANCE, end of year	<u>-</u>	<u>1,153,392</u>	<u>1,153,392</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		784,342	
Certificates of deposit		369,050	
TOTAL FUND BALANCE		<u>1,153,392</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>580,998</u>	<u>882,401</u>	<u>301,403</u>
RECEIPTS			
1510 Interest	20,000	38,890	18,890
1611 Daily sales - school lunch program	800,000	552,923	(247,077)
1612 Daily sales - school breakfast program		63,341	63,341
1620 Daily sales - non-reimbursable programs		372,634	372,634
3150 State reimbursements	28,000	13,530	(14,470)
4210 Federal reimbursements	2,000,000	1,731,658	(268,342)
5200 Transfers from General Fund	500,000		(500,000)
5690 Other non-revenue receipts	<u>120,000</u>	<u>86,111</u>	<u>(33,889)</u>
Total receipts	<u>3,468,000</u>	<u>2,859,087</u>	<u>(608,913)</u>
TOTAL FUNDS AVAILABLE	<u>4,048,998</u>	<u>3,741,488</u>	<u>(307,510)</u>
DISBURSEMENTS			
2190 Support services - other		904	904
3100 Food service operations	<u>4,048,998</u>	<u>3,127,943</u>	<u>(921,055)</u>
Total disbursements	<u>4,048,998</u>	<u>3,128,847</u>	<u>(920,151)</u>
FUND BALANCE, end of year	<u>-</u>	<u>612,641</u>	<u>612,641</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		445,057	
Certificates of deposit		167,584	
TOTAL FUND BALANCE		<u>612,641</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - BOND FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>1,157,006</u>	<u>1,161,400</u>	<u>4,394</u>
RECEIPTS			
1100 Local district taxes		119	119
1510 Interest	<u>15,000</u>	<u>36,521</u>	<u>21,521</u>
Total receipts	<u>15,000</u>	<u>36,640</u>	<u>21,640</u>
TOTAL FUNDS AVAILABLE	<u>1,172,006</u>	<u>1,198,040</u>	<u>26,034</u>
DISBURSEMENTS	<u>1,172,006</u>	<u>-</u>	<u>(1,172,006)</u>
FUND BALANCE, end of year	<u>-</u>	<u>1,198,040</u>	<u>1,198,040</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		1,198,040	
TOTAL FUND BALANCE		<u>1,198,040</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - SPECIAL BUILDING FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>7,484,572</u>	<u>7,464,339</u>	<u>(20,233)</u>
RECEIPTS			
1100 Local property taxes		303,560	303,560
1115 Carline taxes		22	22
1510 Interest		188,885	188,885
3130 Homestead exemption		395	395
3180 Pro-rate motor vehicle		1,454	1,454
5690 Non-revenue receipts		<u>1,000,000</u>	<u>1,000,000</u>
Total receipts	<u>-</u>	<u>1,494,316</u>	<u>1,494,316</u>
TOTAL FUNDS AVAILABLE	<u>7,484,572</u>	<u>8,958,655</u>	<u>1,474,083</u>
DISBURSEMENTS			
2620 Building, acquisition and improvements	<u>7,484,572</u>	<u>6,231,435</u>	<u>(1,253,137)</u>
Total disbursements	<u>7,484,572</u>	<u>6,231,435</u>	<u>(1,253,137)</u>
FUND BALANCE, end of year	<u>-</u>	<u>2,727,220</u>	<u>2,727,220</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		2,727,209	
County treasurer		11	
TOTAL FUND BALANCE		<u>2,727,220</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGE AND ACTUAL - QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>1,771,687</u>	<u>1,722,870</u>	<u>(48,817)</u>
RECEIPTS			
1100 Local property taxes	774,700	567,230	(207,470)
1115 Carline taxes		10	10
1120 Public Power District sales tax		114	114
1510 Interest		41,684	41,684
3130 Homestead exemption		47,605	47,605
3131 Property tax credit		202,042	202,042
3133 Nameplate capacity tax		2,773	2,773
3180 Pro-rate motor vehicle		1,917	1,917
Total receipts	<u>774,700</u>	<u>863,375</u>	<u>88,675</u>
TOTAL FUNDS AVAILABLE	<u>2,546,387</u>	<u>2,586,245</u>	<u>39,858</u>
DISBURSEMENTS			
4500 Building, acquisition and improvements	128,024	47,302	(80,722)
5000 Debt services	<u>2,418,363</u>	<u>778,600</u>	<u>(1,639,763)</u>
Total disbursements	<u>2,546,387</u>	<u>825,902</u>	<u>(1,720,485)</u>
FUND BALANCE, end of year	<u>-</u>	<u>1,760,343</u>	<u>1,760,343</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		1,696,078	
County treasurer		64,265	
TOTAL FUND BALANCE		<u>1,760,343</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - COOPERATIVE FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>751,723</u>	<u>753,273</u>	<u>1,550</u>
RECEIPTS			
1323 Tuition from other districts (special education)	35,888	59,829	23,941
1510 Interest	2,000	43,901	41,901
3990 Other state receipts	265,000	220,697	(44,303)
5690 Other non-revenue receipts	<u>37,000</u>	<u>62,000</u>	<u>25,000</u>
Total receipts	<u>339,888</u>	<u>386,427</u>	<u>46,539</u>
TOTAL FUNDS AVAILABLE	<u>1,091,611</u>	<u>1,139,700</u>	<u>48,089</u>
DISBURSEMENTS			
1200 Special education instruction	601,611	367,099	(234,512)
3300 Community services operations	<u>490,000</u>	<u>493,648</u>	<u>3,648</u>
Total disbursements	<u>1,091,611</u>	<u>860,747</u>	<u>(230,864)</u>
FUND BALANCE, end of year	<u>-</u>	<u>278,953</u>	<u>278,953</u>
ANALYSIS OF FUND BALANCE			
Cash in bank			
Checking and savings accounts		<u>278,953</u>	
TOTAL FUND BALANCE		<u>278,953</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE - MODIFIED
CASH BASIS - BUDGET AND ACTUAL - STUDENT FEE FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Original and Final Budget	2025 Actual	Over (Under) Budget
FUND BALANCE, beginning of year	<u>445,680</u>	<u>519,775</u>	<u>74,095</u>
RECEIPTS			
1510 Interest		18,892	18,892
1741 Extracurricular fees	95,000	151,438	56,438
1743 Summer school fees		6,545	6,545
Total receipts	<u>95,000</u>	<u>176,875</u>	<u>81,875</u>
TOTAL FUNDS AVAILABLE	<u>540,680</u>	<u>696,650</u>	<u>155,970</u>
DISBURSEMENTS			
2190 Support services - other	<u>540,680</u>	<u>125,522</u>	<u>(415,158)</u>
FUND BALANCE, end of year	<u>-</u>	<u>571,128</u>	<u>571,128</u>
ANALYSIS OF FUND BALANCE			
Cash			
Checking and savings accounts		<u>571,128</u>	
TOTAL FUND BALANCE		<u>571,128</u>	

See accompanying notes to budgetary schedules.

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
NOTE TO BUDGETARY COMPARISON SCHEDULES

NOTE 1: SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedules of receipts, disbursements, and changes in fund balance - modified cash basis - budget and actual are presented on the modified cash basis of accounting. This basis is generally consistent with the basis of accounting used in preparing the basic financial statements. All undisclosed appropriations lapse at the end of the budget year. For budgetary purposes, transfers to the Employee Benefit Fund and Depreciation Fund are reflected as functional disbursements in the General Fund when the transfer is made.

Budget Law

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the modified cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements to any fund require a public hearing.

Reconciliation

The Nebraska Department of Education requires separate budgets for those funds considered as General Fund components for budget purposes.

A reconciliation of the General Fund financial reporting basis to the budgetary basis is as follows:

Receipts over disbursements - financial reporting basis	
General Fund	<u>32,639,650</u>
Receipts over disbursements - budgetary basis	
General Fund	25,852,838
Depreciation Fund	6,532,633
Employee Benefit Fund	<u>254,179</u>
	<u>32,639,650</u>

OTHER INFORMATION

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
SENIOR HIGH					
Chromebook Fines	11,111	7,978	4,786		14,303
B/G Cross Country Club	12,130	11,370	12,367		11,133
AP Foreign Language	832				832
Fund Balance Reunion - Class of '23	842				842
Fund Balance Reunion - Class of '19	4,233				4,233
Fund Balance Reunion - Class of '20	2,680				2,680
Fund Balance College Access Grant 2020	1,718	16,355	18,073		-
Fund Balance Reunion - Class of '21	1,994				1,994
NECC CNA Program	6,908	4,325	5,459		5,774
HOSA Future Health Prof.	119	1,575	1,679		15
AP Medical Terminology	410	4,372	4,782		-
Patch Health Grant - Fisher	-	300			300
FFA	23,461	26,268	23,940		25,789
AP Accounting	822				822
Girls Golf Club	2,688	1,040	1,332		2,396
Girls Cross Country	1	2,001	2,001		1
Foundation Grants	1,190	5,617	3,322		3,485
Biology	(2,688)	2,690	2		-
Fund Balance Reunion - Class of '14	1,364				1,364
Educator's Rising	4,111				4,111
SCIP Account	158		62		96
Class of '24	3,378				3,378
Vending-Staff	169	1,009	756		422
Exchange	(8,334)	146,070	144,060		(6,324)
Concessions	65,321	30,001	53,380		41,942
Discretionary Account	22,341	35,257	25,790		31,808
Vending-Student	535		378		157
Parking Tickets	1,433	2,839	450		3,822
Accounting	1,460	10	14		1,456
Baseball Club	12,884	15,605	15,328		13,161
Boys' Basketball Club	20,364	18,095	21,601		16,858

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
SENIOR HIGH (Continued)					
Boys' Soccer Club	3,777	17,675	19,475		1,977
Boys' Tennis Club	2,909	1,615	709		3,815
Boys' Track Club	2,567	1,058	1,805		1,820
Yell Squad	4,232	39,707	39,033		4,906
Choraleers	2,175	10,873	11,514		1,534
Drama Club	2,630	2,445	1,720		3,355
Debate/Speech	-	5,312	5,312		-
Theatre	-	49,300	19,596		29,704
Panther Posse	388				388
Football Club	35,100	23,602	26,462		32,240
Donations	10,804	74,449	83,298		1,955
Baseball	-	11,749	11,749		-
Boys' Basketball	-	12,897	12,897		-
Boys' Golf	-	4,994	4,994		-
Boys' Soccer	-	7,687	7,687		-
Boys' Tennis	-	1,469	1,469		-
Boys' Track	-	15,551	15,551		-
Boys' Cross Country	75	1,974	2,049		-
Football	-	23,754	23,754		-
Girls' Basketball	-	11,001	11,001		-
Girls' Golf	-	4,729	4,729		-
Girls' Soccer	-	6,266	6,266		-
Girls' Tennis	-	1,618	1,618		-
Girls' Track	1	11,960	11,960		1
Softball	-	17,070	17,070		-
Swimming	-	7,253	7,253		-
Volleyball	-	23,382	23,382		-
Wrestling	-	21,896	21,896		-
Girls' Basketball Club	7,990	6,860	8,789		6,061
Girls' Soccer Club	4,437	9,519	8,145		5,811

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
SENIOR HIGH (Continued)					
Girls' Tennis Club	4,679	1,365	765		5,279
Girls' Track Club	2,114	1,143	1,055		2,202
Boys' Golf Club	1,264	2,104	1,738		1,630
NFL - National Forensics League	4,061	9,162	6,197		7,026
Norfolk Track/Field Classic	30,185	15,014	10,023		35,176
Orchestra Club	207	312	312		207
Pink Panthers	11,318	60,077	67,420		3,975
Milestone	9,754	3,105	4,680		8,179
Softball Club	16,750	2,308	2,646		16,412
Stage Band	336	11,627	9,129		2,834
Swimming Club	5,653	1,721	2,175		5,199
Volleyball Club	20,181	27,561	35,975		11,767
Wrestling Club	7,656	23,632	19,144		12,144
Alternatives For Success	1,014	7,754	3,853		4,915
Autistic Program	1,891				1,891
DECA	852				852
FBLA	391	391	405		377
Math Club	595	118			713
Student Council	25,102	13,023	8,637		29,488
Skills USA	3,265	80	882		2,463
Junior Statesmen	1,336				1,336
Quiz Bowl	234		100		134
World Language Club	200				200
AP English/Research Comp	5,377		2,407		2,970
AP Exams	1,519	13,640	13,622		1,537
Courtesy Fund	1,772				1,772
Fines	12,581	2,588	653		14,516
Prom	1,605	7,990	6,393		3,202
Personal Hygiene Machine	(291)	1,376	674		411
Metals	1,846				1,846
AP Math	(721)	20,412	2,329		17,362
AP Psychology	30,111		216		29,895
Post Prom	-	41,769	41,769		-

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
SENIOR HIGH (Continued)					
Power Mechanics	7				7
Retirement	581				581
Scholarships	1,065	7,000	7,500		565
Woods	7,119	5,963	6,288		6,794
Book Club	6				6
Nature Club	688		47		641
Creative Design	23				23
General Athletics	(3,347)	42,101	39,713		(959)
Miscellaneous	238	3,500	3,517		221
National Honor Society	302	1,516	1,675		143
GSA Club	1,211	725	321		1,615
Unified Bowling	2,633	1,177	830		2,980
Poetry Club	458				458
College Access Grant	4,106	2,000	2,405		3,701
Adult Transition	80		9		71
Graduation Fees	1,605	477	253		1,829
Fund Balance Class of 2022 Reunion	1,720				1,720
Circle of Friends Grant	1,347	1,726	466		2,607
Fund Balance Reunion-Class of '15	4,918		4,537		381
AP Agriculture Fund Balance	(687)	1,320	633		-
AP Speech & Debate Fund Balance	16,913		1,350		15,563
Fund Balance Reunion Class of '16	2,959		250		2,709
Fund Balance Reunion Class of '17	4,132				4,132
Flags Club	232	275	263		244
Weight Room Club	(163)	1,950	998		789
Fund Balance-Reunion Class of '18	1,826				1,826
Unified Bowling Club	1,039	300	35		1,304
Girls' Wrestling	-	16,986	16,986		-
Unified Track	617		270		347
Bowling	735	2,092	2,827		-
Bowling Club	2,804	1,200	805		3,199
Girls Wrestling Club	998	10,306	5,891		5,413
Fund Balance-Reunion Class of '25	-	3,585			3,585
TOTAL SENIOR HIGH	529,722	1,132,913	1,091,813	-	570,822

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
JUNIOR HIGH					
Girls Wrestling	-	3,872	3,872		-
Girls Wrestling Club	1,043	989			2,032
Orchestra	-	396	396		-
Panther Ambassadors	949				949
Drama	-	1,461	1,461		-
Foundation Grants	1,407	1,219	1,863		763
Band Club	423				423
Coca Cola Account-Lounge	268	838	1,123		(17)
Speech/Debate	-	1,995	1,995		-
Concessions	5,238	13,031	13,520		4,749
Milk Machine Account	2				2
Junior High Account	(580)	940	645		(285)
Show Choir Club	690				690
General Business Account	7,409	7,367	4,653		10,123
Brewed Awakenings	438	357	309		486
Technology	9,495	2,708	7,064		5,139
Athletic General Account	151	4,381	4,532		-
Football	-	16,064	16,064		-
Volleyball	-	6,325	6,265		60
Boys Basketball	-	1,886	1,886		-
Girls Basketball	-	2,383	2,383		-
Wrestling	-	3,484	3,484		-
Track	150	7,301	7,301		150
X-Country	-	570	570		-
Library-Lost Book Fine Account	4,070	90	92		4,068
Band	20	6,590	6,610		-
Yearbook	9,947	4,992	3,354		11,585
100 Year Celebration	73				73
Student Council	5,094	1,511	1,131		5,474
Wrestling Club	2,306		72		2,234
Girls Basketball Club	725	192			917
Volleyball Club	2,957	1,013	1,340		2,630
Track Club	2,784	3,477	716		5,545
Investment Account	35,650				35,650
Fund Balance - Show Choir	1,645	2,139	3,784		-
SCIP	669		84		585
Fund Balance	(678)	55	36		(659)
Fund Balance	-	89	-		89
TOTAL JUNIOR HIGH	92,345	97,715	96,605	-	93,455

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

SUBSIDIARY	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
Beyond School Bells	1,982	18,173	21,312		(1,157)
MS PTO Acct	78				78
Middle School Fund	14,346	30,691	34,423		10,614
MS 07 Concession Stand	6,597	95	1,450		5,242
MS Coca Cola Income/Commission	(170)	758	426		162
MS Library	11,813	8,783	11,119		9,477
MS Band & Orchestra	5,811	806	805		5,812
Cafeteria Food Service	193				193
AFS C/C Commission	80				80
Misc. Funds	81,565	61,789	6,016		137,338
Elementary Book Fines	5,887	739	2,248		4,378
JH C/C Commission	72				72
SH C/C Commission	219				219
Laminating	192				192
District Coca Cola Fund	73,781	18,027	5,541		86,267
Bel Air Fund	20,883	9,383	12,061		18,205
Special Ed Program	11,156	910	1,002		11,064
District Wellness	7,226	3,075	2,610		7,691
Grant Fund	6,966	12,051	7,157		11,860
STEM	(10,444)	10,724	280		-
Jefferson Fund	5,772	14,368	17,346		2,794
Dual Credit	-	33,305	33,305		-
Deaf & Hard of Hearing	3,813		3,813		-
Montessori School Fund	5,364	5,488	6,151		4,701
Washington Fund	6,309	2,680	3,010		5,979
Westside Fund	4,085	5,241	4,357		4,969
Woodland Park Fund	12,868	21,404	18,560		15,712
Elementary Gifted Art	30				30
Digital Training	9,999	22,046	5,620		26,425
Red Ribbon Day	3,296	1,725	1,418		3,603
Challenge Fund	1,845				1,845
Summer Session	-	284	1,689		(1,405)
Reimbursement/Exchange Acct	13,314				13,314
ECC	(5,305)	8,276	1,394		1,577
Summer Insurance/Annuities	1,482	5,475	5,131		1,826
Returned Checks	(716)				(716)
21st Century Grant	35,016	503			35,519
EC Network Respite Grant	2				2

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 ACTIVITY FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
 (UNAUDITED)
 FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
SUBSIDIARY (Continued)					
Computer Sales	54,387	23,654	13,424		64,617
Band Instrument Replacement	56	23,003	23,574		(515)
Middle School Autism Program	681				681
ECC Autism	330				330
Replacement Activity Cards	40				40
TOTAL SUBSIDIARY	390,901	343,456	245,242	-	489,115
 TOTAL ACTIVITY FUND	 1,012,968	 1,574,084	 1,433,660	 -	 1,153,392
 BUDGET	 950,485	 1,600,000	 2,550,485	 -	 -

MADISON COUNTY SCHOOL DISTRICT NO. 2
NORFOLK PUBLIC SCHOOLS
STUDENT FEE FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
(UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
Instrument Rental & Repair Fees	(500)	11,408	10,294		614
Instrument Rental Fee	325		325		-
Act Prep Book Fee	341				341
Baseball Hats, Belts, & Socks	(1,833)	528	696		(2,001)
Soccer Shin Guards 9-12	436	500	598		338
Boys' Tennis Fee	(305)	1,972	3,240		(1,573)
Cheerleading Uniform Fee	(1,214)	1,040	13,102		(13,276)
Choir Robe Cleaning Fee	4,153	1,140	1,755		3,538
Girls Golf Shirt 9-12	-	686			686
Boys Soccer Socks Fee	(605)	490	879		(994)
Girls Tennis Fee	(757)	677	665		(745)
Pink Panther Silver & Black Fee	(3,555)	960			(2,595)
Softball Hat Fee	(1,094)	455	144		(783)
Swimming Fee 9-12	(238)	4,009	3,943		(172)
FBLA	24				24
Pottery Project Fee	519				519
Activity Cards 9-12	22,320	24,320	24,760		21,880
Graduation Fees	369				369
Industrial Arts Lab-Safety Glasses	1,575				1,575
Chemistry Goggles Fee	146				146
21st Century Grant Fee	5,490	11,266	8,265		8,491
Business Services	42,347	19,640	937		61,050
Participation Fee	17,755	16,680	20,275		14,160
Technology Fee 7-12	304,512	40,169	1,715		342,966
21st Century Living Project Fee	350				350
Art 7 Fee	15				15
Wellness Workbook Fee 7-8	24				24
Art 8 Fee	150				150
Industrial Tech 8 Fee	305				305
Show Choir Shirt Fee	1,350	1,200	457		2,093
Activity Card Fee 7-8	10,295	12,480	12,215		10,560

MADISON COUNTY SCHOOL DISTRICT NO. 2
 NORFOLK PUBLIC SCHOOLS
 STUDENT FEE FUND SCHEDULE OF CHANGES IN CASH BALANCES (CONTINUED)
 (UNAUDITED)
 FOR THE YEAR ENDED AUGUST 31, 2025

	Balance 8/31/2024	Receipts	Disbursements	Transfers in (out)	Balance 8/31/2025
Art Class Fee	422				422
Band Shoes 9-12	1,174	1,184	647		1,711
Band Uniform Cleaning Fee	-	2,176	1,925		251
Choraleer Performance Outfit	2,103	6,820	7,770		1,153
Flags/Color Guard	(1,385)	1,083	1,846		(2,148)
Activity Cards K-6	41,014	9,202	9,009		41,207
Summer School	73,747	6,545	60		80,232
Band Gloves		245			245
TOTAL STUDENT FEE FUND	<u>519,775</u>	<u>176,875</u>	<u>125,522</u>	<u>-</u>	<u>571,128</u>
 BUDGET	 <u>445,680</u>	 <u>95,000</u>	 <u>540,680</u>		 <u>-</u>



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, Norfolk, Nebraska, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's basic financial statements and have issued our report thereon dated November 5, 2025. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on 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, Norfolk, Nebraska's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's internal control.

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

corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County School District No. 2 Norfolk Public Schools, Norfolk, Nebraska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Forward CPA, LLC

Omaha, Nebraska
November 5, 2025