

Board of Education Regular Meeting
Monday, November 10, 2025 5:30 PM

Tekamah-Herman Public Schools
112 N 13th St
Tekamah, NE 68061

Agenda

1. Call the meeting to order
2. Open Meetings Law
3. Roll Call
4. Consent Agenda
 - 4.1. Approval of Minutes
 - 4.2. Approval of General Fund Bills
 - 4.3. Approval of Board Member Absence
5. Treasurer's report
6. Recognition of Students and Staff
7. Recognition of Visitors/Public Comment
8. ACTION ITEMS
 - 8.1. Approve the school district audit for 2024-2025 fiscal year
 - 8.2. Approve the NTPPS Principal Evaluation instrument for the evaluation of administrators other than the superintendent
9. DISCUSSION ITEMS
 - 9.1. Discuss administrator evaluations and timelines
10. Principal and Activities Director Reports
 - 10.1. Elementary Principal
 - 10.2. Secondary Principal
 - 10.3. Activities Director Report
11. Board Reports
 - 11.1. Negotiations Committee
 - 11.2. Building, Grounds, and Transportation Committee
 - 11.3. Americanism Committee
12. Superintendent Report
13. Next meeting date and time: Monday, December 8th, 2025 at 5:30 pm
14. Adjournment

Board of Education Regular Meeting
Monday, October 13, 2025 5:30 PM Central
Tekamah-Herman Public Schools
112 N 13th St
Tekamah, NE 68061

Chris Booth: Absent
Abby Mathistad: Present
Mandyn Pruess: Present
Burt Rogers: Present
Bill Skinner: Present
Sheryl Stansberry: Present
Present: 5, Absent: 1.

1. Call the meeting to order

2. Open Meetings Law

3. Roll Call

4. Consent Agenda

The motion to approve the Consent Agenda including the Budget hearing minutes, Property Tax Request Hearing, September 8th, 2025 minutes, current claims and board member absences as presented Passed with a motion by Burt Rogers and a second by Sheryl Stansberry.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea

Yea: 5, Nay: 0, Absent: 1

4.1. Approval of Minutes

4.2. Approval of General Fund Bills

4.3. Approval of Board Member Absence

Chris Booth is out of town on business.

5. Treasurer's report

Mr. Kjar reviewed the August 2025 Treasurer's report with the Board.

6. Recognition of Students and Staff

Mrs. Beck introduced the September students of the month and recognized Carrie Braniff (4th grade) on her recent science activities by creating solar ovens. Mr. Heitz introduced the 2025-26 Student Leadership group.

7. Recognition of Visitors/Public Comment

8. ACTION ITEMS

8.1. Approve Tekamah-Herman Education Association as the official and only negotiating body for certified staff

The motion to approve Tekamah-Herman Education Association as the official and only negotiating body for certified staff Passed with a motion by Sheryl Stansberry and a second by Abby Mathistad.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea
Yea: 5, Nay: 0, Absent: 1

8.2. Revise, update policy 2008 Meetings

The motion to approve policy 2008 as presented Passed with a motion by Abby Mathistad and a second by Sheryl Stansberry.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea
Yea: 5, Nay: 0, Absent: 1

Policy 2008 addresses board meetings and the publication of notices of meetings. For publication procedures, the recommended change is to add the Burt County Independent or other newspaper of general circulation to the verbiage. This action is necessary due to the closing of the Burt County Plaindealer.

8.3. Re-allocate ear-marked depreciation funds

Motion to re-allocate \$10,100 to purchase the Chariot II Iscrub floor scrubber, funds previously allocated to the purchase of school vehicles Passed with a motion by Burt Rogers and a second by Abby Mathistad.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea
Yea: 5, Nay: 0, Absent: 1

The Board approved the purchase of the scrubber using Depreciation funds.

8.4. Discuss, consider, and take all action to set a timeline for the superintendent's evaluation

The motion to approve that the superintendent's evaluation be delivered no later than the December regular board of education meeting Passed with a motion by Sheryl Stansberry and a second by Bill Skinner.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea
Yea: 5, Nay: 0, Absent: 1

8.5. Approve Kiley Delzer as a substitute teacher

The motion to approve Kiley Delzer as a substitute teacher Passed with a motion by Abby Mathistad and a second by Burt Rogers.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea
Yea: 5, Nay: 0, Absent: 1

9. DISCUSSION ITEMS

9.1. Set meeting for Committee on Americanism

After discussion, the Americanism Committee will meet at 5:00pm, before the November 2025 regular board meeting.

10. Principal Reports

10.1. Elementary Principal

Mrs. Beck reported her current elementary enrollment is at 296. On September 25th, 2025, Beck attended the fall symposium at the Open Sky Policy Institute in Lincoln. The outing included staying up-to-date on the political landscape in Nebraska, and it's an important part of being able to advocate for our public schools.

10.2. Secondary Principal

Mr. Heitz reported that the annual veteran's day program is on November 11th at 10:00, with coffee/rolls to follow in the commons area. Also reported on the 7-12 MTSS teams and missing assignments and quarter/semester grades.

11. Board Reports

11.1. Building, Grounds, and Transportation Committee Report

The Building and Grounds committee is continuing to meet with architect Bob Soukup of Carlson West Povondra. Areas of concern are focused around Tiger Stadium and Elementary Classroom space. The discussion of adding or renovating these spaces sparked an initial meeting with Tobin Buchanan of Northland Securities. This meeting was held to discuss the District's financial position and the process of beginning a lease purchase program to finance these needs. Buchanan is not a stranger to our Board. He has financially guided us over the past 10 years on all our building improvement projects. A Lease Purchase is simply a tax exempt loan placed with a bank. The process is as follows: Buchanan serves as the placement official, creating a document of the District's finances and overall "story". He presents this document to banks (including local) looking for rate bids. A bond attorney drafts a lease purchase document with an amount not to exceed and the bank chosen to house the loan. The School Board approves the document and funding is available within 30 days. The first payment is due 6 months from the date the funds arrive. After reviewing the current tax base and the amount of funds currently available in the building fund, it was decided the Board was comfortable spending \$3.5 to \$4 million. The Board is moving forward, instructing the architect to focus on splitting the project into two parts: 1) Tiger Stadium and 2) Elementary Classrooms. The stadium renovations include turning the existing concession stand building into storage. A new pole building will be constructed near the entrance to the stadium and will include a.d.a public restrooms, concessions, ticket booth, locker room and a team meeting room. This is the priority and the Board anticipates this to be completed prior to the 2026 fall events. The classroom addition consisted of adding four classrooms, ultimately joining the 5th/6th grade classrooms with the elementary music classroom (formally the ag classroom). The Board is awaiting final costs and will continue to move forward with the project as stated.

12. Superintendent Report

Mr. Kjar discussed publishing the Budget Hearing in the Burt County Independent newspaper. Also addressed was news from the NASB regional meeting. The topic of Special Education option enrollment is not going away. This will be a concern for all Districts as there will be no way to staff or budget for these students and their needs. Kjar will continue to keep the Board posted on the subject.

13. Next meeting date and time: Monday, November 10th, 2025 at 5:30 pm

14. Adjournment

The motion to adjourn meeting at 6:06pm Passed with a motion by Bill Skinner and a second by Sheryl Stansberry.

Chris Booth: Absent, Abby Mathistad: Yea, Mandyn Pruess: Yea, Burt Rogers: Yea, Bill Skinner: Yea, Sheryl Stansberry: Yea

Yea: 6, Nay: 0

<u>Check Number</u>	<u>Check Date</u>	<u>Entity Name</u>	<u>Amount</u>
145379	11/10/2025	ACCESS SYSTEM LEASING	2,184.72
145380	11/10/2025	ACCESS SYSTEMS TC50	221.98
145381	11/10/2025	AJ'S SERVICE AND REPAIR	192.00
145382	11/10/2025	AMAZON CAPITAL SERVICES, INC	380.94
145383	11/10/2025	APPLE FINANCIAL SERVICES	22,640.81
145384	11/10/2025	ARR-BOONE BROTHERS ROOFING	384.00
145385	11/10/2025	MANNI BELFRAGE	58.80
145386	11/10/2025	MELISA BERGMAN	38.22
145387	11/10/2025	BOMGAARS SUPPLY INC	330.49
145388	11/10/2025	BRANIFF SERVICE	2,256.62
145389	11/10/2025	BRUMMOND DISPOSAL LLC	415.00
145390	11/10/2025	BURT COUNTY CLERK	913.36
145391	11/10/2025	BURT COUNTY INDEPENDENT	336.47
145392	11/10/2025	CAPITAL SANITARY SUPPLY	2,189.01
145393	11/10/2025	CENTURYLINK	554.63
145394	11/10/2025	Chartwells Dining Service	430.10
145395	11/10/2025	CITY OF TEKAMAH	1,012.25
145396	11/10/2025	CITY WIDE FACILITY SOLUTIONS	11,760.00
145397	11/10/2025	COURT FLOORS	4,500.00
145398	11/10/2025	CRAIG RESOURCES INC, DBA CRAIG	3,675.54
145399	11/10/2025	DAS STATE ACCTG-CENTRAL FINANCE OCIO	3,322.18
145400	11/10/2025	DIETZ MUSIC HOUSE, INC	451.92
145401	11/10/2025	ESU #2	85.00
145402	11/10/2025	ESU #5	1,900.00
145403	11/10/2025	FAS-BREAK	65.00
145404	11/10/2025	FIRST NATIONAL BANK OMAHA	875.06
145405	11/10/2025	FIRST NATIONAL BANK OMAHA	52.60
145406	11/10/2025	FIRST NATIONAL BANK OMAHA	270.74
145407	11/10/2025	GLASS HOUSE	2,646.63
145408	11/10/2025	DAVID BITTER	348.00
145409	11/10/2025	BRI HANSEN	131.60
145410	11/10/2025	PAUL JACKSON	125.69
145411	11/10/2025	JOHNSON FITNESS & WELLNESS	1,868.44
145412	11/10/2025	JARED KRAUSE	294.00
145413	11/10/2025	KSB SCHOOL LAW, PC LLO	1,074.50
145414	11/10/2025	BROOKE CHELEEN	1,202.85
145415	11/10/2025	HEIDI LINDBERG	63.28
145416	11/10/2025	HOLLY LOFTIS	235.20
145417	11/10/2025	MATHESON TRI-GAS, INC	1,523.38
145418	11/10/2025	LAURA MCELMURAY	108.78
145419	11/10/2025	NE COUNCIL SCHOOL ADMINISTRATORS	1,195.00
145420	11/10/2025	NEBRASKA PUBLIC POWER	9,200.00
145421	11/10/2025	Nishja Nuss	54.37
145422	11/10/2025	OneSource	32.00
145423	11/10/2025	RISE BROADBAND	110.19
145424	11/10/2025	RUTT'S MECHANICAL SERVICES	8,970.00
145425	11/10/2025	SAVEMORE MARKET	224.20
145426	11/10/2025	School Specialty, Inc.	270.86
145427	11/10/2025	Security Equipment Inc.	3,376.00
145428	11/10/2025	SHAMBURG AUTO SUPPLY, INC	250.36
145429	11/10/2025	TEACHER SYNERGY LLC	16.00
145430	11/10/2025	Tekamah-Herman Schools	87.38
145431	11/10/2025	TRUCK CENTER COMPANIES	1,091.81
145432	11/10/2025	TRUCK CENTER COMPANIES	1,084.09
145433	11/10/2025	VERIZON WIRELESS	90.32
145434	11/10/2025	VESTIS	282.48
145435	11/10/2025	WALTER LYDICK	7,375.00
145436	11/10/2025	WELDING SUPPLIES FROM IOC	6,600.00
145437	11/10/2025	WOODRIVER ENERGY LLC	551.73
	11/10/2025	CREXENDO	1,296.42
	11/10/2025	BRIDGET ABRAHAM	252.84
	11/10/2025	VANESSA BRAND	235.20
	11/10/2025	CARRIE BRANIFF	64.68
	11/10/2025	BRIDGETTE BRAYMEN	191.10
	11/10/2025	Abra Bridges	205.80
	11/10/2025	CARI BRODERSEN	205.80
	11/10/2025	ANDREA BROMM	117.60
	11/10/2025	JAMIE BRUMMOND	147.00
	11/10/2025	SARAH BRUSEGAARD	212.38
	11/10/2025	SABINA CAMERON	147.00
	11/10/2025	JILL CONNEALY	205.80

11/10/2025	KENDAL DORN	55.86
11/10/2025	ROBERT & BREANNE EVASIC	155.82
11/10/2025	ASHLEY FISHER	176.40
11/10/2025	DEANNA GOODWIN	264.60
11/10/2025	JOEL HAMAN	366.03
11/10/2025	AMANDA HANSEN	97.02
11/10/2025	CHELSEA HANSEN	138.18
11/10/2025	JON HANSEN	149.94
11/10/2025	LINDSEY HANSEN	117.60
11/10/2025	BUCK OR ALLIE HOIER	102.90
11/10/2025	KATHY HUESER	226.38
11/10/2025	CONNIE JARZYNSKA	140.00
11/10/2025	MACKENZIE KAHLANDT	276.36
11/10/2025	BRETT KAZEMBA	152.88
11/10/2025	PAIGE KNAUSS	352.80
11/10/2025	TIMOTHY OR GINA LANDSPERGER	82.32
11/10/2025	KATIE LEICHLITER	352.80
11/10/2025	MICHAELA MANN	147.00
11/10/2025	TIFFANY MARQUARDT	158.76
11/10/2025	CARISSA OR ANDY OLIGMUELLER	41.16
11/10/2025	RYANN PAGELS	246.96
11/10/2025	JACOB OR TIFFANY PETTIT	264.60
11/10/2025	JENNIFER POTADLE	34.58
11/10/2025	BRITTANY RAY	188.16
11/10/2025	DANIELLE ROBERTS	205.80
11/10/2025	JODIE SCHUETT	194.04
11/10/2025	SHAUNA SELF	408.66
11/10/2025	TRISHA SHEETS	176.40
11/10/2025	AARON SNOW	117.60
11/10/2025	JILL SPENNER	235.20
11/10/2025	SEAN THIEMANN	244.02
11/10/2025	MICHELLE TOBIN	221.34
11/10/2025	ASHLEY TYSON	235.20
11/10/2025	ASHLEY WIMER	76.44
11/10/2025	HAILEY WOLF	373.38
11/10/2025	KILEY WORLEY	352.80

Total	122,393.19
-------	------------

GENERAL FUND		
Sep-25		
CASH ON HAND	\$ 3,153,706.71	
GENERAL REIMBURSEMENT FUND		
CASH BALANCE		\$ 3,153,706.71
BURT COUNTY TAXES	\$ 253,215.58	
WASHINGTON COUNTY TAXES	\$ 73,456.68	
REAP GRANT	\$ 46,583.00	
CTE GRANT	\$ 7,500.00	
DISPOSAL OF PROPERTY	\$ 200.00	
STATE AID	\$ 83,822.00	
INTEREST	\$ 2,396.89	
	T. REVENUE	\$ 467,174.15
		\$3,620,880.86
PAYROLL	\$ 619,373.49	
EXPENDITURES	\$ 180,932.67	
	T. EXPENDITURES	\$ 800,306.16
Ending Balance 9/30/2025		\$2,820,574.70
DEPRECIATION FUND		
Sep-25		
CASH ON HAND	\$ 202,278.01	
CASH BALANCE		\$ 202,278.01
TRANSFER		
INTEREST	\$ 443.35	\$ 443.35
	TOTAL REVENUE	\$202,721.36
EXPENDITURES		
	TOTAL EXPENDITURE	\$ -
Ending Balance 9/30/2025		\$202,721.36
EMPLOYEE BENEFIT FUND		
Sep-25		
CASH ON HAND	\$ 48,493.96	
CASH BALANCE		\$ 48,493.96
INTEREST	\$ 106.29	
NON-REVENUE RECEIPTS (REFUND)		
		\$ 106.29
	TOTAL REVENUE	\$ 48,600.25
EXPENDITURES		

	TOTAL EXPENDITURE	\$	-
ENDING BALANCE 9/30/2025			\$48,600.25
ACTIVITY FUND			
Sep-25			
CASH ON HAND	\$	126,469.11	
CASH BALANCE			\$ 126,469.11
DEPOSITS	\$	46,561.91	
TRANSFER IN			
INTEREST	\$	314.65	
			\$ 46,876.56
TOTAL REVENUE			\$173,345.67
EXPENDITURES	\$	36,391.92	
		TOTAL EXPENDITURE	\$ 36,391.92
Ending Balance 9/30/2025			\$136,953.75
LUNCH FUND			
Sep-25			
CASH ON HAND	\$	99,292.55	
CASH BALANCE			\$ 99,292.55
DEPOSITS	\$	10,035.76	
INTEREST	\$	226.17	
			\$ 10,261.93
		TOTAL REVENUE	\$ 109,554.48
PAYROLL	\$	8,531.37	
EXPENDITURES	\$	19,024.13	
			\$ 27,555.50
Ending Balance 9/30/2025			\$81,998.98
BOND FUND			
Sep-25			
CASH ON HAND	\$	1,060,122.02	
CASH BALANCE			\$ 1,060,122.02
BURT COUNTY TAXES	\$	43,983.82	
WASHINGTON COUNTY TAXES	\$	12,759.44	
INTEREST	\$	2,156.31	
			\$ 58,899.57

	TOTAL REVENUE	\$1,119,021.59
EXPENDITURES	\$ -	
	TOTAL EXPENDITURE	\$ -
Ending Balance 9/30/2025		\$1,119,021.59
BUILDING FUND		
Sep-25		
CASH ON HAND	\$ 2,275,111.97	
CASH BALANCE		\$ 2,275,111.97
BURT COUNTY TAXES	\$ 19,382.51	
WASHINGTON COUNTY TAXES	\$ 5,842.49	
INTEREST	\$ 3,960.65	
		\$ 29,185.65
	TOTAL REVENUE	\$ 2,304,297.62
EXPENDITURES	\$ 94,120.00	
	TOTAL EXPENDITURE	\$ 94,120.00
Ending Balance 9/30/2025		\$ 2,210,177.62

Tekamah-Herman Board Meeting
Secondary Report

11/10/25

Staff and Student Recognition

- Nebraska State JAG Vice President–Brock Paul (again!)
- All-State Choir - Brock Paul, Addison Stansberry, Lily Willing
- East Husker Conference Honor Choir - Lena Christensen, Coraline Davis, Madalyn Davis, Cadence Heath, Haylee Rempe
- FFA Events
 - National FFA @ Indianapolis
 - Ruby Booth, Wyatt Evasic, Jager Leichleiter, Parke Loftis, Layla Pruess, Mason Tobin
 - District Dairy Judging @ Wayne
 - Jr. Team Placed 5th out of 15 teams; Kruze Leichleiter and Brayden Stierwalt both placed in the top 20 out of 260 Participants
 - Sr. Team Placed 7th out of 15 teams; Daisy Cameron and Miley Bergman both placed in the top 20 out of 160 participants.
 - Leigh Invitational Livestock Judging Contest
 - Jr. Team placed 11th out of 52 teams
 - District Land Judging @ Wisner
 - We placed 6th and just missed going to state

Principal's Report

- Veterans Day
- Conference One-Act, Nov. 18
- CDL training

Tekamah-Herman Board Meeting
Elementary Report

11/10/25

Staff and Student Recognition

- Students of the month for October Kynleigh Scott, Juliette Schuett, Willa Connealy, Karlee Rader, Paisley Welte, Freya Feeley, Bowen Roberts, Brynlee Hansen, Savannah Brummond, Laynie Worley, Buck Braniff, Ruby Kjar, Weston Hansen, Christian Leonard, and Easton Dorn.
- Sara Donnelly, Jennie Noel, and Lacey McCulloch are doing an AMAZING job in our kitchen! I am so grateful for their hardwork, and they are making lunch THE BEST part of our students day!

Principal's Report

- Our current enrollment is 296, there were no additional changes in enrollment since our last board meeting.
- I'm interested in bringing on a therapy dog to our team next school year, and am in the process of certifying our new family puppy as a therapy dog. While I worked in Fremont, there were several therapy dogs on our staff, and they were a valuable addition for both our students and staff. I found Finley (therapy dog that worked in the main office) especially helpful when working with students in crisis.
 - [Compiled research article about the benefits of a therapy dog in schools](#)
 - Here's Cooper:



**BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH - HERMAN COMMUNITY SCHOOLS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025

ERICKSON & BROOKS

Certified Public Accountants

FREMONT, NEBRASKA

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
AUGUST 31, 2025

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
BASIC FINANCIAL STATEMENTS - CASH BASIS:	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4 - 5
Fund Financial Statements:	
Statement of Assets and Fund Balances - Governmental Funds	6
Statement of Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds	7
Statement of Net Position - Proprietary Fund	8
Statement of Receipts, Disbursements, and Changes in Net Position - Proprietary Fund	8
Notes to the Financial Statements	9 - 19
SUPPLEMENTARY INFORMATION	
Individual Fund Budgetary Comparison Schedules	20 - 27
Supporting Schedule of Cash Disbursements - General Fund	28 - 30
REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 - 32
Schedule of Findings and Responses	33 - 34

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN E. PRIBNOW
DANIEL J. WIESEN
KENT P. SPEICHER

2195 NORTH BROAD STREET
P.O. BOX 1270
FREMONT, NEBRASKA 68026-1270

(402) 721-3454
FAX (402) 721-2894
eb-cpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
Burt County School District No. 1
Tekamah-Herman Community Schools
Tekamah, Nebraska

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, and each major fund of Burt County School District No. 001 – Tekamah-Herman Community Schools ("School District"), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and each major fund of Burt County School District No. 001 – Tekamah-Herman Community Schools, as of August 31, 2025, and the respective changes in cash basis financial position, thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

Erickson & Brooks

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

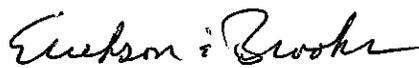
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information as listed on pages 20 through 30 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

ERICKSON & BROOKS



Fremont, Nebraska
October 28, 2025

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
AUGUST 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,866,276	\$ 99,293	\$ 5,965,569
Due from County Treasurer	1,175,597	-	1,175,597
Total net assets	\$ 7,041,873	\$ 99,293	\$ 7,141,166
 <u>NET POSITION</u>			
Restricted	\$ 3,470,159	\$ -	\$ 3,470,159
Unrestricted	3,571,714	99,293	3,671,007
Total net position	\$ 7,041,873	\$ 99,293	\$ 7,141,166

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2025

Functions/Programs	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
	Charges for Services	Operating		Governmental Activities	Primary Government	
		Contributions	Grants and Contributions		Business-type Activities	Total
Governmental activities:						
Instruction	\$ 5,922,260	\$ -	\$ -	\$ (5,922,260)	\$ -	\$ (5,922,260)
Support services - students	662,888	-	-	(662,888)	-	(662,888)
Support services - instruction	393,284	-	-	(393,284)	-	(393,284)
Support services - general administration	958,185	-	-	(958,185)	-	(958,185)
Central services	446,130	-	-	(446,130)	-	(446,130)
Operation and maintenance of plant	796,939	-	-	(796,939)	-	(796,939)
Student transportation	196,750	-	-	(196,750)	-	(196,750)
Private and state categorical programs	21,804	-	-	(21,804)	-	(21,804)
Facilities acquisitions and construction	363,470	-	-	(363,470)	-	(363,470)
Debt service	753,700	-	-	(753,700)	-	(753,700)
Federal programs	305,317	-	535,909	412,937	-	412,937
	10,820,727	-	535,909	(10,102,473)	-	(10,102,473)
Business-type activities:						
School nutrition	308,965	112,581	135,358	-	(61,026)	(61,026)
Total primary government	\$ 11,129,692	\$ 112,581	\$ 671,267	\$ (10,102,473)	(61,026)	(10,163,499)

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2025
 (continued)

	Net (Disbursement) Receipt and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Balance Forward	\$ (10,102,473)	\$ (61,026)	\$ (10,163,499)
General receipts:			
Taxes	5,338,212	-	5,338,212
Other local receipts	984,815	2,954	987,769
County receipts	25,184	-	25,184
State receipts	5,091,690	-	5,091,690
Insurance adjustments	134,925	-	134,925
Non-revenue receipts	25,938	-	25,938
	11,600,764	2,954	11,603,718
Change in net position	1,498,291	(58,072)	1,440,219
Net position - beginning	5,543,582	157,365	5,700,947
Net position - ending	\$ 7,041,873	\$ 99,293	\$ 7,141,166

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 001
 TEKAMAH-HERMAN COMMUNITY SCHOOLS
 TEKAMAH, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
AUGUST 31, 2025

	Major Funds						Total Governmental Funds
	General Fund	Depreciation Fund	Employee Benefit Fund	Special Building Fund	Bond Fund	Activity Fund	
<u>ASSETS</u>							
Cash and investments	\$ 2,269,797	\$ 202,278	\$ 48,494	\$ 2,332,617	\$ 886,621	\$ 126,469	\$ 5,866,276
Due from County Treasurer	924,676	-	-	77,420	173,501	-	1,175,597
Total assets	<u>\$ 3,194,473</u>	<u>\$ 202,278</u>	<u>\$ 48,494</u>	<u>\$ 2,410,037</u>	<u>\$ 1,060,122</u>	<u>\$ 126,469</u>	<u>\$ 7,041,873</u>
<u>FUND BALANCES</u>							
Restricted for:							
Capital projects	\$ -	\$ -	\$ -	\$ 2,410,037	\$ -	\$ -	\$ 2,410,037
Debt service	-	-	-	-	1,060,122	-	1,060,122
Assigned for:							
Employee benefits	-	-	48,494	-	-	-	48,494
Activity fund	-	-	-	-	-	126,469	126,469
Capital outlay	-	202,278	-	-	-	-	202,278
Unassigned	3,194,473	-	-	-	-	-	3,194,473
Total fund balances	<u>3,194,473</u>	<u>202,278</u>	<u>48,494</u>	<u>2,410,037</u>	<u>1,060,122</u>	<u>126,469</u>	<u>7,041,873</u>
Total fund balances	<u>\$ 3,194,473</u>	<u>\$ 202,278</u>	<u>\$ 48,494</u>	<u>\$ 2,410,037</u>	<u>\$ 1,060,122</u>	<u>\$ 126,469</u>	<u>\$ 7,041,873</u>

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS

TEKAMAH, NEBRASKA

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Major Funds			
	General Fund	Depreciation Fund	Employee Benefit Fund	Special Building Fund
<u>RECEIPTS</u>				
Taxes	\$ 4,145,128	\$ -	\$ -	\$ 391,582
Other local receipts	585,954	4,229	1,314	59,267
County receipts	25,184	-	-	-
State receipts	4,742,715	-	-	229,308
Federal receipts	718,254	-	-	-
Transfers	-	75,000	-	-
Insurance adjustments	-	-	-	134,925
Other non-revenue receipts	25,938	-	-	-
Total receipts	<u>10,243,173</u>	<u>79,229</u>	<u>1,314</u>	<u>815,082</u>
<u>DISBURSEMENTS</u>				
Instruction	5,922,260	-	-	-
Support services - students	662,888	-	-	-
Support services - instruction	186,759	206,525	-	-
Support services - general administration	958,185	-	-	-
Central services	40,455	-	6,356	-
Operation and maintenance of plant	782,879	-	-	14,060
Student transportation	271,750	-	-	-
Private and state categorical programs	21,804	-	-	-
Facilities acquisitions and construction	-	-	-	363,470
Debt service	-	-	-	-
Federal programs	305,317	-	-	-
Transfers (outgoing)	-	-	-	-
Total disbursements	<u>9,152,297</u>	<u>206,525</u>	<u>6,356</u>	<u>377,530</u>
Net change in fund balance	1,090,876	(127,296)	(5,042)	437,552
Fund balances - beginning	<u>2,103,597</u>	<u>329,574</u>	<u>53,536</u>	<u>1,972,485</u>
Fund balances - ending	<u>\$ 3,194,473</u>	<u>\$ 202,278</u>	<u>\$ 48,494</u>	<u>\$ 2,410,037</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

<u>Bond Fund</u>	<u>Activity Fund</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
\$ 801,502	\$ -	\$ -	\$ 5,338,212
29,155	304,896	-	984,815
-	-	-	25,184
119,667	-	-	5,091,690
-	-	-	718,254
-	-	(75,000)	-
-	-	-	134,925
-	-	-	25,938
950,324	304,896	(75,000)	12,319,018
-	-	-	5,922,260
-	-	-	662,888
-	-	-	393,284
-	-	-	958,185
-	399,319	-	446,130
-	-	-	796,939
-	-	(75,000)	196,750
-	-	-	21,804
-	-	-	363,470
753,700	-	-	753,700
-	-	-	305,317
-	-	-	-
753,700	399,319	(75,000)	10,820,727
196,624	(94,423)	-	1,498,291
863,498	220,892	-	5,543,582
\$ 1,060,122	\$ 126,469		\$ 7,041,873

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUND
AUGUST 31, 2025

	<u>School Nutrition Fund</u>
<u>ASSETS</u>	
Cash	<u>\$ 99,293</u>
 <u>NET POSITION</u>	
Unrestricted	<u>\$ 99,293</u>

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET POSITION - CASH BASIS
PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>School Nutrition Fund</u>
<u>OPERATING RECEIPTS</u>	
Charges for services: Lunchroom sales	<u>\$ 112,581</u>
 <u>OPERATING DISBURSEMENTS</u>	
Cost of sales and services	<u>308,965</u>
Operating loss	<u>(196,384)</u>
 <u>NONOPERATING RECEIPTS</u>	
USDA and State subsidy	135,358
Investment income	<u>2,954</u>
Total nonoperating receipts	<u>138,312</u>
Change in net position	(58,072)
Total net position - beginning	<u>157,365</u>
Total net position - ending	<u>\$ 99,293</u>

The accompanying notes are an integral part of these financial statements.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025

Note 1 – Summary of Significant Accounting Policies

Overview

The significant accounting principles and practices followed by Burt County School District No. 001 – Tekamah-Herman Community Schools ("School District") are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The financial statements presented represent all funds maintained by school authorities' incident to school building construction, and the operation, maintenance and management of school services, activities, projects and investments.

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

Reporting Entity

The School District's Board of Education ("Board") is the basic level of government which has financial accountability and control over all activities related to the public school education in the School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since 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. The School District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the School District and has concluded that no other organization should be included. In addition, there are no component units as defined in GASB, which are included in the School District's reporting entity.

The School District has the following related organization not considered to have a significant operation or financial relationship:

The Tekamah-Herman Public Schools Foundation gives scholarships and receives donations to be used for various school projects.

Basis of Accounting

The School District prepares its financial statements on the cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of the School District and do not include certain transactions that would be included if the School District prepared its financial statements in accordance with generally accepted accounting principles, as applicable to Governmental units. Under the cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States, as applicable to Governmental units.

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

Basis of Presentation

The School District follows the provisions of Statement No. 34 ("Statement 34") of the Government Accounting Standards Board "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." Statement 34 established standards for external financial reporting for all state and local

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

government entities, which includes government-wide financial statements, fund financial statements and the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted.

Government-wide and Fund Financial Statements

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

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

Fund financial statements are provided for governmental funds and proprietary funds. A fund is considered major if it is the primary operating fund of the School District (General), meets specific criteria set forth by GASB, total assets, liabilities, receipts or disbursements are at least 10% of the total for all funds of that type and at least 5% of the corresponding element for all governmental and proprietary funds combined, or is designated as a major fund by the School District's management. The School District has elected to treat all funds as major. The following fund types are used by the School District:

Governmental Fund Types

Major Funds:

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

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

Employee Benefit Fund - An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation, early retirement, health insurance deductibles, etc.) To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund, and the Employee Benefit Fund will show the revenue as a transfer from the General Fund. A school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The cash reserve of this fund is restricted by statute as part of the Allowable Reserve limitation. The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. The Board of Education may approve a budget with a levy limitation of 14 cents per one hundred dollars of valuation; or a tax levy not to exceed 17.5 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the School District.

Bond Fund – The Bond Fund is used to record receipts and expenditures for bond principal and interest payments. Proceeds from bond issues are deposited and recorded as a receipt in the Special Building Fund. The General Fund is used to make interest and bond retirement payments if the Bond Fund balance is not sufficient to meet these requirements.

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.

Student Fee Fund - The Student Fee Fund is a separate school district fund not funded by tax revenue into which all money collected from students pursuant to the Public Elementary and Secondary Student Fee Authorization Act must be deposited. Included are fees for extracurricular activities, postsecondary education and summer or night school. The School District does not collect student fees for these items.

Proprietary Fund Types

School Nutrition Fund - The School Nutrition Fund is used to accommodate all aspects of the school nutrition program and accounts for all receipts and disbursements of all child nutrition programs. Receipts in this fund include the federal and state program cost reimbursements received by the School District and general fund support of the nutrition program. All food purchases and other supplies are accounted for as expenses of the school nutrition fund; accordingly, no inventories are maintained in this fund.

Equity Classifications and Fund Balances

For the government wide financial statements, equity is classified as net position and displayed in two components:

Restricted Net Position - consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - all other net position that does not meet the definition of "restricted".

It is the School District's policy to first use restricted net position, then use unrestricted net position when a disbursement is made for purposes in which both restricted and unrestricted net position is available.

For the fund financial statements, the School District follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Non-spendable Fund Balance - includes amounts that are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the School District's highest level of decision-making authority, the Board of Trustees of the School District. Commitments may be changed or lifted only by the School District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

Assigned Fund Balance - includes amounts intended to be used by the School District for specific purposes that are neither restricted nor committed. Intent is expressed by the District Board of Trustees, or a body (a budget, finance committee, or District Manager) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted, or committed.

Unassigned Fund Balance - this residual classification is used for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Capital Assets and Long-term Liabilities

In accordance with the cash basis of accounting, capital assets and long-term liability principal payments are recorded as expenditures when paid by the School District. No asset is recorded and no allowance for depreciation is provided or included in the accompanying financial statements. Proceeds from issuance of long-term liabilities are recorded as other financing sources net of issuance costs when received by the School District and are also not included in the accompanying financial statements.

Compensated Absences

Employees of the School District earn paid vacation, sick days and other time off depending on length of service. In accordance with the cash basis of accounting, the School District's policy is to recognize costs of compensated absences when paid to employees.

Implementation of New GASB Pronouncements

The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. This Statement updates the recognition and measurement guidance. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Management has implemented this Statement and reports no significant impact of these requirements.

The GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Management has implemented this Statement and reports no significant impact of these requirements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management is in the process of completing its assessment of the impact of these requirements.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

Note 2 – Budget Process and Property Taxes

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

State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditures and/or tax levy limitations. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the administration of the School District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Total expenditures may not legally exceed the total budget of expenditures. Appropriations lapse at year end and any revisions require a public hearing and Board approval.
5. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which attaches as an enforceable lien on property within the School District as of January 1. Taxes are due as of that date. One half of the real estate taxes due January 1 become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

Note 3 – Amounts Due from County Treasurer

The amounts presented as due from County Treasurer are held by the Burt County Treasurer and the Washington County Treasurer. The County bills and collects the local property taxes as agent for the School District and remits the funds to the School District monthly. The balances per county at August 31, 2025 are:

	<u>General Fund</u>	<u>Special Building Fund</u>	<u>Bond Fund</u>	<u>Totals</u>
Burt County Treasurer	\$ 746,047	\$ 62,576	\$ 140,174	\$ 948,797
Washington County Treasurer	178,629	14,844	33,327	226,800
	<u>\$ 924,676</u>	<u>\$ 77,420</u>	<u>\$ 173,501</u>	<u>\$ 1,175,597</u>

Note 4 – Cash and Investments

Nebraska Statute Section 79-1043 provides that the School District may, by and with the consent of the Board of Education of the School District, invest the funds of the School District in securities, including repurchase agreements, the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

At August 31, 2025, the School District had bank deposits of \$6,130,048, with a carrying amount of \$5,965,569, all of which was covered by federal depository insurance and/or collateralized by U.S. Government securities and municipal obligations subject to joint custody safe keeping receipts issued by the custodial financial institution which was not the pledging institution. No attorney's opinion has been obtained regarding the enforceability of claims which might arise under the custodial arrangements. All investments are registered in the School District's name, or are fully insured. Investments are recorded at carrying amounts which approximates market value.

Custodial Credit Risk – For bank deposits, custodial credit risk is the risk that in the event of a financial institution failure, the School District's deposits may not be returned to the School District. The School District does not have any deposits exposed to custodial credit risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have any investments exposed to custodial credit risk.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments consist of IntraFi Cash Service (ICS) sweep account, minimizing credit risk associated with the District's investment portfolio.

Concentration of Credit Risk – State statutes do not limit the amount that may be invested in any one issuer.

Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The District's investments had no exposure to foreign currency risk and the District held no investments denominated in foreign currency as of August 31, 2025.

Note 5 – Equipment Rental

The School District had entered into a rental agreement for copiers with Access Systems for a five-year term. The rental term is from June 16, 2025 to June 16, 2030, with a monthly payment of \$2,400. There is also a maintenance agreement.

Total equipment payments for the year ending August 31, 2025, totaled \$42,167.

The School District had entered into an Apple lease agreement for a three-year term with payments due September 15, 2023, 2024, and 2025. The yearly total is \$26,370.

Note 6 – Long Term Debt

The following is a summary of debt transactions of the School District for the year ended August 31, 2025:

	<u>Issue Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
<u>Bond Fund</u>					
2020 General obligation bonds	7/15/20	\$ 8,175,000	\$ -	\$ 440,000	\$ 7,735,000
2021 General obligation bonds	1/12/21	2,235,000	-	120,000	2,115,000
		<u>\$10,410,000</u>	<u>\$ -</u>	<u>\$ 560,000</u>	<u>\$ 9,850,000</u>

The bonds are financed by property tax levies. They are backed by the full faith, credit and taxing power of the School District. They were established to finance construction, renovation, and expansion projects with the School District's buildings.

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

Interest expense for the bonds for the year ended August 31, 2025 was \$192,860.

The 2020 general obligation bonds bear interest rates ranging from .5% to 2.0% with semi-annual interest payments on June 15 and December 15 and annual principal payments on June 15. The bonds mature on June 15, 2040.

The 2021 general obligation bonds bear interest rates ranging from .35% to 2.0% with semi-annual interest payments on June 15 and December 15 and annual principal payments on December 15. The bonds mature on December 15, 2040.

The annual requirements to amortize debt payable outstanding as of August 31, 2025 are as follows:

<u>FYE</u>	<u>Series 2020</u>		<u>Series 2021</u>	
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Interest Portion</u>
2026	\$ 445,000	\$ 154,700	\$ 120,000	\$ 28,730
2027	455,000	145,800	125,000	28,025
2028	465,000	136,700	125,000	27,213
2029	475,000	127,400	125,000	26,244
2030	485,000	117,900	125,000	25,088
2031-35	2,575,000	440,000	650,000	101,895
2036-40	2,835,000	172,400	695,000	48,165
2041	-	-	150,000	1,500
	<u>\$ 7,735,000</u>	<u>\$ 1,294,900</u>	<u>\$ 2,115,000</u>	<u>\$ 286,860</u>

Note 7 – Contingencies

Grant Program - The School District participates in a number of state and federally assisted programs. These programs are subject to financial and compliance audits of various agencies and departments, many of which have not yet been performed. The School District's management believes that the amount of expenditures, if any, which may be disallowed by the granting agencies would not be significant.

Compensated Absences - As a result of the School District's use of the cash basis of accounting, accrued liabilities related to compensated absences (sick leave and vacation) and any employer-related costs earned and unpaid, are not reflected in the government-wide or fund financial statements.

Note 8 – Pension Plan

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

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

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
 (continued)

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

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the monthly 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 years of creditable service equals 85 or greater. At ages 60 to 64, members may qualify to receive unreduced benefits under tier four "Rule of 85" if the member's attained age plus years of 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 of a percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

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

For the School District's year ended August 31, 2025, the total payroll for all employees was \$5,042,885. Total covered payroll was \$4,893,234. Covered payroll refers to all compensation paid by the School District to active employees covered by the plan.

Contributions – On May 6, 2025, LB645 was signed into law. LB 645 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%	0.00%
Between 98% and less than 100%	8.00%	8.08%	0.70%
Between 96% and less than 98%	8.75%	8.84%	0.70%
Less than 96%	9.75%	9.85%	2.00%

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

The employee contribution was equal to 9.78 percent from July 1, 2023, to June 30, 2024. The employee contribution was 8.00 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 \$470,170.

The State contributed an amount equal to 2.00 percent of the compensation of all members through June 30, 2025 and 0.70 percent July 1, 2025, to August 31, 2025. This contribution is considered a nonemployer contribution since school employees are not employees of the State.

Pension Assets/Liabilities - At June 30, 2024, the School District had an asset of \$900,074 for its proportionate share of the net pension liability/asset. (This asset is not recorded in the accompanying cash basis financial statements.) The net pension liability/asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. The NPERS School Plan was 99.9% funded as of November 18, 2024, based on the actuarial valuation report. The School District's proportion of the net pension liability/asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the School District's proportion was 0.163518 percent, which was a decrease of 0.000973 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District's allocated pension income was \$173,129.

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.35 percent
Salary increases, including wage inflation	2.85 - 12.85 percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.00% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00% with no floor benefit.
Investment Rate of Return, net of investment expense, including inflation	7.00 percent

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

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

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

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

The actuarial assumptions used in the July 1, 2024 valuations for the School Plan are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
(continued)

estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Equity	27.00%	4.50%
Global Equity	19.00%	5.30%
Non-U.S. Equity	11.50%	5.80%
Fixed Income	30.00%	0.70%
Private Equity	5.00%	7.40%
Real Estate	7.50%	4.20%
Total	100.00%	

*Arithmetic mean, net of investment expenses.

Discount Rate - The discount rate used to measure the Total Pension Liability at June 30, 2024 was 7.0 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2015, through June 30, 2019. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and non-employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2123.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	Discount rate	School District's proportionate share of net pension (asset) liability
1% decrease	6.0%	\$ 2,844,279
Current discount rate	7.0%	\$ (900,074)
1% increase	8.0%	\$ (3,970,106)

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

BURT COUNTY SCHOOL DISTRICT NO. 1
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025
 (continued)

Early Retirement Incentive Plan - The School District has an early retirement incentive plan that is available to certified employees and administrators having at least 15 years of credited service. The option to take the benefit is available to covered individuals for two years starting when they reach age 55, with payout over a 5 year period. The cost of the plan is recorded when paid. For the year ended August 31, 2025, benefits of \$39,525 were paid from the General Fund.

Note 9 – Interfund Transfers

Interfund Transfers	Received	Disbursed
General Fund	\$ -	\$ 75,000
Depreciation Fund	75,000	-
	\$ 75,000	\$ 75,000

The interfund transfers are for future needs in the depreciation fund. As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

Note 10 – Tax Abatements

The District is subject to tax abatements granted by the City of Tekamah, Nebraska, through Tax Incremental Financing (TIF) agreements with various developers. This TIF program has the stated purpose of increasing business activity and employment in the community. 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, are returned to the developer to finance the project, effectively rebating the taxes on the increased valuation.

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

Total TIF valuation 2024	\$ 6,544,875
District's total levy	0.729126
District share of tax abatement	\$ 47,720

Note 11 – Risk Management

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

Note 12 – Subsequent Events

The School District has evaluated all subsequent events through October 28, 2025, the date the financial statements were available to be issued. Through that date, no significant transactions have occurred that would have a material impact on the School District's financial position and results of operations as of August 31, 2025.

SUPPLEMENTARY INFORMATION

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Code</u>	<u>Budget (Original & Final)</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Fund balance, September 1, 2024		\$ 2,648,875	\$ 2,103,597	\$ (545,278)
Receipts (inflows):				
Local receipts:				
Taxes levied/assessed by school district	1100	6,748,048	4,145,128	(2,602,920)
Public power district sales tax	1120	40,000	38,366	(1,634)
Motor vehicle taxes	1125	410,000	446,871	36,871
Penalties and interest on taxes	1140	12,000	14,531	2,531
Tuition from individuals for summer school	1312	-	2,550	2,550
Interest on investments	1510	9,000	10,842	1,842
Contributions and donations	1920	6,000	9,049	3,049
Postsecondary receipts	1955	7,000	3,806	(3,194)
Miscellaneous local receipts	1990	7,000	59,939	52,939
		<u>7,239,048</u>	<u>4,731,082</u>	<u>(2,507,966)</u>
County receipts:				
County fines and licenses	2110	11,000	24,714	13,714
ESU receipts	2210	-	470	470
		<u>11,000</u>	<u>25,184</u>	<u>14,184</u>
State receipts:				
State aid	3110	839,726	839,726	-
Special education (school age)	3120	846,185	1,093,554	247,369
Special education transportation (school age)	3125	26,864	28,932	2,068
Homestead exemption	3130	-	104,312	104,312
Property tax credit	3131	-	2,478,877	2,478,877
Nameplate capacity tax	3133	1,000	1,176	176
Pro-rate motor vehicle	3180	8,475	15,168	6,693
State apportionment	3400	89,000	173,388	84,388
Distance education incentive payments	3512	5,500	5,697	197
Other state receipts	3990	-	1,885	1,885
		<u>1,816,750</u>	<u>4,742,715</u>	<u>2,925,965</u>
Federal receipts:				
Title IV Part B Subpart 1 ESSA - REAP	4310	42,000	45,598	3,598
Title I, Part A ESSA Improving Basic Programs Operated by Local State Agencies	4505	72,000	115,366	43,366
Title II, Part A ESSA Supporting Effective Instruction	4509	2,500	12,840	10,340
IDEA Part B (611) Base and Enrollment Poverty Allocation	4518	147,000	127,835	(19,165)
IDEA Preschool (619) Base/IDEA Enrollment Poverty (619) Allocation	4516	-	1,790	1,790

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025
 (continued)

	<u>Code</u>	<u>Budget (Original & Final)</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Medicaid in Public Schools (MIPS)	4708	2,000	714	(1,286)
Medicaid Administrative Activities (MAAPS)	4709	-	4,414	4,414
American Rescue Plan - Homeless Children and Youth (ARP HCY I)	4993	-	500	500
Elementary & Secondary School Emergency Relief (ARP ESSER III)	4998	409,197	409,197	-
		<u>674,697</u>	<u>718,254</u>	<u>43,557</u>
Non-revenue receipts:				
Proceeds from the disposal of real or Personal property	5300	-	13,710	13,710
Insurance adjustments	5301	-	12,228	12,228
		<u>-</u>	<u>25,938</u>	<u>25,938</u>
Total receipts		<u>9,741,495</u>	<u>10,243,173</u>	<u>501,678</u>
Total resources available		<u>12,390,370</u>	<u>12,346,770</u>	<u>(43,600)</u>
Disbursements (outflows):				
Instruction	1000	7,958,752	5,922,260	2,036,492
Support services - students	2100	889,016	662,888	226,128
Support services - instruction	2200	170,459	186,759	(16,300)
Support services - general administration	2300	919,946	958,185	(38,239)
Central services	2500	43,689	40,455	3,234
Operation and maintenance of plant	2600	775,273	782,879	(7,606)
Student transportation	2700	257,242	271,750	(14,508)
Private and state categorical programs	3500	10,000	21,804	(11,804)
Federal programs	6000	162,207	305,317	(143,110)
Transfers (outgoing)	8000	400,000	-	400,000
Total disbursements		<u>11,586,584</u>	<u>9,152,297</u>	<u>2,434,287</u>
Fund balance, August 31, 2025		<u>\$ 803,786</u>	<u>\$ 3,194,473</u>	<u>\$ 2,390,687</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
DEPRECIATION FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Budget (Original & Final)	Actual	Variance with Budget Positive (Negative)
Fund balance, September 1, 2024	\$ 369,440	\$ 329,574	\$ (39,866)
Receipts (inflows):			
Local receipts:			
Interest	-	4,229	4,229
Transfer from other funds	-	75,000	75,000
Total receipts	-	79,229	79,229
Total resources available	369,440	408,803	39,363
Disbursements (outflows):			
Support services - instruction:			
Supplies	-	5,128	(5,128)
Property	369,440	201,397	168,043
Total disbursements	369,440	206,525	162,915
Fund balance, August 31, 2025	\$ -	\$ 202,278	\$ 202,278

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
EMPLOYEE BENEFIT FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Budget</u> <u>(Original & Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
Fund balance, September 1, 2024	\$ 53,665	\$ 53,536	\$ (129)
Receipts (inflows):			
Local receipts:			
Interest	1,500	1,314	(186)
Total resources available	55,165	54,850	(315)
Disbursements (outflows):			
Benefits	55,165	6,356	48,809
Fund balance, August 31, 2025	<u>\$ -</u>	<u>\$ 48,494</u>	<u>\$ 48,494</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
SPECIAL BUILDING FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Budget</u> <u>(Original & Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
Fund balance, September 1, 2024	\$ 2,059,400	\$ 1,972,485	\$ (86,915)
Receipts (inflows):			
Local receipts:			
Local property taxes	594,000	391,582	(202,418)
Public power district sales tax	-	3,315	3,315
Penalties and interest on taxes	800	2,075	1,275
Interest	25,000	53,877	28,877
	619,800	450,849	(168,951)
State receipts:			
Homestead exemption	-	9,182	9,182
Pro-rate motor vehicle	400	1,818	1,418
Property tax credit	-	218,205	218,205
Nameplate capacity tax	-	103	103
	400	229,308	228,908
Non-revenue receipts:			
Insurance adjustments	-	134,925	134,925
Total receipts	620,200	815,082	194,882
Total resources available	2,679,600	2,787,567	107,967
Disbursements (outflows):			
Operation and maintenance of plant:			
Supplies	-	858	(858)
Property	-	13,202	(13,202)
	-	14,060	(14,060)
Facilities acquisitions and construction:			
Purchased property services	2,679,600	338,164	2,341,436
Supplies	-	25,306	(25,306)
	2,679,600	363,470	2,316,130
Total disbursements	2,679,600	377,530	2,302,070
Fund balance, August 31, 2025	\$ -	\$ 2,410,037	\$ 2,410,037

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
BOND FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Budget</u> <u>(Original & Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
Fund balance, September 1, 2024	\$ 779,445	\$ 863,498	\$ 84,053
Receipts (inflows):			
Local receipts:			
Local property taxes	945,400	801,502	(143,898)
Public power district sales tax	4,000	5,276	1,276
Penalties and interest on taxes	-	2,277	2,277
Interest	10,000	21,602	11,602
	<u>959,400</u>	<u>830,657</u>	<u>(128,743)</u>
State receipts:			
Homestead exemption	-	14,614	14,614
Pro-rate motor vehicle	900	2,211	1,311
Property tax credit	-	102,677	102,677
Nameplate capacity tax	-	165	165
	<u>900</u>	<u>119,667</u>	<u>118,767</u>
Total receipts	<u>960,300</u>	<u>950,324</u>	<u>(9,976)</u>
Total resources available	<u>1,739,745</u>	<u>1,813,822</u>	<u>74,077</u>
Disbursements (outflows):			
Debt service:			
Redemption of principal	1,306,045	560,000	746,045
Debt service interest	432,860	192,860	240,000
Other expenses	840	840	-
	<u>1,739,745</u>	<u>753,700</u>	<u>986,045</u>
Fund balance, August 31, 2025	<u>\$ -</u>	<u>\$ 1,060,122</u>	<u>\$ 1,060,122</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
SCHOOL NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	Budget (Original & Final)	Actual	Variance with Budget Positive (Negative)
Fund balance, September 1, 2024	\$ 137,564	\$ 157,365	\$ 19,801
Receipts (inflows):			
Local receipts:			
Interest	200	2,954	2,754
Sale of lunches	100,000	112,581	12,581
Transfer from general fund	70,000	-	(70,000)
	<u>170,200</u>	<u>115,535</u>	<u>(54,665)</u>
State receipts:			
State reimbursements	1,600	1,507	(93)
Federal receipts:			
Federal reimbursements	150,146	133,851	(16,295)
Total receipts	<u>321,946</u>	<u>250,893</u>	<u>(71,053)</u>
Total resources available	<u>459,510</u>	<u>408,258</u>	<u>(51,252)</u>
Disbursements (outflows):			
Salaries	125,000	91,976	33,024
Employee benefits	27,000	25,797	1,203
Purchased property services	32,000	6,381	25,619
Other property services	1,000	-	1,000
Supplies	270,000	177,753	92,247
Property	-	6,792	(6,792)
Miscellaneous	4,510	266	4,244
Total disbursements	<u>459,510</u>	<u>308,965</u>	<u>150,545</u>
Fund balance, August 31, 2025	<u>\$ -</u>	<u>\$ 99,293</u>	<u>\$ 99,293</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
ACTIVITY FUND
FOR THE YEAR ENDED AUGUST 31, 2025

	<u>Budget</u> <u>(Original & Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
Fund balance, September 1, 2024	\$ 178,155	\$ 220,892	\$ 42,737
Receipts (inflows):			
Local receipts:			
Interest	660	4,422	3,762
Activities receipts	190,000	300,474	110,474
Transfer from general fund	175,000	-	(175,000)
Total receipts	<u>365,660</u>	<u>304,896</u>	<u>(60,764)</u>
Total resources available	<u>543,815</u>	<u>525,788</u>	<u>(18,027)</u>
Disbursements (outflows):			
Pupil support services	<u>543,815</u>	<u>399,319</u>	<u>144,496</u>
Fund balance, August 31, 2025	<u>\$ -</u>	<u>\$ 126,469</u>	<u>\$ 126,469</u>

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SUPPORTING SCHEDULE OF CASH DISBURSEMENTS
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Instruction:

Regular instruction:

Salaries	\$ 2,903,385
Employee benefits	1,325,833
Purchased professional services	70,438
Purchased property services	4,200
Other property services	52,481
Supplies	183,408
Miscellaneous	14,453
	<hr/>
	4,554,198

Poverty programs:

Salaries	132,027
Employee benefits	35,205
	<hr/>
	167,232

Early childhood educational programs:

Salaries	77,106
Employee benefits	40,354
Purchased professional services	20
Supplies	3,150
	<hr/>
	120,630

Special education instructional programs - school age:

Salaries	704,634
Employee benefits	307,727
Purchased professional services	13,485
Other property services	13,403
Supplies	4,142
Property	24,040
Miscellaneous	598
	<hr/>
	1,068,029

Summer school:

Salaries	5,621
Employee benefits	2,245
Supplies	4,305
	<hr/>
	12,171

Total instruction

5,922,260

Support services - students:

Salaries	186,842
Employee benefits	68,671
Purchased professional services	72,239
Other property services	325,730
Supplies	8,255
Miscellaneous	1,151
	<hr/>
	662,888

Total support services - students

662,888

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SUPPORTING SCHEDULE OF CASH DISBURSEMENTS
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025
 (continued)

Support services - instruction:	
Salaries	92,117
Employee benefits	42,918
Purchased professional services	80
Purchased property services	1,335
Supplies	40,009
Property	7,200
Miscellaneous	3,100
	<hr/>
Total support services - instruction	186,759
Support services - general administration:	
Board of education:	
Salaries	70,857
Employee benefits	57,046
Purchased professional services	19,458
Other property services	69,477
Supplies	6,658
Miscellaneous	3,005
	<hr/>
	226,501
Executive administration:	
Salaries	200,261
Employee benefits	88,559
Purchased professional services	19,834
Other property services	8,705
Supplies	80
Miscellaneous	6,883
	<hr/>
	324,322
District legal services:	
Purchased professional services	8,960
	<hr/>
Office of principal:	
Salaries	271,326
Employee benefits	111,761
Purchased professional services	3,747
Other property services	1,682
Supplies	7,563
Miscellaneous	2,323
	<hr/>
	398,402
Total support services - general administration	<hr/> 958,185

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SUPPORTING SCHEDULE OF CASH DISBURSEMENTS
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025
 (continued)

Central services:	
Purchased professional services	34,768
Other property services	3,356
Supplies	559
Miscellaneous	1,772
	40,455
Total central services	40,455
Operation and maintenance of plant:	
Salaries	160,720
Employee benefits	55,817
Purchased professional services	131,422
Purchased property services	272,354
Supplies	162,416
Miscellaneous	150
	782,879
Total operation and maintenance of plant	782,879
Student transportation:	
Salaries	65,495
Employee benefits	10,805
Purchased professional services	89,673
Other property services	17
Supplies	27,226
Property	75,000
Miscellaneous	3,534
	271,750
Total student transportation	271,750
Private and state categorical programs:	
Salaries	5,348
Employee benefits	1,830
Purchased professional services	5,697
Supplies	8,929
	21,804
Total private and state categorical programs	21,804
Federal programs:	
Title I, Part A ESEA/ESSA Improving Basic Programs	110,678
Title II, Part A ESEA/ESSA Supporting Effective Instruction	16,318
IDEA Preschool (619) Base Allocation	1,787
IDEA Part B (611) Base and Enrollment Poverty Allocation Birth through Age 21	129,951
REAP	46,583
	305,317
Total federal programs	305,317
Total disbursements	\$ 9,152,297

REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND
THE UNIFORM GUIDANCE

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN E. PRIBNOW
DANIEL J. WIESEN
KENT P. SPEICHER

2195 NORTH BROAD STREET
P.O. BOX 1270
FREMONT, NEBRASKA 68026-1270

(402) 721-3454
FAX (402) 721-2894
eb-cpa.com

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

Board of Education
Burt County School District No. 1
Tekamah-Herman Community Schools
Tekamah, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Burt County School District No. 1 ("School District") as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 28, 2025. Our report disclosed that, as described in Note 1 to the financial statements, the School District prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified. We did identify a deficiency in internal control described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2025-01.

Erickson & Brooks

Report on Compliance and Other Matters

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

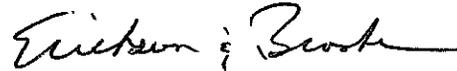
Tekamah-Herman Community School's Response to Findings

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

Purpose of this Report

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

ERICKSON & BROOKS



Fremont, Nebraska
October 28, 2025

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2025

Section II – Financial Statement Findings

Reference Number	Significant Deficiency
2025-01	Lack of Segregation of Duties

Criteria or Specific Requirement:

A good system of internal control has the proper segregation of duties between authorization, custody, record keeping and reconciliation so that no one individual handles a transaction from inception to completion.

Condition:

Our audit disclosed that due to the limited number of personnel within the accounting department and insufficient guidance, the School District's accounting staff has not implemented all of the internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties to assure adequate internal controls for financial reporting.

Context:

The District Business Manager performs almost all accounting functions, including managing and reconciling bank accounts, cash receipting and depositing of revenue, initiating and approving invoices, coding and writing checks, preparing all aspects of payroll, managing all grant transactions and reports, posting transactions in the accounting software, making journal entries and preparation and review of financial reports. There are some mitigating controls including having the Superintendent providing some approvals, having the Administrative Assistant performing some reviews and handling transactions in the activity funds, having dual signatures on all checks, as well as having all Board members review and approve all general fund cash disbursements every month.

Effect:

When one individual is responsible for all accounting functions on a day to day basis, without adequate oversight:

- Intentional or unintentional errors could be made and not detected.
- Transactions could be coded in the wrong accounts or classes.
- Entries could be made to cover up fraud (fraudulent financial reporting or misappropriation of assets).

Cause:

The School District has limited staffing resources with skills, knowledge or experience to participate in internal control and the financial reporting process. Internal control procedures have not been established to better separate incompatible duties and provide adequate documentation. Many, but not all, of these procedures have been implemented largely due to the time it takes to develop with limited staffing.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2025
(continued)

Recommendation:

We have made significant recommendations in the audit areas of managing cash balances, processing cash receipts, processing cash disbursements, processing and maintaining payroll, grant management, and financial reporting to improve segregation of duties and internal controls. We recommend that management and the Board continue to review and implement our recommendations and then monitor these additional policies and procedures to segregate duties to the extent possible and provide documentation and additional oversight of the Business Manager's duties, including maximizing the use of other personnel and Board involvement in oversight.

Views of Responsible Officials and Planned Corrective Action:

The School District Board of Education indicated that they recognize that the concentration of these accounting procedures has improved but not all procedures have been fully implemented from the standpoint of effective internal control. They will review and continue to implement our recommendations and will have management monitor and report on the progress of these policies and procedures. However, they have informed us that they will not be able to hire additional staff due to cost considerations.

BURT COUNTY SCHOOL DISTRICT NO. 001
TEKAMAH-HERMAN COMMUNITY SCHOOLS
TEKAMAH, NEBRASKA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2025

Financial Statement Audit

Significant Deficiency Noted

Current Status

2024-01 Lack of Segregation of Duties

Continues in financial statement audit as 2025-01

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN E. PRIBNOW
DANIEL J. WIESEN
KENT P. SPEICHER

2195 NORTH BROAD STREET
P.O. BOX 1270
FREMONT, NEBRASKA 68026-1270

(402) 721-3454
Fax (402) 721-2894
eb-cpa.com

October 28, 2025

To the Board of Education
Burt County School District No. 001
Tekamah-Herman Community Schools
Tekamah, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Burt County School District No. 001 – Tekamah-Herman Community Schools (School District) for the year ended August 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes misstatements detected as a result of our audit procedures and were corrected by management.

Disagreements with Management

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

Erickson & Brooks

- 2 -

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

We did not identify any deficiencies in the School District's internal control over financial reporting during our audit process that are required to be communicated by AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*, however, our consideration of internal control was for the limited purpose of designing our audit procedures for the purpose of expressing our opinion on the financial statements, and was not designed to identify all deficiencies in internal control.

The following are offered as comments and suggestions to be considered as part of the ongoing process of improving the School District's policies and procedures:

Processing and Maintaining Payroll

During our prior and current audits, we test various payroll transactions to evaluate your controls over the processing and maintaining of payroll and related documentation. During this testing, we noted a few missing documents, like I-9s, deduction calculation errors or missing documentation, and documentation of current payrate. We also noted the timecard / sheet reporting was not getting approved by a supervisor, so hours could be getting paid that were not worked. Lastly, we noted that an employee that would be considered a related party got paid an amount over the published negotiated agreement amount, without any documentation of approval. Related party transactions will always get extra scrutiny and need to be well documented. These oversights can represent a weakness in your internal controls over processing and maintaining proper payroll records. The School District has policies and procedures in place for processing and maintaining payroll that segregates duties to some extent and provides for sound internal control. For these controls to be effective, they must be communicated and followed. To enhance the controls and segregation of duties, we recommend the School District review their policies and procedures with payroll personnel to insure they are understood and being followed. We also recommend that the School District consider cross-training duties specifically in payroll processing. This is a desirable practice to enable payroll preparers to have time off for vacation or unforeseen circumstances.

During our prior audit, we noted some errors in the SUTA wage reporting. There were significant differences between SUTA wages reported to government agencies and what is reported in your books. We had recommended that the School District reconcile wages recorded on your books to the amounts reported on government forms on a monthly or quarterly basis to help identify any differences. We are happy to report that during the current audit, we noted that the School District had corrected the prior errors and the current year reported wages agreed to the books. We commend the School District for their efforts.

Erickson & Brooks

- 3 -

Processing Cash Disbursements

As noted last year, the School District has controls in place for processing cash disbursements and has implemented the separation of duties and documentations we had recommended. However, some of the documentation is not present that would ensure and verify the enhanced controls and segregation of duties.

We continue to recommend that all approvals and reviews be documented with initials and date of the person performing the procedure. This would include review and approval of the purchase orders, review and approval of the invoice, and review and approval of the payment. This would include the the School Nutrition Fund expenditures. These procedures help ensure that all disbursements are properly initiated, authorized, approved and recorded in the accounting system.

Activity Fund Controls and Procedures

As noted last year, we reviewed the cash receipts and disbursement processes for the activity funds and noted that the School District has policies and procedures in place for activity funds to segregate duties to some extent and to provide for sound internal control. We have made various recommendations for the activity funds which the District has implemented procedures to address each of our recommendations and we commend the District for their efforts.

As noted last year, per NDE Rule 2, Activity Funds are required 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. An Activity Fund shall not be used to record general operation revenues or expenditures, nor should it be used as a clearing account for the General Fund. If deficits are incurred, they shall be covered by funds transferred from the General Fund. We continue to recommend the District evaluate all their activity funds to determine they meet the above definition. We also recommend that the District review any unused or inactive activity funds and close those accounts as deemed appropriate. Lastly, we recommend that sustained deficit fund balances be covered by the general fund.

Other Matters

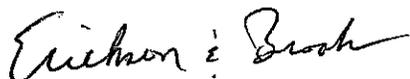
We were engaged to report on individual fund budgetary comparison schedules and supporting schedule of cash disbursements – general fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of the Burt County School District No. 001 – Tekamah-Herman Community Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

ERICKSON & BROOKS



Client: 63030 - Burt County School District No. 1
 Engagement: AUD - Tekamah-Herman Community Schools
 Period Ending: 8/31/2025
 Trial Balance: GTB
 Workpaper: GTB AJE

10/30/2025
 7:08 AM

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		7200.12		
Reclass Medicaid receipts				
01 4709	MECCA		82.11	
01 4708	MEDICAID			82.11
Total			<u><u>82.11</u></u>	<u><u>82.11</u></u>
Adjusting Journal Entries JE # 2		4200.06		
Reclass state revenue				
01 3110	STATE AID		558.14	
01 3120	SPEC ED PROGRAMS		28,932.00	
01 3131	RELIEF TO PROPERTY TAXPAYERS		1,077.76	
01 3125	SPEC ED TRANS			28,932.00
01 3180	PRO RATE MOTOR VEHIC			1,635.90
Total			<u><u>30,567.90</u></u>	<u><u>30,567.90</u></u>
Adjusting Journal Entries JE # 3		7100.40		
Reclas Title expenditures - posted by Heidi				
01 6200 320 001	PROFESIONAL EDUCATIONAL		6,922.00	
01 1100 890 001	OTH MISC OBJECTS SEC			6,922.00
Total			<u><u>6,922.00</u></u>	<u><u>6,922.00</u></u>
Adjusting Journal Entries JE # 4				
Reclass 700 codes				
01 2712 350 001	TECHNICAL SERVICES, NOT		276.85	
01 2712 350 003	TECHNICAL SERVICES, NOT		276.85	
01 2712 732 001	VEHICLES			276.85
01 2712 732 003	VEHICLES			276.85
Total			<u><u>553.70</u></u>	<u><u>553.70</u></u>
Adjusting Journal Entries JE # 5		4100.15		
Record Pay Flex account on books				
01 108	CASH IN BANK - PAY FLEX ACCOUNT		18,482.18	
01 1990	OTHER LOCAL RECEIPTS			18,482.18
Total			<u><u>18,482.18</u></u>	<u><u>18,482.18</u></u>
Adjusting Journal Entries JE # 6				
Reclass contractors above \$25,000				
01 6408 396 001	SUBAWARDS/SUBCONTRACTS: \$25,001 OR		3,980.00	
01 6408 396 003	SUBAWARDS/SUBSONTRACTS: \$25,001 OR		75,971.46	
01 6408 395 001	SUBAWARDS/SUBCONTRACTS			3,980.00
01 6408 395 003	SUBAWARDS/SUBCONTRACTS			75,971.46
Total			<u><u>79,951.46</u></u>	<u><u>79,951.46</u></u>
Adjusting Journal Entries JE # 7		4100.12		

Client: **63030 - Burt County School District No. 1**
 Engagement: **AUD - Tekamah-Herman Community Schools**
 Period Ending: **8/31/2025**
 Trial Balance: **GTB**
 Workpaper: **GTB AJE**

10/30/2025
 7:08 AM

Account	Description	W/P Ref	Debit	Credit
Adjust bank balance to actual				
01 107	CASH IN BANK - GF REIMBURSE		22,283.64	
01 1990	OTHER LOCAL RECEIPTS			22,283.64
Total			<u><u>22,283.64</u></u>	<u><u>22,283.64</u></u>

Client: **63030 - Burt County School District No. 1**
 Engagement: **AUD - Tekamah-Herman Community Schools**
 Period Ending: **8/31/2025**
 Trial Balance: **STB**
 Workpaper: **STB AJE**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Record insurance proceeds				
08 105	SPECIAL BUILDING FUND SAVINGS		134,925.53	
08 5301	INSURANCE ADJUSTMENTS			134,925.53
Total			<u><u>134,925.53</u></u>	<u><u>134,925.53</u></u>

Client: **63030 - Burt County School District No. 1**
 Engagement: **AUD - Tekamah-Herman Community Schools**
 Period Ending: **8/31/2025**
 Trial Balance: **BTB**
 Workpaper: **BTB - AJE**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		4200.10		
Reclass receipts				
07 3133	WIND ENERGY		4,463.65	
07 1120	PUBLIC POWER DIST SALES TAX			4,463.65
Total			<u>4,463.65</u>	<u>4,463.65</u>
	Total Adjusting Journal Entries		<u>4,463.65</u>	<u>4,463.65</u>
	Total All Journal Entries		<u>4,463.65</u>	<u>4,463.65</u>

Client: 63030 - Burt County School District No. 1
 Engagement: AUD - Tekamah-Herman Community Schools
 Period Ending: 8/31/2025
 Trial Balance: LTB
 Workpaper: LTB AJE

10/28/2025
 7:44 AM

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Reclass 700 codes				
06 3100 731 000	MACHINERY/EQUIPMENT		5,540.05	
06 3100 733 000	FURNITURE AND FIXTURES			5,540.05
Total			<u><u>5,540.05</u></u>	<u><u>5,540.05</u></u>



|| PRINCIPAL or SCHOOL/DISTRICT ADMINISTRATOR FORMATIVE/SUMMATIVE EVALUATION

District Name:

Name:

Assignment:

School(s):

Evaluator:

School Year:

Rubrics aligned to each indicator in the *Nebraska Teacher and Principal Performance Standards* can be found at <https://www.education.ne.gov/EducatorEffectiveness>.

<p>STANDARD: (1) Vision for Learning. The principal, as an instructional leader, embodies and inspires all members of the educational community to collectively embrace and actualize the shared vision, mission, and goals of the school and district for high-quality teaching and learning that results in improved student achievement, reduction of opportunity gaps, and enhanced student and staff well-being.</p>	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to instruction, investing in building an environment of collective efficacy and commitment to vision, resulting in improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to instruction, establishing an environment with a commitment to vision, improved student academic achievement, and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership to create an approach to instruction that improves student achievement and the well-being of staff, students, and self, but seeks necessary resources to build on experiences to develop as a leader to create an environment of collective efficacy and commitment to vision.
<input type="checkbox"/> Ineffective	The principal fails to engage the educational community in shaping a commitment to vision designed to result in improved student achievement and the well-being of staff, students, and self.
Comments:	
Click here to enter text	

<p>STANDARD: (2) Continuous Improvement. The principal, as an instructional leader, leads a continuous improvement process that results in improved student growth and achievement, enhanced student and staff well-being, and greater school effectiveness.</p>	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to continuous school improvement, to sustain an environment of collective efficacy, contributing to effective instruction, improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to continuous school improvement, establishing an environment with a commitment to vision, improved student academic achievement, and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership to create an approach to continuous school improvement that improves student achievement and the well-being of staff, students, and self, but seeks necessary resources to build on experiences to develop as a leader to create an environment of collective efficacy and a systems approach to continuous school improvement.
<input type="checkbox"/> Ineffective	The principal fails to engage the educational community in a continuous school improvement process designed to result in a systemic approach to instruction, improved student achievement, and the well-being of staff, students, and self.
Comments:	
Click here to enter text	

<p>STANDARD: (3) Staff Support and Development. The principal, as an instructional leader, develops and supports the professional capacity and practice of personnel to maximize student learning opportunities and outcomes that align with district and state content standards and the school’s vision, mission, and goals.</p>	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to instruction, investing in staff, students, and self to sustain an environment of collective efficacy for innovative personnel practices that result in the recruitment, selection, development, support, and retention of high-quality personnel.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to instruction, establishing an environment for innovative personnel practices that result in the recruitment, selection, development, support, and retention of high-quality personnel.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership for creating a systemic approach to instruction by investing in staff and self, but consistently seeks necessary resources to build on experiences to develop as a leader to impact the recruitment, selection, development, support, and retention of high-quality personnel.
<input type="checkbox"/> Ineffective	The principal fails to engage the school community in a process designed to impact the recruitment, selection, development, support, and retention of high-quality personnel.
Comments:	
<p>Click here to enter text</p>	

STANDARD: (4) Operations and Management. The principal manages the organization, operations, and resources of the school to provide a safe, efficient, and effective learning environment for all students and staff.	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to instruction, investing in staff, students, and self to sustain an environment of collective efficacy for a safe, efficient, and effective learning environment, resulting in improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to instruction, establishing a safe, efficient, and effective learning environment, resulting in improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership to impact student achievement and the well-being of staff, students, and self, but consistently seeks necessary resources to build on experiences to develop as a leader to create an environment of collective efficacy for a safe, efficient, and effective learning environment.
<input type="checkbox"/> Ineffective	The principal fails to manage the organization, operations, and resources of the school, resulting in a school that has an unsafe, inefficient, or ineffective learning environment.
Comments:	
Click here to enter text	

<p>STANDARD: (5) Culture of Learning. The principal, as an instructional leader, cultivates and nurtures an inclusive, caring, and supportive learning environment that promotes the academic success and well-being of each member of the educational community.</p>	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to instruction, investing in staff, students, and self to sustain an environment of collective efficacy for culturally responsive practices, resulting in improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to instruction, establishing an environment of culturally responsive practices, resulting in improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership to create an approach to instruction that improves student achievement and the well-being of staff, students, and self, but seeks necessary resources to build on experiences to develop as a leader to create an environment of collective efficacy for culturally responsive practices.
<input type="checkbox"/> Ineffective	The principal fails to engage the school community in culturally responsive practices designed to result in improved student achievement and the well-being of staff, students, and self.
Comments:	
Click here to enter text	

<p>STANDARD: (6) Professional Ethics and Advocacy. The principal, as an instructional leader, exhibits a high level of professional ethics and advocates for policies of equity and excellence in support of the vision, mission, and goals of the school.</p>	
Evaluator	Description
<input type="checkbox"/> Highly Effective	The principal leads the educational community with a systems approach to instruction, investing in staff, students, and self to advocate for policies of equity that result in sustained collective efficacy for improved student academic achievement and the enhanced well-being of staff, students, and self.
<input type="checkbox"/> Effective	The principal utilizes a systems approach to instruction, investing in staff, students, and self to advocate for policies of equity that result in improved student academic achievement and the enhanced well-being of staff, student, and self.
<input type="checkbox"/> Developing	The principal demonstrates a lack of systems leadership to create an approach to instruction that improves student achievement and the well-being of staff, students, and self, but seeks necessary resources to build on experiences to develop as a leader to create an environment of collective efficacy and the advocacy for policies of equity.
<input type="checkbox"/> Ineffective	The principal fails to advocate for policies of equity designed to result in improved student achievement and the well-being of staff, students, and self.
Comments:	
Click here to enter text	

Additional District Standards	
Evaluator	Description
<input type="checkbox"/> Highly Effective	Click here to enter text
<input type="checkbox"/> Effective	Click here to enter text
<input type="checkbox"/> Developing	Click here to enter text
<input type="checkbox"/> Ineffective	Click here to enter text
Comments:	
Click here to enter text	



Meets District Standards as per Locally Adopted Requirements	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

Evaluator's Comments:
Areas of Strength
Click here to enter text
Areas of Development
Click here to enter text

Plan for Improvement and Plan of Assistance forms can be found at <https://www.education.ne.gov/EducatorEffectiveness>.

Plan for Improvement

Plan of Assistance

My signature verifies that this evaluation has been discussed with me. I understand my signature does not necessarily indicate agreement and that I may respond in writing regarding this evaluation within _____ days of receipt.

Principal/Administrator Signature: _____

Date: _____

Evaluator Signature: Date:

Written Response to Evaluation Report by Principal/Administrator
Click here to enter text

Tekamah-Herman Board Meeting
Elementary Report

11/10/25

Staff and Student Recognition

- Students of the month for October Kynleigh Scott, Juliette Schuett, Willa Connealy, Karlee Rader, Paisley Welte, Freya Feeley, Bowen Roberts, Brynlee Hansen, Savannah Brummond, Laynie Worley, Buck Braniff, Ruby Kjar, Weston Hansen, Christian Leonard, and Easton Dorn.
- Sara Donnelly, Jennie Noel, and Lacey McCulloch are doing an AMAZING job in our kitchen! I am so grateful for their hardwork, and they are making lunch THE BEST part of our students day!

Principal's Report

- Our current enrollment is 296, there were no additional changes in enrollment since our last board meeting.
- I'm interested in bringing on a therapy dog to our team next school year, and am in the process of certifying our new family puppy as a therapy dog. While I worked in Fremont, there were several therapy dogs on our staff, and they were a valuable addition for both our students and staff. I found Finley (therapy dog that worked in the main office) especially helpful when working with students in crisis.
 - [Compiled research article about the benefits of a therapy dog in schools](#)
 - Here's Cooper:



Tekamah-Herman Board Meeting
Secondary Report

11/10/25

Staff and Student Recognition

- Nebraska State JAG Vice President–Brock Paul (again!)
- All-State Choir - Brock Paul, Addison Stansberry, Lily Willing
- East Husker Conference Honor Choir - Lena Christensen, Coraline Davis, Madalyn Davis, Cadence Heath, Haylee Rempe
- FFA Events
 - National FFA @ Indianapolis
 - Ruby Booth, Wyatt Evasic, Jager Leichleiter, Parke Loftis, Layla Pruess, Mason Tobin
 - District Dairy Judging @ Wayne
 - Jr. Team Placed 5th out of 15 teams; Kruze Leichleiter and Brayden Stierwalt both placed in the top 20 out of 260 Participants
 - Sr. Team Placed 7th out of 15 teams; Daisy Cameron and Miley Bergman both placed in the top 20 out of 160 participants.
 - Leigh Invitational Livestock Judging Contest
 - Jr. Team placed 11th out of 52 teams
 - District Land Judging @ Wisner
 - We placed 6th and just missed going to state

Principal's Report

- Veterans Day
- Conference One-Act, Nov. 18
- CDL training