HEMINGFORD PUBLIC SCHOOLS, DISTRICT NO. 10

Financial Statements

August 31, 2025

CASEY • PETERSON

Hemingford Public Schools, District No.10
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August 31, 2025

CASEY • PETERSON
CPAs & FINANCIAL ADVISORS

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
Hemingford Public Schools, District No.10
Hemingford, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Hemingford Public Schools, District No.10 (the "District") as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 30, 2025.

Report on Internal Control over Financial Reporting

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

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Management Response as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Hemingford Public Schools, District No.10's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Management's Response. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota
October 30, 2025

Hemingford Public Schools, District No.10
Schedule of Findings and Management's Response (Unaudited)
For the Year Ended August 31, 2025

Significant Deficiency
Preparation of Financial Statements

2025-001 *Condition*: The District does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. This circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to decide whether to accept the degree of risk associated with this condition because of cost or other considerations. As auditors, we did propose material audit adjustments as part of our preparation of the financial statements.

Criteria: *Government Auditing Standards* indicates that the inability to produce financial statements is an internal control deficiency.

Cause: The District does not find it cost-effective to incur the cost to provide for the preparation of the financial statements.

Effect: The auditor is requested to prepare the financial statements.

Auditor's Recommendation: The District should provide appropriate oversight of the preparation of the financial statements.

Management's Response: Management is aware of this situation and will continue to review the District's organizational structure. Due to the size of the District, it is not economically feasible to hire additional duly qualified personnel to prepare the financial statements. This is common for a school district of this size.

CASEY • PETERSON
CPAs & FINANCIAL ADVISORS

Independent Auditor's Report

Board of Education
Hemingford Public Schools, District No.10
Hemingford, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Hemingford Public Schools, District No.10 (the District) as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the District as of August 31, 2025, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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 District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *GAS,* 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 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 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 control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information, Combined Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances, Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances - Activity Funds, and Notes to the Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, Combined Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances, Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances - Activity Funds, and Notes to the Supplementary Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the modified cash basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Findings and Management's Response (Unaudited) and Board of Education list have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025, on our consideration of the 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 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 District's internal control over financial reporting and compliance.

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota
October 30, 2025

BASIC FINANCIAL STATEMENTS

Hemingford Public Schools, District No.10
Statement of Net Position - Modified Cash Basis
August 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash in Bank	$ 4,625,975	$ 116,189	$ 4,742,164
Cash with County Treasurer	1,059,509	-	1,059,509
Certificates of Deposit	2,943,166	-	2,943,166
TOTAL ASSETS	$ 8,628,650	$ 116,189	$ 8,744,839
NET POSITION			
Restricted	$ 2,961,815	$ 116,189	$ 3,078,004
Unrestricted	5,666,835	-	5,666,835
TOTAL NET POSITION	$ 8,628,650	$ 116,189	$ 8,744,839

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Activities - Modified Cash Basis
For the Year Ended August 31, 2025

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Position		
					Primary Government		
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction	$ 4,423,694	$ -	$ 432,464	$ -	$ (3,991,230)	$ -	$ (3,991,230)
Support Services:							
Students	753,711	-	299,747	-	(453,964)	-	(453,964)
Instruction	265,718	-	-	-	(265,718)	-	(265,718)
General Administration	255,167	-	-	-	(255,167)	-	(255,167)
School Administration	307,226	-	-	-	(307,226)	-	(307,226)
Central Services	151,782	-	-	-	(151,782)	-	(151,782)
Operation and Maintenance of Plant	825,427	-	-	-	(825,427)	-	(825,427)
Student Transportation	698,167	-	-	-	(698,167)	-	(698,167)
Operation of Non-instructional Services	19,661	-	-	-	(19,661)	-	(19,661)
State Categorical Programs	87,062	-	-	-	(87,062)	-	(87,062)
Facilities Acquisitions and Construction	312,847	-	-	-	(312,847)	-	(312,847)
Federal Programs	237,040	-	508,926	-	271,886	-	271,886
Non-program Disbursements	10,785	-	-	-	(10,785)	-	(10,785)
Total Governmental Activities	8,348,287	-	1,241,137	-	(7,107,150)	-	(7,107,150)

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Activities - Modified Cash Basis (Continued)
For the Year Ended August 31, 2025

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Program Receipts: Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position — Primary Government: Governmental Activities	Business-type Activities	Total
BUSINESS-TYPE ACTIVITIES							
School Nutrition	325,546	141,695	103,589	-	-	(80,262)	(80,262)
TOTAL PRIMARY GOVERNMENT	$ 8,673,833	$ 141,695	$ 1,344,726	$ -	(7,107,150)	(80,262)	(7,187,412)
GENERAL RECEIPTS AND TRANSFERS							
Taxes:							
Property and Carline					4,596,346	-	4,596,346
Motor Vehicle					212,673	-	212,673
Fines and Licenses					18,959	-	18,959
State Aid					1,247,107	-	1,247,107
Other State Sources					2,419,751	-	2,419,751
Interest Income					176,440	-	176,440
Transfers					(140,000)	140,000	-
Other					33,832	5,587	39,419
Total General Receipts and Transfers					8,565,108	145,587	8,710,695
CHANGE IN NET POSITION					1,457,958	65,325	1,523,283
NET POSITION - BEGINNING					7,170,692	50,864	7,221,556
NET POSITION - ENDING					$ 8,628,650	$ 116,189	$ 8,744,839

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Assets and Fund Balances Arising from Cash Transactions - Governmental Funds
For the Year Ended August 31, 2025

	Major Funds		Nonmajor	
	General Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash in Bank	$ 2,950,177	$ 876,738	$ 799,060	$ 4,625,975
Cash with County Treasurer	1,000,239	47,416	11,854	1,059,509
Certificates of Deposit	976,564	1,966,602	-	2,943,166
TOTAL ASSETS	$ 4,926,980	$ 2,890,756	$ 810,914	$ 8,628,650
FUND BALANCES				
Fund Balances				
Restricted for:				
Building Projects	$ -	$ 2,890,756	$ 71,059	$ 2,961,815
Committed for:				
Employee Benefits	-	-	87,596	87,596
Student Activities	-	-	277,672	277,672
Capital Outlay	-	-	302,312	302,312
Cooperative Activities	-	-	72,275	72,275
Unassigned	4,926,980	-	-	4,926,980
TOTAL FUND BALANCES	$ 4,926,980	$ 2,890,756	$ 810,914	$ 8,628,650

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds
For the Year Ended August 31, 2025

	Major Funds		Nonmajor		
	General Fund	Special Building Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
RECEIPTS					
Receipts from Local Sources:					
Property and Carline Taxes	$ 4,318,505	$ 207,671	$ 70,170	$ -	$ 4,596,346
Motor Vehicle Taxes	212,673	-	-	-	212,673
Other	17,228	851	-	-	18,079
County Fines and Licenses	18,959	-	-	-	18,959
State Aid	1,247,107	-	-	-	1,247,107
State Sources	2,348,684	105,613	710	-	2,455,007
Special Education	397,208	-	-	-	397,208
Federal Programs	508,926	-	-	-	508,926
Interest Income	66,435	107,818	2,187	-	176,440
Other Local Receipts	150	-	299,597	-	299,747
Total Receipts	9,135,875	421,953	372,664	-	9,930,492
DISBURSEMENTS					
Instruction	4,373,718	-	99,976	(50,000)	4,423,694
Support Services:					
Students	356,860	-	396,851	-	753,711
Instruction	265,718	-	-	-	265,718
General Administration	255,167	-	-	-	255,167
School Administration	307,226	-	-	-	307,226
Central Services	151,782	-	-	-	151,782
Operation and Maintenance of Plant	820,617	4,810	-	-	825,427
Student Transportation	698,167	-	-	-	698,167
Other Support Services	-	-	19,661	-	19,661
State Categorical Programs	129,460	37,602	-	(80,000)	87,062
Facilities Acquisitions and Construction	200,000	312,847	-	(200,000)	312,847
Federal Programs	237,040	-	-	-	237,040
Total Disbursements	7,795,755	355,259	516,488	(330,000)	8,337,502
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,340,120	66,694	(143,824)	330,000	1,592,990
OTHER FINANCING SOURCES (USES)					
Non-program Receipts	15,753	-	-	-	15,753
Non-program Disbursements	(10,785)	-	-	-	(10,785)
Transfers	(265,000)	-	455,000	(330,000)	(140,000)
Net Other Financing Sources (Uses)	(260,032)	-	455,000	(330,000)	(135,032)
CHANGE IN FUND BALANCES	1,080,088	66,694	311,176	-	1,457,958
FUND BALANCE - BEGINNING	3,846,892	2,824,062	499,738	-	7,170,692
FUND BALANCE - ENDING	$ 4,926,980	$ 2,890,756	$ 810,914	$ -	$ 8,628,650

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Assets and Net Position Arising from Cash Transactions - Proprietary Fund
August 31, 2025

	School Nutrition Fund
ASSETS	
Cash in Bank	$ 116,189
NET POSITION	
Restricted	$ 116,189

The accompanying notes are an integral part of this statement.

Hemingford Public Schools, District No.10
Statement of Cash Receipts, Disbursements, and Changes in Net Position - Proprietary Fund
For the Year Ended August 31, 2025

	School Nutrition Fund
OPERATING RECEIPTS	
Charges for Sales and Services	$ 141,695
Commodities Received	11,736
Other Receipts	5,587
Total Operating Receipts	159,018
OPERATING DISBURSEMENTS	
Salaries and Benefits	123,713
Food	189,665
Supplies	2,807
Purchased Services	6,740
Miscellaneous	2,621
Total Operating Disbursements	325,546
Operating Loss	(166,528)
NONOPERATING RECEIPTS	
USDA and State Subsidy	91,853
Loss Before Transfers	(74,675)
TRANSFERS	
Transfers In	140,000
CHANGE IN NET POSITION	65,325
NET POSITION - BEGINNING	50,864
NET POSITION - ENDING	$ 116,189

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the following sections of Note 1, these financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (US GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. REPORTING ENTITY

Hemingford Public Schools, District No.10 (the District) is a tax-exempt political subdivision and a Class 3 school district of the State of Nebraska. The reporting entity of the District consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or if there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the District (primary government). The District may also be financially accountable for another organization if that organization is fiscally dependent on the District. There are no potential component units to consider for inclusion.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position reports all financial and capital resources in a net position form (assets minus liabilities equal net position). Net Position is displayed in three components, as applicable: net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

The Statement of Activities presents a comparison between direct disbursements and program receipts for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts include 1) charges paid by recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes and state aid, are presented as general receipts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, receipts, and disbursements. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

C. FUND TYPES AND MAJOR FUNDS

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, or if it meets the following criteria:

1. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the District financial reporting entity are described below within the respective fund types:

Governmental Funds

General Fund - The General Fund finances all facets of services rendered by the District. General Fund receipts are classified according to source, while expenditures are classified according to specific functions. The General Fund is maintained by all operating school districts in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted. The General Fund is always considered a major fund.

Depreciation Fund - The District has elected to establish a separate fund in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. Transfers from the General Fund to the Depreciation Fund are treated as an expenditure out of the General Fund and as a transfer into the Depreciation Fund at the time of transfer. The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. The Depreciation Fund is specifically provided for in the law and is considered a component of the General Fund. The Depreciation Fund is not a major fund.

Employee Benefit Fund - The Employee Benefit Fund is established in order to specifically reserve General Fund money for the benefit of District employees. The 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 Employee Benefit Fund. This fund may consist of more than one account for valid allocation purposes. The Employee Benefit Fund is considered a component of the General Fund. The Employee Benefit Fund is not considered a major fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

Activity Funds - The Activity Funds are 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. The financial operations of all school-connected activities are a legal responsibility of the Board of Education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such revenue shall finance only those projects that qualify for approval under policies established by the District Board of Education for such activities. This is not a major fund.

Cooperative Fund - The cooperative fund is used by the District, acting as a fiscal agent for any cooperative activity between one or more public agencies. All school districts shall show the payment for services to the cooperative in their General Fund. The Cooperative Fund is not a major fund.

Qualified Capital Purpose Undertaking Fund (QCPUF) - The QCPUF is used by the District for the removal of environmental hazards, the reduction or elimination of accessibility barriers in District buildings, the repayment of qualified zone academy bonds, modifications for life safety code violations, life safety hazards, school safety infrastructure concerns, or mold. This fund is financed by a tax levy and is part of the $1.05 cap. The QCPUF is not a major fund.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvement of buildings. The sale of bonds, the sale of property, or tax receipts are the primary sources of revenue for this fund. Regardless of the source of money to be used for building construction and related costs, all income for the purposes of this fund shall be accountable through this fund. General Fund expenditures for the purpose of this fund are not allowable. 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 District. The Special Building Fund is a major fund.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met.

a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit, even if that government is not expected to make any payments, is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as a payable “solely” from the revenues of the activity.)
b. Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The District's only enterprise fund is as follows:

School Nutrition Fund - The School Nutrition Fund is required to accommodate the financial activities of all Nutrition Programs operated by the District. The School Nutrition Fund reflects a record of all receipts and disbursements incident to the operation of all Nutrition Programs. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund. This is a major fund.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The District's basis of accounting is the modified cash basis, which is a basis of accounting other than U.S. GAAP. Under U.S. GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus

Government-wide Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the "economic resources" measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

Fund Financial Statements

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used and applied within the limitations of the modified cash basis of accounting.

Basis of Accounting

In the government-wide Statement of Net Position and the Statement of Activities and the fund financial statements, governmental activities are presented using the modified cash basis of accounting, which is consistent with the Commissioner of Education and Nebraska Department of Education requirements. Under the modified cash basis of accounting, the Statement of Net Position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed. The acceptable modification to the cash basis of accounting implemented by the District in these financial statements is:

- Recording investments in certificates of deposit (those with maturities more than 90 days (three months) from the date of acquisition) acquired with cash assets at cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District applied US GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide and proprietary fund financial statements would be presented on the accrual basis of accounting.

E. CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with a term maturity at the date of acquisition of three months or less.

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at the date of acquisition exceeds three months, and/or those types of investments authorized by Nebraska Statute 77, Article 23, and generally include U.S. government obligations and certificates of deposit to the extent they are insured by the Federal Deposit Insurance Corporation or by collateral securities pledged to the District. Under the modified cash basis of accounting, investments are carried at cost.

F. CAPITAL ASSETS

The District has not elected to modify its cash basis presentation by recording capital assets arising from cash transactions and depreciating/amortizing those assets where appropriate. Under the modified cash basis of accounting, the District’s capital assets are considered a cost of the program for which they were acquired, for the amount paid in cash, in the government-wide financial statements. The fund financial statements and the proprietary financial statements report such purchases as capital outlays. The District has not elected to modify its cash basis presentation by right-of-use asset and related lease or subscription liabilities arising from cash transactions. Under the modified cash basis of accounting, cash payments for lease activities are a cost of the program for which they were acquired for the amount paid in cash in both the government-wide and fund financial statements.

G. LONG-TERM LIABILITIES

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances are recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program that benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated but are included in debt service expenditures.

Long-term debt arising from cash transactions of all funds is not reported as liabilities in the modified cash basis financial statements.

Under the modified cash basis of accounting, cash payments for lease and subscription activities are recorded as expenditures in the function benefiting from the use of the asset or subscription. Allocations are made where appropriate. Lease liabilities arising from leasing activities are not reported as liabilities in the modified cash basis financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. PROGRAM RECEIPTS

Program receipts derive directly from the program itself or from parties other than the District's taxpayers or citizenry, as a whole. Program receipts are classified into three categories, as follows:

Charges for Services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

Program-specific Operating Grants and Contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

Program-specific Capital Grants and Contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

I. EQUITY CLASSIFICATIONS

Government-wide Financial Statements

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

Restricted Net Position - Consists of net position with constraints placed on its 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 - A*ll other net position that does not meet the definition of "restricted net position" is unrestricted net position.

Fund Financial Statements

Fund equity is classified as fund balance and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned," and "Unassigned" components.

J. APPLICATION OF NET POSITION

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

K. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) are legally or contractually required to be maintained intact. The District did not have any nonspendable resources as of August 31, 2025.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the fund balances of the Special Building Fund and the QCPUF as being restricted by law and the School Nutrition Program as being restricted by grant revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Education, the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified the fund balances of the Employee Benefit Fund, Depreciation Fund, Cooperative Fund, and Activity Funds as being committed.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. The District did not have any assigned resources as of August 31, 2025.

Unassigned - This classification includes the positive residual fund balance for the General Fund and negative fund balances in other governmental funds.

The District does not have a formal minimum fund balance policy.

It is the District's policy to first use restricted fund balance, then committed and assigned fund balances prior to the use of unassigned fund balance, when a disbursement is made for purposes for which other fund balance categories are available.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. COMPENSATED ABSENCES

Vacation pay is earned based on length of service. Vacation pay is recorded as an expenditure of the District as it is paid. Accumulated or vested vacation is not recorded in the financial statements at August 31, 2025, as the District reports on the modified cash basis of accounting.

Sick pay is also earned on the basis of length of service. Sick pay does not vest and is recorded as an expenditure of the District when it is paid. Accrued sick pay is not recorded in the financial statements as the District reports on the modified cash basis of accounting.

NOTE 2 - DEPOSITS AND INVESTMENTS CUSTODIAL CREDIT RISK, CONCENTRATIONS OF CREDIT RISK, AND INTEREST RATE RISK

Carrying value of the District's cash balances at August 31, 2025, consisted of the following:

Checking and Money Market Accounts	$ 4,742,164
Deposits with County Treasurer	1,059,509
Certificates of Deposit	2,943,166
	$ 8,744,839

Cash is maintained in the funds as follows:

Governmental Funds	$ 8,628,650
Proprietary Fund	116,189
	$ 8,744,839

NOTE 2 - DEPOSITS AND INVESTMENTS CUSTODIAL CREDIT RISK, CONCENTRATIONS OF CREDIT RISK, AND INTEREST RATE RISK (CONTINUED)

Custodial Credit Risk - Deposits - The risk that, in the event of a bank failure, the District's deposits may not be returned to it. For reporting purposes, the amount of total District bank deposits is classified in the following categories of custodial credit risk.

1. Insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the District or by its agent in the District's name.
2. Uninsured, but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
3. Uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name, or properly collateralized with no written and approved collateral agreement.

A detail of deposits at August 31, 2025, is as follows:

		Custodial Credit Risk Category			
Type of Deposits	Total Bank Balance	1	2	3	Total Carrying Value
Insured Deposits	$ 500,000	$ 500,000	$ -	$ -	
Uninsured Deposits	-	-	-	-	
Collateralized	7,395,003	-	7,395,003	-	
	$ 7,895,003	$ 500,000	$ 7,395,003	$ -	$ 7,685,330

Interest Rate Risk - The risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal policy that limits the investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District had no investments at August 31, 2025 other than certificates of deposit.

NOTE 3 - PROPERTY TAXES

Property taxes are levied on December 1. Real estate taxes are due and attach as an enforceable lien as of January 1. Taxes are payable in two equal installments and become delinquent on May 1 and September 1.

NOTE 4 - COMMITMENTS

<u>Payroll Tax Expense</u>

During the year ended August 31, 2021, the District did not timely file quarterly payroll returns to the applicable taxing authorities for the quarters ended March 31, 2021 and June 30, 2021. The District also did not timely submit payroll tax deposits to the applicable taxing authorities for the months of January 2021 through August 2021. The District has been subjected to penalties and interest due to the late filing of payroll tax returns and the late payment of payroll tax deposits. However, the amount of penalties and interest owed by the District is unknown at this time, as they are under appeal with the Internal Revenue Service.

NOTE 5 - RESTRICTED NET POSITION

Restricted net position for the year ended August 31, 2025, was as follows:

Major Purpose	Restricted By	
Capital Outlay	Law	$ 2,890,756
Capital Outlay for Safety	Law	71,059
School Lunch	Grants	116,189
		$ 3,078,004

These balances are restricted due to federal grant and statutory requirements.

NOTE 6 - INTERFUND TRANSFERS

Transfers between funds for the year ended August 31, 2025, were as follows:

	Transfers To:				
	Major Fund:	Non-major Funds:			
Transfers From:	School Nutrition Fund	Activity Fund	Depreciation Fund	Cooperative Fund	Employee Benefit Fund
Major Fund:					
General Fund	$ 140,000	$ 125,000	$ 200,000	$ 80,000	$ 50,000

The transfers from the General Fund to the School Nutrition Fund, Activity Funds, Cooperative Fund, and Employee Benefit Fund were for operational expenditures. Transfers from the General Fund to the Depreciation Fund were for future capital outlay expenditures.

In the fund financial statements, transfers from the General Fund to the Depreciation Fund, Cooperative Fund, and Employee Benefit Fund are reported in the General Fund as operational expenses and not as transfers in accordance with the Nebraska Department of Education guidelines.

NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM

Plan Description

Hemingford Public Schools, District No. 10 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 a 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 plan (Class V school districts, Nebraska state colleges, the University of Nebraska, and community colleges), are members of the plan.

NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM (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 services; or 2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of 2%, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to $3.50 per year of service; or 2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of 2%, 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 receive a monthly benefit and whether those benefits are reduced or unreduced. Benefit calculations vary with early retirement. At ages 55 to 64, members who are in tier one, two, or three may qualify to receive unreduced benefits under the "Rule of 85" if the member's attained age plus creditable service equals 85 or greater. At ages 60 to 64, members may qualify to receive unreduced benefits under the tier four "rule of 85" if the member's attained age plus creditable service equals 85 or greater.

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 2.5%. 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% 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 1%. There is no purchasing power floor for employees who fall under this tier.

For the District's year ended August 31, 2025, the District's total payroll for all employees was $4,396,354. Total covered payroll was $4,188,216. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

On May 6, 2024, LB645 was signed into law. LB645 changes contribution rates for the School Employees Retirement System ("the Plan"). The contribution rate for members, employers, and the State of Nebraska will now be dependent on the funded status of the Plan as determined by the independent, third-party actuarial valuation report.

NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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% of 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%

The employee contribution was equal to 9.78% from July 1, 2023 to June 30, 2024. The employee contribution was 8.0% from July 1, 2025 to August 31, 2025. The District (employer) contribution is 101% of the employee contribution. The District's contribution to the Plan for the year ended August 31, 2025 was $402,202.

The state contributed an amount equal to 2% of the compensation of all members through June 30, 2025 and 0.7% July 1, 2025 to August 31, 2025. This contribution is considered a non-employer contribution since school employees are not employees of the state.

Plan Fiduciary Net Position

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

NOTE 8 - RISK MANAGEMENT

The District carries commercial insurance for substantially all risks of loss. There have been no claims resulting from these risks that have exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - ECONOMIC DEPENDENCY

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of Nebraska. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues, such as State Aid, based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 10 - CONTINGENCIES

The District participates in numerous federal and state-assisted grant programs, which are governed by various rules and regulations of the grantor agencies. These programs are subject to financial and compliance audits by the granting agencies. To the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

NOTE 11 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - General Fund
For the Year Ended August 31, 2025

		Budget (Original and Final)	Actual
	RECEIPTS		
	Receipts from Local Sources:		
1100-000	Property Taxes	$ 6,250,000	$ 4,299,728
1115-000	Carline Taxes	20,000	18,777
1125-000	Motor Vehicle Taxes	175,000	212,673
1140-000	Penalties and Interest on Taxes	-	17,228
1510-000	Interest on Investments	10,000	66,435
1990-000	Miscellaneous Local Receipts	-	150
	Total Receipts from Local Sources	6,455,000	4,614,991
	Receipts from Intermediate Sources:		
2110-000	County Fines and Licenses	-	18,959
	Receipts from State Sources:		
3110-000	State Aid	1,247,107	1,247,107
3120-000	Special Education	300,000	397,208
3130-000	Homestead Exemption	-	47,338
3131-000	Property Tax Credit	-	2,134,915
3180-000	Pro-rate Motor Vehicle	10,000	17,890
3400-000	State Apportionment	50,000	113,285
3512-000	Distance Education Incentive Payments	10,000	22,787
3535-000	Payments for High-ability Learners	3,000	4,969
3551-000	Career Education	-	7,500
	Total Receipts from State Sources	1,620,107	3,992,999
	Receipts from Federal Sources:		
4212-000	Title I, Part A Support for Improvement	-	2,822
4310-000	REAP	43,669	43,669
4418-000	IDEA Part B PEAK Projects	-	3,239
4505-000	Title I, Part A ESSA Improving Basic Programs	59,464	114,431
4509-000	Title II, Part A ESSA Supporting Effective Instruction	-	22,787
4516-000	IDEA Preschool - Base Allocation	-	6,536
4518-000	IDEA Part b (611) Base & Enrollment Poverty Allocation	87,682	251,187
4521-000	IDEA Part B, Proportionate Share	-	2,845
4524-000	Other Federal Non-categorical Receipts	-	56
4525-000	Federal Vocational and Applied Technology Education (Carl Perkins)	-	2,920
4706-000	Grazing	1,000	6
4707-000	Forest Reserve	-	214
4708-000	Medicaid in Public Schools (MIPS)	20,000	21,591
4709-000	Medicaid Administrative Activities (MAAPS)	5,000	5,123
4998-000	Elementary & Secondary School Emergency Relief (ARP ESSER III)	31,000	31,500
	Total Receipts from Federal Sources	247,815	508,926

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended August 31, 2025

		Budget (Original and Final)	Actual
	Other Non-revenue Receipts:		
5301-000	Insurance Adjustments	-	2,941
5320-000	Sale of Property	-	548
5690-000	Other Non-revenue Receipts	-	1,430
9000-000	Non-program Receipts	-	10,834
	Total Other Non-revenue Receipts	-	15,753
	TOTAL RECEIPTS	8,322,922	9,151,628
	DISBURSEMENTS		
1000-000	Instruction	4,740,000	4,373,718
2100-000	Support Services - Students	510,000	356,860
2200-000	Support Services - Instruction	250,000	265,718
2300-000	Support Services - General Administration	365,000	255,167
2400-000	Support Services - School Administration	400,000	307,226
2500-000	Central Services	175,000	151,782
2600-000	Operation and Maintenance of Plant	621,930	820,617
2700-000	Student Transportation	750,000	698,167
3300-000	Operation of Non-Instructional Services	10,000	-
3500-000	State Categorical Programs	50,000	129,460
4000-000	Facilities Acquisitions and Construction	-	200,000
6000-000	Federal Programs	250,000	237,040
	TOTAL DISBURSEMENTS	8,121,930	7,795,755
	OTHER FINANCING USES		
9000-000	Non-program Expenses	-	(10,785)
8000-000	Transfers to Depreciation Fund	(295,000)	-
8000-000	Transfers to Employee Benefit Fund	(50,000)	-
8000-000	Transfers to Cooperative Fund	(65,000)	-
8000-912	Transfers to Lunch Fund	(65,000)	(140,000)
8000-913	Transfers to Activities Fund	(125,000)	(125,000)
	TOTAL OTHER FINANCING USES	(600,000)	(275,785)
	FUND BALANCE - BEGINNING	3,428,629	3,846,892
	Total Receipts	8,322,922	9,151,628
	Total Funds Available	11,751,551	12,998,520
	Less Total Disbursements	8,721,930	8,071,540
	FUND BALANCE - ENDING	$ 3,029,621	$ 4,926,980

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended August 31, 2025

	Actual
Analysis of Fund Balance:	
Cash in Bank:	
Checking Accounts	$ 2,950,177
Certificates of Deposit	976,564
Total Cash in Bank	3,926,741
Cash with County Treasurer:	
Box Butte County	831,287
Dawes County	148,784
Sheridan County	20,168
Total Cash with County Treasurer	1,000,239
TOTAL FUND BALANCE - ENDING	$ 4,926,980

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
General Fund Schedule of Cash Disbursements - Budget and Actual
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
Instruction:		
Regular Instruction	$ 3,740,000	$ 3,487,209
Poverty Programs	-	176,977
Early Childhood Educational Programs	-	139,442
Special Education Instructional Programs - School Age	1,000,000	557,941
Summer School	-	12,149
Total Instruction	4,740,000	4,373,718
Support Services - Students:		
Guidance Services	169,301	137,213
Health Services	65,650	19,478
Psychological Services	-	18,117
Psychological Services: SPED School Age	32,091	-
Speech Pathology and Audiology Services	1,016	-
Speech Pathology and Audiology Services: SPED School Age	108,841	122,241
Speech Pathology and Audiology Services: SPED Ages 3-5	31,556	-
Speech Pathology and Audiology Services: SPED Ages 0-2	15,782	-
Occupational Therapy-related Services: SPED School Age	27,991	23,309
Occupational Therapy-related Services: SPED Ages 3-5	1,518	37
Occupational Therapy-related Services: SPED Ages 0-2	3,542	449
Physical Therapy-related Services: SPED School Age	15,655	19,318
Physical Therapy-related Services: SPED Ages 3-5	2,780	1,867
Physical Therapy-related Services: SPED Ages 0-2	3,542	1,071
Visually Impaired-related Services	-	7,676
Visually Impaired-related Services: SPED School Age	13,113	-
Other Student Support Services	17,622	6,084
Total Support Services - Students	510,000	356,860
Support Services - Instruction:		
Improvement of Instruction	3,722	75
School Improvement	13,289	2,104
Instructional Staff Training	7,380	11,432
Implementation of Standards	2,421	-
Library/Media Services	83,619	111,455
Educational Television Services	25,117	27,874
Instruction-related Technology	99,845	108,657
Academic Student Assessment	14,607	4,121
Total Support Services - Instruction	250,000	265,718
Support Services - General Administration:		
Board of Education	150,000	60,409
Executive Administration	190,000	187,429
District Legal Services	25,000	7,329
Total Support Services - General Administration	365,000	255,167
Support Services - School Administration:		
Office of the Principal	400,000	307,226

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
General Fund Schedule of Cash Disbursements - Budget and Actual (Continued)
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
Central Services:		
Fiscal Services	143,865	139,878
Printing, Publishing, and Duplicating Services	15,000	11,904
Public Information Services	2,069	-
Personnel Services	10,103	-
Administrative Technology Services	3,963	-
Total Central Services	175,000	151,782
Operation and Maintenance of Plant:		
Operation of Buildings	326,930	405,437
Maintenance of Buildings	185,000	243,003
Vehicle Operation, Maintenance, and Purchasing	95,000	145,097
Safety	15,000	27,080
Total Operation and Maintenance of Plant	621,930	820,617
Student Transportation:		
Regular Education	750,000	601,714
Vehicle Servicing & Maintenance - Regular Education	-	96,453
Total Student Transportation	750,000	698,167
Operation of Non-Instructional Services:		
Community Services Operations	10,000	-
State Categorical Programs:		
Distance Education Incentive Payments	30,000	111,494
High Ability Learners	10,000	8,171
Career Education	10,000	9,795
Total State Categorical Programs	50,000	129,460
Facilities Acquisitions and Construction:		
Building Improvements	-	200,000
Federal Programs:		
Title I, Part A ESEA/ESSA Improving Basic Programs	116,000	81,541
Title I, Part A Support for Improvement	-	23,130
IDEA Preschool - Base Allocation	5,000	4,578
IDEA Part B (611)	65,000	64,800
IDEA Part B, Proportionate Share	3,000	3,876
Federal Vocational and Applied Technology Education (Carl Perkins)	2,000	1,305
REAP	59,000	57,810
Total Federal Programs	250,000	237,040
TOTAL OPERATIONAL CASH DISBURSEMENTS	$ 8,121,930	$ 7,795,755

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Special Building Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ 2,714,882	$ 2,824,062
RECEIPTS		
Property Taxes	264,394	206,770
Carline Taxes	1,040	901
Penalties and Interest on Taxes	558	851
Interest on Investments	10,400	107,818
Homestead Exemption	-	2,275
Property Tax Credit	22,880	102,476
Pro-rate Motor Vehicle	728	862
TOTAL RECEIPTS	300,000	421,953
DISBURSEMENTS		
Operation and Maintenance of Plant:		
Maintenance of Buildings	-	770
Safety	-	4,040
Total Operation and Maintenance of Plant	-	4,810
State Categorical Programs:		
School Safety and Security Act	-	37,602
Facilities Acquisitions and Construction:		
Land Improvement	-	65,582
Architecture and Engineering	-	66,559
Site Improvements	3,014,882	4,723
Building Improvements	-	175,983
Total Facilities Acquisitions and Construction	3,014,882	312,847
TOTAL DISBURSEMENTS	3,014,882	355,259
FUND BALANCE - ENDING	$ -	$ 2,890,756

See notes to the supplementary information and independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Special Building Fund (Continued)
For the Year Ended August 31, 2025

Analysis of Fund Balance:		
Cash in Bank:		
Checking Account	$	416,822
Nebraska Liquid Asset Fund Account		459,916
Certificates of Deposit		1,966,602
Total Cash in Bank	$	2,843,340
Cash with County Treasurer:		
Box Butte County		39,375
Dawes County		7,076
Sheridan County		965
Total Cash with County Treasurer	$	47,416
TOTAL FUND BALANCE - ENDING	$	2,890,756

See notes to the supplementary information and independent auditor's report.

BASIS OF PRESENTATION

The budgetary comparison schedule has been prepared on the modified cash basis of accounting and presents capital outlay and debt service disbursements within each function similar to the Statement of Activities - Modified Cash Basis.

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures as required by the Nebraska Budget Act in establishing the budgetary data reflected in the supplementary information:

1. Prior to September 1, the District prepares a proposed operating budget for all funds for the fiscal year commencing September 1. The operating budget includes proposed expenditures and the means of financing them. The budget document also includes levy limit calculations and corresponding assessed valuations. The maximum "common levy" after allowable exclusions cannot exceed $1.05 per $100 valuation.
2. At least one public hearing is required to be conducted to obtain taxpayer comments.
3. At a meeting prior to September 30th, the budget is adopted by the School Board and the amounts provided therein are appropriated.
4. The legal level of budgetary control is at the fund level. If it is determined during the year that sufficient amounts have not been budgeted by the fund, state statute allows the adoption of supplemental amended budgets.
5. All unexpended appropriations lapse at year-end, as the District does not use encumbrance accounting.

OTHER SUPPLEMENTARY INFORMATION

Hemingford Public Schools, District No.10
Combined Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances
For the Year Ended August 31, 2025

	Fund Balances at Beginning of Year	Receipts	Disbursements	Transfers In (Out)	Excess (Deficiency) of Receipts Over (Under) Disbursements	Fund Balances at End of Year	Fund Balance Composition: School District Treasurer's Cash and Investments	Fund Balance Composition: County Treasurer's Balance
General Fund	$ 3,846,892	$ 9,151,628	$ 7,806,540	$ (265,000)	$ 1,080,088	$ 4,926,980	$ 3,926,741	$ 1,000,239
Depreciation Fund	100,692	1,620	-	200,000	201,620	302,312	302,312	-
Employee Benefit Fund	57,051	206	19,661	50,000	30,545	87,596	87,596	-
Special Building Fund	2,824,062	421,953	355,259	-	66,694	2,890,756	2,843,340	47,416
Cooperative Fund	40,793	51,458	99,976	80,000	31,482	72,275	72,275	-
QCPUF	-	71,059	-	-	71,059	71,059	59,205	11,854
Activity Fund	301,202	248,321	396,851	125,000	(23,530)	277,672	277,672	-
School Nutrition Fund	50,864	250,871	325,546	140,000	65,325	116,189	116,189	-
Total - All Funds	$ 7,221,556	$ 10,197,116	$ 9,003,833	$ 330,000	$ 1,523,283	$ 8,744,839	$ 7,685,330	$ 1,059,509

See independent auditor's report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Depreciation Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ 100,545	$ 100,692
RECEIPTS		
Interest Income	-	1,620
Transfers in from Other Funds	295,000	200,000
TOTAL RECEIPTS	295,000	201,620
DISBURSEMENTS		
Capital Outlay	395,545	-
FUND BALANCE - ENDING	$ -	$ 302,312
Analysis of Fund Balance:		
Cash in Bank:		
Checking Account		$ 302,312

See independent auditor's report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Employee Benefit Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ 57,010	$ 57,051
RECEIPTS		
Interest Income	-	206
Transfers in from Other Funds	50,000	50,000
TOTAL RECEIPTS	50,000	50,206
DISBURSEMENTS		
Other Support Services	107,010	19,661
FUND BALANCE - ENDING	$ -	$ 87,596
Analysis of Fund Balance:		
Cash in Bank:		
Checking Account		$ 87,596

See independent auditor's report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Cooperative Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ 40,763	$ 40,793
RECEIPTS		
Tuition	50,000	51,276
Interest Income	-	182
Transfers In from Other Funds	65,000	80,000
TOTAL RECEIPTS	115,000	131,458
DISBURSEMENTS		
Regular Instruction	155,763	99,976
FUND BALANCE - ENDING	$ -	$ 72,275
Analysis of Fund Balance		
Cash in Bank:		
Checking Account		$ 72,275

See independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - School Nutrition Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
NET POSITION - BEGINNING	$ 40,933	$ 50,864
RECEIPTS		
Lunchroom Sales	100,000	141,695
State Reimbursements	1,000	1,051
Federal Reimbursements	158,067	90,802
Commodities Received	30,000	11,736
Other Receipts	-	5,587
Transfers In from Other Funds	65,000	140,000
TOTAL RECEIPTS	354,067	390,871
DISBURSEMENTS		
Salaries and Benefits	135,000	123,713
Food	250,000	177,929
Commodities Disbursed	-	11,736
Supplies	5,000	2,807
Purchased Services	5,000	6,740
Miscellaneous	-	2,621
TOTAL DISBURSEMENTS	395,000	325,546
NET POSITION- ENDING	$ -	$ 116,189
Analysis of Net Position		
Cash in Bank:		
Checking Account		$ 116,189

See independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule -
Qualified Capital Purpose Undertaking Fund
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ -	$ -
RECEIPTS		
Property Taxes	75,000	44,539
Penalties and Interest on Taxes	-	10
Interest on Investments	-	179
Homestead Exemption	-	570
Property Tax Credit	-	25,621
Pro-rate Motor Vehicle	-	140
TOTAL RECEIPTS	75,000	71,059
DISBURSEMENTS		
School Safety and Security Act	75,000	-
FUND BALANCE - ENDING	$ -	$ 71,059
Analysis of Fund Balance		
Cash in Bank:		
Checking Account		$ 59,205
Cash with County Treasurer:		
Box Butte County		9,844
Dawes County		1,769
Sheridan County		241
Total Cash with County Treasurer		11,854
TOTAL FUND BALANCE - ENDING		$ 71,059

See independent auditor’s report.

Hemingford Public Schools, District No.10
Budgetary Comparison Schedule - Activity Funds
For the Year Ended August 31, 2025

	Budget (Original and Final)	Actual
FUND BALANCE - BEGINNING	$ 292,628	$ 301,202
RECEIPTS		
Activity Receipts	325,000	248,321
Transfers In from Other Funds	-	125,000
TOTAL RECEIPTS	325,000	373,321
DISBURSEMENTS		
Activity Disbursements	617,628	396,851
FUND BALANCE - ENDING	$ -	$ 277,672
Analysis of Fund Balance:		
Cash in Bank:		
Checking Account		$ 277,672

See independent auditor’s report.

Hemingford Public Schools, District No.10
Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances - Activity Funds
For the Year Ended August 31, 2025

	Beginning Fund Balance	Receipts	Transfers In (Out)	Disbursements	Ending Fund Balance
Athletics:					
Athletics	$ 178,498	$ 26,316	$ (52,892)	$ 110,486	$ 41,436
Uniforms	(1,437)	13,000	27,000	26,143	12,420
Athletic Club	6,069	20,677	-	21,199	5,547
Random Drug Testing	(1,891)	4,000	2,000	3,742	367
Cheerleaders	(3,011)	7,845	3,012	7,333	513
Football Fundraising	12,576	714	-	7,020	6,270
Football	(11,901)	8,500	32,000	18,773	9,826
Volleyball Fundraiser	3,732	4,526	-	4,422	3,836
Volleyball	(2,228)	6,500	6,000	8,571	1,701
Basketball	338	11,679	1,000	11,081	1,936
Wrestling	(10,643)	14,889	19,000	18,649	4,597
Boys Wrestling Fundraiser	5,020	6,338	-	6,927	4,431
Girls Wrestling Fundraiser	691	3,013	-	3,113	591
Cross Country Fundraiser	4,971	749	-	1,778	3,942
Cross Country	(3,529)	1,500	6,800	2,404	2,367
Golf	(3,646)	105	8,800	2,493	2,766
Track	(11,640)	3,024	47,000	24,772	13,612
Track Fundraiser	173	1,351	-	755	769
Bowling	-	1,000	2,000	918	2,082
Girls Athletics Fundraiser	6,984	4,879	-	410	11,453
Girls On the Run	360	-	-	-	360
Subtotal Athletics	169,486	140,605	101,720	280,989	130,822
Clubs and Organizations:					
DC Trip - World Stride	5,176	23,764	-	25,525	3,415
E-sports	(1,694)	538	2,000	390	454
E-sports Fundraising	414	-	-	83	331
Speech	(2,677)	-	4,300	862	761
Speech Fundraising	60	-	-	-	60
Dramatics	(1,475)	4,404	3,480	3,933	2,476
Dramatics Fundraising	4,265	4,160	-	5,632	2,793
FFA	28,848	32,127	-	32,704	28,271
Shop Materials	8,562	2,932	-	994	10,500
FCCLA	121	2,887	-	2,079	929
Honor Society	1,192	134	-	68	1,258
Music	4,768	188	-	280	4,676
Scholarships	2,671	2,137	-	-	4,808
Student Council - Middle School	3,604	2,743	-	2,460	3,887
Student Council	3,098	2,529	-	3,565	2,062
Health Professions	989	-	-	-	989
Yearbook	7,753	3,185	9,000	14,651	5,287
4th Grade - Jespersen	3,647	-	-	246	3,401
4th Grade	-	1,347	-	725	622
Science	1,256	-	-	-	1,256
Science Olympiad	1,170	2,928	-	1,477	2,621
Subtotal Clubs and Organizations	71,748	86,003	18,780	95,674	80,857

See independent auditor’s report.

Hemingford Public Schools, District No.10
Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances - Activity Funds (Continued)
For the Year Ended August 31, 2025

	Beginning Fund Balance	Receipts	Transfers In (Out)	Disbursements	Ending Fund Balance
Miscellaneous:					
Courtesy Fund	2,396	590	-	136	2,850
Elementary Teachers	8,939	17	-	-	8,956
Elementary Principal	1,911	-	-	89	1,822
High School Teachers	8,078	-	-	-	8,078
High School Principal	2,312	-	-	761	1,551
Miscellaneous	3,256	1,332	-	829	3,759
Book Fair	5,432	3,487	-	3,468	5,451
Art	819	6,348	-	4,637	2,530
Hope Squad	5,296	2,442	-	2,293	5,445
Bobcat Cares	940	1,000	-	1,152	788
Culture and Climate	(314)	-	4,500	2,395	1,791
Subtotal Miscellaneous	39,065	15,216	4,500	15,760	43,021
Classes:					
Graduated Classes	8,784	-	-	-	8,784
Class of 2023	70	-	-	-	70
Class of 2024	1,775	-	-	599	1,176
Class of 2025	3,583	-	-	1,402	2,181
Class of 2026	3,617	1,917	-	2,327	3,207
Class of 2027	2,088	1,060	-	-	3,148
Class of 2028	494	1,507	-	100	1,901
Class of 2029	352	873	-	-	1,225
Class of 2030	140	990	-	-	1,130
Class of 2031	-	150	-	-	150
Subtotal Classes	20,903	6,497	-	4,428	22,972
Total	$ 301,202	$ 248,321	$ 125,000	$ 396,851	$ 277,672

See independent auditor's report.

OTHER INFORMATION

Hemingford Public Schools, District No.10
Board of Education
August 31, 2025

PRESIDENT

Justin Ansley

VICE PRESIDENT

Trish Schumacher

SECRETARY

Blanche Randolph

TREASURER

Kristy Hanks

MEMBERS

Rick Horstman

Brett Cullan

Micki Votruba

SUPERINTENDENT

Dr. Travis Miller

HEMINGFORD PUBLIC SCHOOLS, DISTRICT NO. 10

Communication with Those
Charged with Governance

August 31, 2025

CASEY · PETERSON

October 30, 2025

School Board
Hemingford Public Schools District No.10
Hemingford, Nebraska

We have audited the financial statements of Hemingford Public Schools, District No.10 (the District) as of and for the year ended August 31, 2025, and have issued our report thereon dated October 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 9, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by Casey Peterson, LTD and reviewed by management with your oversight are presented fairly, in all material respects, in accordance with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated October 30, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

As requested, we prepared the financial statements and related notes from trial balances, schedules, and other supporting documents provided by management, assisted with the preparation of the Annual Financial Report, proposed adjusting journal entries, and consulted management on the implementation of new accounting standards, as applicable. The preparation of the financial statements is a threat to our independence. These services and related documents have been reviewed in detail by District management. An additional review was also performed by a member of our audit team who was not involved in the audit.

Significant Risks Identified

We are responsible for communicating the significant risks identified in our audit of the financial statements of the District. This communication is intended to inform you of such matters and to assist you in fulfilling your responsibility to oversee the financial reporting process. Significant risks are identified in the regular course of an audit engagement and align with the audit areas that deserve special audit consideration. We devote specific and additional attention to those areas to determine whether they are free from material misstatement. We did not identify any additional issues to report to the Board.

We have identified the following significant risks:

- Management override of controls
- Improper revenue recognition
- Reliance on the auditor to prepare the financial statements and related notes
- Budgetary and statutory compliance
- Lack of segregation of responsibilities due to limited number of personnel

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. The District has not adopted any new accounting policies and there have been no other changes in significant accounting policies or their application during the fiscal year ended August 31, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and the related disclosures are an integral part of the financial statements and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. Since the financial reporting for Nebraska School Districts is on the modified cash basis of accounting, no material accounting estimates were noted.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no disclosures in the financial statements that are particularly sensitive.

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

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We identified no significant unusual transactions during our audit procedures that were required to be brought to the attention of management.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- To correct the presentation of Activity Fund balances
- To record earnings on the investment account and CDs
- To reclassify the money market balance from the cash account
- To adjust the County Treasurer's cash on hand based on the August 2025 County reports
- To record commodities received

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District’s financial statements or the auditor’s report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 30, 2025.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District’s auditors.

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

Sincerely,

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota

Hemingford Public Schools, District No.10

October 30, 2025

Casey Peterson, LTD
909 St. Joseph Street, Ste 101
Rapid City, South Dakota 57701

This representation letter is provided in connection with your audit of the modified cash basis financial statements of Hemingford Public Schools, District No.10 (the District), which comprise the respective statements of financial position of the governmental funds, the business-type activities, each major fund, and the aggregate remaining fund information as of August 31, 2025, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

Except where otherwise stated below, immaterial matters less than $20,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 30, 2025.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 9, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with the modified cash basis of accounting.
2. The financial statements referred to above have been fairly presented in accordance with the modified cash basis of accounting and include all properly classified funds and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure.
6. All related party relationships and transactions have been appropriately accounted for and disclosed.
7. All events subsequent to the date of the financial statements requiring adjustment or disclosure have been adjusted or disclosed.
8. There were no uncorrected misstatements.
9. We have reviewed and approved the various journal entries that were proposed by you for recording in our books and records. These entries have been posted to our accounts. See attached schedule.

10. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be disclosed in the financial statements in accordance with U.S. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which codifies FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*, and we have not consulted a lawyer concerning litigation, claims, or assessments.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37*, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All net position components and fund balance classifications have been properly reported and, if applicable, approved.
14. All receipts within the statement of activities have been properly classified as program receipts, general receipts, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All disbursements have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. Non-exchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists, or if we are obligated in any matter, have been properly disclosed.
19. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
20. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
21. We have a process to track the status of audit findings and recommendations.
22. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
23. With regard to pensions:
    a. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
    b. We are unable to determine the possibility of a withdrawal liability from the plan, of which we are a sponsor and are not currently contemplating withdrawing from the plan.
    c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with the modified cash basis of accounting and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

24. We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the District's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
25. We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
26. With respect to the preparation of the financial statements, assistance with the Annual Financial Report, proposal of adjusting journal entries, and consultation on the implementation of accounting standards, as applicable, we have performed the following:
    a. Made all management decisions and performed all management functions;
    b. Assigned a competent individual to oversee the services;
    c. Evaluated the adequacy of the services performed;
    d. Evaluated and accepted responsibility for the result of the service performed; and
    e. Established and maintained internal controls, including a process to monitor the system of internal control.

Information Provided

27. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the District and others from whom you determined it necessary to obtain audit evidence.
28. All cash transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our evaluation of the District's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
31. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
32. We are not aware of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.

33. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

34. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

35. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse, or waste that you have reported to us, if any.

36. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

37. We are not aware of any pending or threatened litigation, claims, or assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

38. We have disclosed to you the identity of all the District's related parties and the nature of all the related party relationships and transactions of which we are aware.

39. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

40. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

41. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.

42. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the District will make a payment on any guarantee.

43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

44. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

45. There are no:

    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.

    c. Other liabilities or gain or loss contingencies that are required to be disclosed by GASB-62

46. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

47. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

48. We agree with the findings of specialists in evaluating the Nebraska Retirement System pension-related accounts and activity and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

49. The District did not expend over $750,000 in Federal Awards.

50. With respect to the budgetary schedules, Combined Schedule of Cash Receipts, Disbursements, and Changes in Fund Balances, Notes to the Supplementary Information, combining schedules, and Schedule of Receipts, Disbursements, and Changes in Fund Balance - Activity Funds accompanying the financial statements:

    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the modified cash basis of accounting.

    b. We believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

    e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

    f. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.

    g. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the District of the supplementary information and the auditor's report thereon.

Signature ______________________ Title Superintendent

Adjusting Journal Entries
August 31, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To reverse client entry called "Reverse Auditor Adj for AFR Purposes"			
05 1710 1010	ATHLETICS / ACTIVITIES	386,032.54	
05 1710 1015	UNIFORMS	7,000.00	
05 1710 1025	RANDOM DRUG TESTING	2,000.00	
05 1710 1030	CHEERLEADERS - FUNDRAISING	3,011.94	
05 1710 1036	FOOTBALL	12,000.00	
05 1710 1041	VOLLEYBALL	3,000.00	
05 1710 1044	WRESTLING	11,000.00	
05 1710 1051	XC	3,800.00	
05 1710 1052	GOLF	3,800.00	
05 1710 1054	TRACK	12,000.00	
05 1710 3012	ESPORTS	2,000.00	
05 1710 3015	SPEECH	2,800.00	
05 1710 3020	ONE ACT	1,475.52	
05 1710 4075	CULTURE & CLIMATE	2,000.00	
05 704	FUND BALANCE		450,444.48
05 704	FUND BALANCE		1,475.52
Total		**451,920.00**	**451,920.00**
Adjusting Journal Entries JE # 2			
To reclassify Activity Fund Balance to one account for AFR Presentation			
05 704 1010	ATHLETICS / ACTIVITIES	41,437.31	
05 704 1015	UNIFORMS	12,419.90	
05 704 1020	ATHLETIC CLUB / CONCESSION STAND	5,547.23	
05 704 1025	RANDOM DRUG TESTING	367.30	
05 704 1030	CHEERLEADERS - FUNDRAISING	512.93	
05 704 1035	FOOTBALL FUNDRAISING	6,270.21	
05 704 1036	FOOTBALL	9,825.70	
05 704 1040	VOLLEYBALL - FUNDRAISING	3,836.27	
05 704 1041	VOLLEYBALL	1,701.24	
05 704 1042	BOYS BASKETBALL FUNDRAISING	1,017.79	
05 704 1043	BASKETBALL	918.62	
05 704 1044	WRESTLING	4,596.91	
05 704 1045	BOYS WRESTLING FUNDRAISER	4,431.25	
05 704 1046	GIRLS WRESTLING FUNDRAISER	590.75	
05 704 1050	XC FUNDRAISER	3,941.61	
05 704 1051	XC	2,366.85	
05 704 1052	GOLF	2,660.59	
05 704 1053	GOLF FUNDRAISING	105.00	
05 704 1054	TRACK	13,612.34	
05 704 1055	TRACK FUNDRAISING	769.31	
05 704 1056	GIRLS ATH FUNDRAISING	11,452.80	
05 704 1057	GIRLS ON THE RUN	360.19	
05 704 1060	UNIFIED BOWLING	2,082.31	

Adjusting Journal Entries (Continued)
August 31, 2025

Account	Description	Debit	Credit
05 704 1999	GRADUATED CLASSES	8,783.66	
05 704 2023	CLASS OF 2023	69.81	
05 704 2024	CLASS OF 2024	1,175.74	
05 704 2025	CLASS OF 2025	2,180.89	
05 704 2026	CLASS OF 2026	3,206.94	
05 704 2027	CLASS OF 2027	3,148.14	
05 704 2028	CLASS OF 2028	1,900.91	
05 704 2029	CLASS OF 2029	1,224.64	
05 704 2030	CLASS OF 2030	1,129.67	
05 704 2031	FUND BALANCE	150.00	
05 704 3010	WORLDSTRIDES	3,414.55	
05 704 3012	ESPORTS	454.35	
05 704 3013	eSPORTS FUNDRAISING	330.68	
05 704 3015	SPEECH	760.93	
05 704 3016	SPEECH FUNDRAISING	60.03	
05 704 3020	ONE ACT	2,475.93	
05 704 3021	ONE ACT - FUNDRAISING	2,792.77	
05 704 3030	FFA	28,270.95	
05 704 3035	FFA - SHOP MATERIALS	10,500.34	
05 704 3040	FCCLA	928.53	
05 704 3050	NHS - HONOR SOCIETY	1,257.69	
05 704 3070	MUSIC	4,676.49	
05 704 3080	SCHOLARSHIPS	4,808.00	
05 704 3090	STUCO - MIDDLE SCHOOL	3,886.98	
05 704 3100	STUDENT COUNCIL - HS	2,061.66	
05 704 3110	HEALTH PROFESSIONS CLUB	989.17	
05 704 3120	YEARBOOK	5,287.31	
05 704 3150	4TH GRADE - JESPERSEN	3,400.97	
05 704 3151	4TH GRADE FUNDRAISING	622.14	
05 704 3200	SCIENCE	1,256.07	
05 704 3535	SCIENCE OLYMPIAD	2,620.90	
05 704 4010	COURTESY FUND	2,850.13	
05 704 4020	ELEMENTARY TEACHERS	8,955.70	
05 704 4021	ELEM PRINCIPAL FUND	1,822.11	
05 704 4025	HIGH SCHOOL TEACHERS	8,077.81	
05 704 4026	HS PRINCIPAL FUND	1,550.78	
05 704 4040	MISC/STUDENT OPPORTUNITIES	3,759.07	
05 704 4045	BOOKFAIR	5,451.10	
05 704 4050	FINE ARTS & CULTURE CLUB	2,530.18	
05 704 4060	HOPE SQUAD	5,445.15	
05 704 4070	BOBCAT CARES	788.23	
05 704 4075	CULTURE & CLIMATE	1,790.55	
05 704	FUND BALANCE		277,672.06
Total		**277,672.06**	**277,672.06**

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Adjusting Journal Entries (Continued)
August 31, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 3			
To record earnings on investment account and CDs			
01 104	CERTIFICATES OF DEPOSIT CASH	40,367.72	
08 102	CASH NLAF	19,018.26	
08 103	CERT OF DEPOSIT	81,358.33	
01 1510	INTEREST ON INVESTMENTS		40,367.72
08 1510	INTEREST INCOME		19,018.26
08 1510	INTEREST INCOME		81,358.33
Total		**140,744.31**	**140,744.31**
Adjusting Journal Entries JE # 4			
To reclassify money market balance from cash account			
01 107	G/F MONEY MARKET	2,198,988.21	
01 101	CASH		2,198,988.21
Total		**2,198,988.21**	**2,198,988.21**
Adjusting Journal Entries JE # 5			
To adjust Special Building Fund County Treasurer cash on hand based on August 2025 county reports			
08 1100	PROPERTY TAX INCOME	23,805.54	
08 1140	PENALTIES AND INTEREST ON TAXES	20.60	
08 3132	PERSONAL PROPERTY TAX CREDIT	5.14	
08 4600 610 000	GENERAL SUPPLIES	9.06	
08 110	CASH AT BBC TREASUER		21,937.14
08 1115	CARLINE TAX INCOME		11.20
08 112	CASH AT DAWES TREASUER		1,643.92
08 113	CASH AT SHERIDAN TREASUER		220.16
08 3130	HOMESTEAD EXEMPTION INCOME		22.78
08 3180	PRO-RATE MOTOR VEHICLE FEES		5.14
Total		**23,840.34**	**23,840.34**
Adjusting Journal Entries JE # 6			
To adjust General Fund County Treasurer cash on hand based on August 2025 county reports			
01 1100	LOCAL DISTRICT TAXES	478,355.82	
01 1125	MOTOR VEHICLE FEES	729.14	
01 1140	PENALTIES AND INTEREST ON LOCAL TAX	9,437.32	
01 2110	COUNTY FINES & LICENSE FEES	26.75	
01 110	CASH AT BBC TREASURER		441,405.02
01 1115	CARLINE TAX		329.37
01 112	CASH AT DAWES COUNTY TREASURER		33,031.89
01 113	CASH AT SHERIDAN CTY TREASURER		4,359.15
01 3130	HOMESTEAD EXEMPTION		399.86
01 3131	PROPERTY TAX RELIEF		9,022.04
01 3180	PRO-RATE MOTOR VEHICLE		1.70
Total		**488,549.03**	**488,549.03**

Adjusting Journal Entries (Continued)
August 31, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
To adjust QC-PUF Fund County Treasurer cash on hand based on August 2025 county reports			
09 110CP	CASH AT BBC TREASURER	9,844.11	
09 112CP	CASH AT DAWES COUNTY TREASURER	1,769.11	
09 113CP	CASH AT SHERIDAN COUNTY TREASURER	241.29	
09 1100	LOCAL PROPERTY TAXES		11,819.09
09 1115	CARLINE TAXES		27.27
09 1140	PENALTIES AND INTEREST ON TAXES		2.46
09 3130	HOMESTEAD EXEMPTION		5.69
Total		**11,854.51**	**11,854.51**
Adjusting Journal Entries JE # 8			
To record commodities			
06 3100 630 000	FOOD SUPPLIES	11,736.00	
06 4530	VALUE OF COMMODITIES		11,736.00
Total		**11,736.00**	**11,736.00**
Adjusting Journal Entries JE # 10			
To reclass Medicaid to amounts confirmed			
01 4708	MIPS-MEDICAID PUBLIC SCHOOLS	2,826.64	
01 4709	NEBMAC/MEDICAID ADMIN.		2,826.64
Total		**2,826.64**	**2,826.64**
Adjusting Journal Entries JE # 11			
To reclass IDEA salaries paid based on level of effort reported to the state			
01 6406 110 002	Sped - PreSchool - 4406	2,531.00	
01 6406 111 002	SPED BAF SALARIES		2,531.00
Total		**2,531.00**	**2,531.00**
Adjusting Journal Entries JE # 13			
To reclass state revenue to federal revenue			
01 3551	CAREER EDUCATION	2,020.00	
01 4525	FED VOCATIONAL (CARL PERKINS)		2,020.00
Total		**2,020.00**	**2,020.00**