Board of Education Regular Meeting
Monday, November 9, 2026 6:00 PM

Middle School/High School Media Center
565 Kimmel Street
Osceola, NE 68651-0198

Agenda

1. Osceola Public Schools Board of Education Information
2. Opening Procedures
   2.1. Call the Meeting to Order
   2.2. Roll Call
   2.3. Excuse Board Members Who Are Absent
3. Recognition of Visitors/Communications from the Public
4. Reports
   4.1. Student Body President Report
   4.2. AD Report
   4.3. Principals Reports
      4.3.1. Elementary Report
      4.3.2. MS/HS Report
   4.4. Superintendent's Report
   4.5. Board Reports
      4.5.1. Negotiations update.
5. Mr. Kyle Overturf, CPA, from AMGL, PC, to review the audit of the 2025-2026 district finances
6. Action Items
   6.1. Consent Agenda
      6.1.1. Approval of the Previous Meeting's Minutes
      6.1.2. Treasurer's Report
      6.1.3. Payment of general fund claims in the amount of $480,233.00
   6.2. Consider, discuss and take all necessary action on
      6.2.1. 2-year Baseball Coop with Twin River for the 2026-2027 and 2027-2028 school years.
      6.2.2. Consider, discuss, and take all necessary action to approve Kendly Mestl for early graduation in December.
      6.2.3. Discuss the district-approved honor cords that graduates can wear at the graduation ceremony.
7. Superintendent Evaluation
8. Next Meeting Dates and Times
   8.1. Regular meeting December 14, 2026, 6:00 PM at the Osceola Middle/High School Media Center.
9. Adjournment

AD REPORT (11-09-26)

Football:
The Dawgs season came to an end on October 23rd. The team's final record was 4-5. Thank you to Cooper, Brycen, and Jackson for all your hard work and dedication to the program.

Volleyball:
The volleyball team's season came to an end in the Sub State game against Cambridge. The Lady Dawgs finished their season with a record of 24-6. They ended the season as the Pleasanton Tournament Champs, Mead Tournament Champs, CRC Runner Ups, D1-4 Sub District Champs. Thank you to Kenzie, Bella, and Alexis for all your hard work and dedication to the program.

One Act:
One Act competed this past Saturday at Cross County. They received 4th place out of nine schools.

Schedule:
11/16 - at Central City
11/18 - CRC at High Plains
11/21 - at SRC
12/11 - Districts at Cross County

JH Boys Wrestling:
We have 5 boys from Osceola out for JH Wrestling (four seventh graders and one eight grader). This will be Samuel Netherton's second season as the head JH Boys coach. They competed today in Friend at 4 pm.

JH Girls Basketball:
We have 13 girls out for JH basketball this season (three eighth graders and ten seventh graders). They will be coached by Adam Peterson and Abby Bise. They had their first game today against SRC.

OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF CLASSIFICATION OF PAYROLLS BY NCCI CODES AND PAYROLLS IN TOTAL

August 31, 2026

AMGL
CPAs & Advisors

SHAREHOLDERS:
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold
Grant M. Harden

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Osceola Public Schools – District #19
Osceola, Nebraska

Opinion

We have audited the accompanying schedule of classification of payrolls by NCCI Codes and payrolls in total for Osceola Public Schools – District #19 for the year ended August 31, 2026.

In our opinion, the schedule of classification of payrolls by NCCI codes and payrolls in total referred to above presents fairly, in all material respects the payroll base of Osceola Public Schools – District #19 for NASB ALICAP premiums for the year ended August 31, 2026, in accordance with the modified cash basis of accounting per the interlocal agreement with the NASB All Lines Interlocal Cooperative Aggregate Pool (ALICAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of Osceola Public Schools – District #19 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

The schedule of classification of payrolls by NCCI codes and payrolls in total was prepared by Osceola Public Schools – District #19 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, to comply with the provisions of the agreement referred to above. Our opinion is not modified with respect to that matter.

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and offers wealth management and investment advisory services.

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Responsibilities of Management for the Financial Information

Management is responsible for the preparation and fair presentation of the schedule in accordance with the provisions of the interlocal agreement between the District and NASB All Lines Interlocal Cooperative Aggregate Pool (ALICAP) and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19's ability to continue as a going concern within one year after the date that the schedule is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Information

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the schedule, 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 schedule.

- 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 Osceola Public Schools – District #19'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 evaluating the overall presentation of the schedule.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19's ability to continue as a going concern for a reasonable period of time.

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

Report on the Audit of the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Osceola Public Schools – District #19 as of and for the year ended August 31, 2026, and our report thereon dated October 30, 2026, expressed an unmodified opinion on those financial statements.

AMGL, P.C.

Grand Island, Nebraska
October 30, 2026

OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF CLASSIFICATION OF PAYROLLS
BY NCCI CODES AND PAYROLLS IN TOTAL
For the Year Ended August 31, 2026

Class Code		Total Payroll*
8868	Professional Employees, Teachers, Administrators, Aides and Clerical	$ 2,474,317
9101	Custodians, Cooks, and all other employees	272,880
7380	Bus Drivers	58,986
	Total Payroll	$ 2,806,183

*Total gross payroll before deductions.

OSCEOLA PUBLIC SCHOOLS – DISTRICT #19
POLK COUNTY, NEBRASKA

_____
Signature

_____
Date

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

August 31, 2026

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS - MODIFIED CASH BASIS	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Statement of Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds	14
Statement of Net Position - Proprietary Fund	15
Statement of Receipts, Disbursements, and Changes in Fund Net Position - Proprietary Fund	16
Notes to Financial Statements	17
SUPPLEMENTARY AND OTHER INFORMATION	
Budgetary Comparison Schedules	
General Fund	34
Depreciation Fund	35
Special Building Fund	36
Bond Fund	37
Note to Budgetary Comparison Schedules	38
Combining Balance Sheet - Other Governmental Funds	39
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances - Other Governmental Funds	40
Statement of Cash Receipts, Disbursements, and Fund Balance - Activity Fund	41
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*	42
Schedules of Findings and Responses	44

AMGL
CPAs & Advisors

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Grant M. Harden

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Osceola Public Schools - District #19
Polk County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the School District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19, as of August 31, 2026, 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 A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Osceola Public Schools – District #19 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

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

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 A, 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

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Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Osceola Public Schools – District #19's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Osceola Public Schools' 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 Osceola Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Osceola Public Schools – District #19's financial statements. The combining nonmajor fund financial statements and Activity Fund statement of cash receipts, disbursements, and fund balances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2026, on our consideration of Osceola Public Schools – District #19'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 Osceola Public Schools – District #19'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 Osceola Public Schools – District #19's internal control over financial reporting and compliance.

AMGL, PC.

Grand Island, Nebraska
October 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Osceola Public Schools - District #19's annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2026. Please read the MD&A in conjunction with the entire financial report, which immediately follows this section.

DETAILED ANALYSIS (PART I)

- General Fund revenues were $6,118,005, $865,871 more than expenses.
- General Fund operational costs were $5,252,134, a 3.0 percent increase from the prior year.
- Osceola Public Schools - District #19's Average Daily Membership (ADM) of 234 for the year ended August 31, 2026 was up 3 from the year ended August 31, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This audited annual financial report consists of three sections: management's discussion and analysis (MD&A) [this section], the financial statements, and supplementary and other information. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* show how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates *like a business*, such as Nutrition Services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary and other information that further explains and supports the financial statements with a comparison of the District's budget for the year and various other schedules and statements.

FINANCIAL SUMMARY

Net Position

The District's combined net position was higher on August 31, 2026 than it was the year before, increasing 26.0 percent to $4,306,828. The increase in the District's financial position came from its governmental activities, the net position of which increased $950,998 to $4,300,873 in 2026. In 2026, the net position of the District's business-type activities decreased $63,161 to $5,955.

Summary Statements of Net Position

	August 31, 2026	August 31, 2025
Assets	$ 4,306,828	$ 3,418,991
Liabilities	-	-
Net Position:		
Restricted	1,385,246	1,361,359
Unrestricted	2,921,582	2,057,632
Total Net Position	$ 4,306,828	$ 3,418,991

Governmental Activities

A summary of the governmental activities' receipts and expenses follows:

	Year Ended August 31, 2026	Year Ended August 31, 2025	Increase (Decrease)
Receipts:			
Charges for services	$ 176,672	$ 200,985	$ (24,313)
Operating grants	510,337	606,471	(96,134)
Taxes (property, motor vehicle, and other)	5,569,758	5,058,082	511,676
State aid	530,110	385,741	144,369
Other revenue	247,164	189,684	57,480
Total receipts	7,034,041	6,440,963	593,078
Expenses:			
Instruction	2,707,336	2,918,533	(211,197)
Support services:			
Pupils	155,437	60,874	94,563
Special education	69,969	136,801	(66,832)
Staff	54,589	63,546	(8,957)
General administration	344,545	358,403	(13,858)
School administration	460,782	326,692	134,090
Business	151,207	164,851	(13,644)
Building and grounds	675,611	696,667	(21,056)
Pupil transportation	218,412	139,551	78,861
Other support services	342,865	341,950	915
State categorical programs	12,512	28,892	(16,380)
Facilities	210,116	134,795	75,321
Federal programs	155,484	79,644	75,840
Transfer to other funds	10,000	34,358	(24,358)
Debt service	514,178	514,228	(50)
Total expenses	6,083,043	5,999,785	83,258
Increase in net position - governmental funds	$ 950,998	$ 441,178	$ 509,820

Total receipts increased $593,078 (9.2 percent) due to increased property tax levy and valuation, state aid allocation and insurance proceeds for storm damage. This increase was slightly offset by lower Federal grant reimbursements.

Total expenses increased $83,258 (1.4 percent), primarily due to the hiring of an elementary principal, additional special education costs and the purchase of land and two vehicles. This increase was offset by a decrease in health insurance expense caused by prior year overpayments.

Business-type Activities

A summary of the business-type activities' receipts and expenses follows:

	Year Ended August 31, 2026	Year Ended August 31, 2025	Increase (Decrease)
Receipts:			
Charges for services	$ 90,693	$ 78,436	$ 12,257
Operating grants	83,479	70,753	12,726
Other income	682	4,345	(3,663)
Transfer from other funds	10,000	34,358	(24,358)
Total receipts	184,854	187,892	(3,038)
Expenses:			
Nutrition Services	248,015	234,084	13,931
Decrease in net position	$ (63,161)	$ (46,192)	$ (16,969)

In 2026, revenues of the District's business-type activities (nutrition program) decreased 1.6 percent to $184,854 due to lower General Fund transferring being partially offset by the revenue from a 10.8 percent increase in meals served. The District's expenses increased 6.0 percent to $248,015 due to increased salaries and food costs.

DETAILED ANALYSIS (PART II)

As the District completed the year, its governmental funds reported combined fund balances of $4,300,873, $950,998 more than last year's ending combined fund balances of $3,349,875.

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2026:

	Receipts	Disbursements	Receipts Over (Under) Disbursements
General	$ 6,118,005	$ 5,252,134	$ 865,871
Depreciation	163,751	155,745	8,006
Special Building	161,004	199,064	(38,060)
Qualified Capital Purpose Undertaking	138	11,052	(10,914)
Employee Benefits	512	-	512
Bond	587,039	514,178	72,861
Activity	239,111	187,120	51,991
Student Fee	731	-	731
Eliminations	(236,250)	(236,250)	-
Totals	$ 7,034,041	$ 6,083,043	$ 950,998

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2025:

	Receipts	Disbursements	Receipts Over (Under) Disbursements
General	$ 5,584,896	$ 5,098,812	$ 486,084
Depreciation	92,622	122,350	(29,728)
Special Building	109,545	125,375	(15,830)
Qualified Capital Purpose Undertaking	322	9,420	(9,098)
Employee Benefit	361	-	361
Bond	564,272	514,228	50,044
Activity	178,945	219,600	(40,655)
Eliminations	(90,000)	(90,000)	-
Totals	$ 6,440,963	$ 5,999,785	$ 441,178

As mentioned, the business-type activities' expenses exceeded receipts for 2026. In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary fund statements.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

Capital Assets

Significant additions (more than $10,000 each) were:

- Land - $199,054
- 2025 Chevy Suburban - $68,500
- 2027 International bus - $155,745
- 50 MacBooks - $31,975

Long-term Debt

A summary of the District's debt follows:

	2026	2025	Increase (Decrease)
Financing agreement	$ 148,263	$ 138,210	$ 10,053
General obligation building bonds	5,460,000	5,805,000	(345,000)
Total long-term debt	$ 5,608,263	$ 5,943,210	$ (334,947)

Long-term debt decreased $334,947 (5.6 percent) due to scheduled debt payments. The prepaid suspense account was used to pay the financing agreement resulting in an increase equal to current year interest.

(More detailed information about the District's long-term liabilities is presented in note E to the financial statements.)

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

- The General Fund tax asking for the year ending August 31, 2027 of $4,659,895 is $112,423 (2.5 percent) higher than the tax asking for the prior year ($4,547,472). The District's Special Building Fund increased its tax asking $5,051 (3.3 percent) to $156,566, and the Bond Fund tax asking stayed the same at $560,626.

- The District certified valuation increased 2.1 percent resulting in an expected overall levy of .736347 compared to a levy of .736037 and budgeted expenditures increased 4.9 percent over the prior year for the budget adopted for the year ending August 31, 2027.

- Certified state aid for next year is $570,774 compared to $490,110 for the prior year.

- The District has budgeted to make the balloon payment to pay off the financing agreement to purchase the buses.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This audited financial report is designed to provide the District's stakeholders (i.e., citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, please feel free to contact the following school official:

Jason Lavaley
Superintendent

Osceola Public Schools
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565 S. Kimmel Street
Osceola, NE 68651
(402) 747-3121

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

August 31, 2026

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (note C)	$ 2,241,553	$ 5,955	$ 2,247,508
Cash restricted for building projects (note C)	623,326	-	623,326
Cash restricted for bond payments (note C)	621,910	-	621,910
Cash with County Treasurers (note D)	814,084	-	814,084
Total assets	4,300,873	5,955	4,306,828
LIABILITIES	-	-	-
NET POSITION			
Restricted	1,385,246	-	1,385,246
Unrestricted	2,915,627	5,955	2,921,582
Total net position	$ 4,300,873	$ 5,955	$ 4,306,828

See notes to financial statements.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended August 31, 2026

Functions/Programs	Expenses	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Instruction	$ 2,707,336	$ 13,080	$ 425,180
Support services:			
Pupils	155,437	-	-
Special education	69,969	-	-
Staff	54,589	-	-
Other	342,865	163,592	-
General administration	344,545	-	-
School administration	460,782	-	-
Business	151,207	-	-
Building and grounds	675,611	-	-
Pupil transportation	218,412	-	-
State categorical programs	12,512	-	7,500
Facilities	210,116	-	-
Federal programs	155,484	-	77,657
Principal on long-term debt	345,000	-	-
Interest and fees on long-term debt	169,178	-	-
Total governmental activities	6,073,043	176,672	510,337
Business-type activities:			
Nutrition services	248,015	90,693	83,479
Total primary government	$ 6,321,058	$ 267,365	$ 593,816

See notes to financial statements.

Program Receipts		Net (Expenses) Receipts and Changes in Net Position		
Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total
$ -		$ (2,269,076)	$ -	$ (2,269,076)
-		(155,437)	-	(155,437)
-		(69,969)	-	(69,969)
-		(54,589)	-	(54,589)
-		(179,273)	-	(179,273)
-		(344,545)	-	(344,545)
-		(460,782)	-	(460,782)
-		(151,207)	-	(151,207)
-		(675,611)	-	(675,611)
-		(218,412)	-	(218,412)
-		(5,012)	-	(5,012)
-		(210,116)	-	(210,116)
-		(77,827)	-	(77,827)
-		(345,000)	-	(345,000)
-		(169,178)	-	(169,178)
-		(5,386,034)	$ -	(5,386,034)
-		-	(73,843)	(73,843)
$ -		(5,386,034)	(73,843)	(5,459,877)
General receipts:				
Taxes:				
Property		3,338,740	-	3,338,740
Motor vehicle		208,244	-	208,244
Other taxes		2,022,774	-	2,022,774
Fines and licenses		9,548	-	9,548
State aid		530,110	-	530,110
State apportionment		51,592	-	51,592
Interest income		48,077	434	48,511
Sale of property/insurance proceeds		132,958	-	132,958
Interfund transfers		(10,000)	10,000	-
Other		4,989	248	5,237
Total general receipts		6,337,032	10,682	6,347,714
Change in net position		950,998	(63,161)	887,837
Net position - August 31, 2025		3,349,875	69,116	3,418,991
Net position - August 31, 2026		$ 4,300,873	$ 5,955	$ 4,306,828

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

August 31, 2026

	General Fund	Depreciation Fund	Special Building Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 1,844,336	$ 229,039	$ 623,326	$ 621,910	$ 168,178	$ 3,486,789
Cash with County Treasurers	674,074	-	22,070	117,940	-	814,084
Total assets	$ 2,518,410	$ 229,039	$ 645,396	$ 739,850	$ 168,178	$ 4,300,873
LIABILITIES AND FUND BALANCES						
Liabilities:	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances:						
Restricted for:						
Building additions	-	-	645,396	-	-	645,396
Bond payments	-	-	-	739,850	-	739,850
Assigned for:						
Capital outlay	-	229,039	-	-	-	229,039
Extracurricular activities	-	-	-	-	128,328	128,328
Employee benefits	-	-	-	-	39,850	39,850
Unassigned	2,518,410	-	-	-	-	2,518,410
Total fund balances	2,518,410	229,039	645,396	739,850	168,178	4,300,873
Total liabilities and fund balances	$ 2,518,410	$ 229,039	$ 645,396	$ 739,850	$ 168,178	$ 4,300,873

See notes to financial statements.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

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

For the year ended August 31, 2026

	General Fund	Depreciation Fund
RECEIPTS		
Taxes:		
Property	$ 2,754,989	$ -
Motor vehicle	208,244	-
Homestead exemption	60,674	-
Property tax credit	1,762,651	-
Pro-rate motor vehicle	8,509	-
Carline	771	-
Public power district tax	32,682	-
Nameplate capacity	5,342	-
Penalties and interest on taxes	5,714	-
Fines and licenses	9,548	-
ESU receipts	3,934	-
Tuition and driver's education fees	13,080	-
State aid and grants	1,010,448	-
Federal grants	77,657	-
Interest income	25,815	3,751
Transfer from other funds	-	160,000
Extracurricular receipts	-	-
Sale of property/insurance proceeds	132,958	-
Other	4,989	-
Total receipts	6,118,005	163,751
DISBURSEMENTS		
Instruction	2,227,491	-
Special education programs	479,845	-
Support services:		
Pupils	155,437	-
Special education	69,969	-
Staff	54,589	-
Other	-	155,745
General administration	344,545	-
School administration	460,782	-
Business	151,207	-
Building and grounds	675,611	-
Pupil transportation	378,412	-
State categorical programs	12,512	-
Facilities	-	-
Federal programs	155,484	-
Transfer to other funds	86,250	-
Debt service:		
Principal	-	-
Interest	-	-
Bond fees	-	-
Total disbursements	5,252,134	155,745
Excess (deficiency) of receipts over disbursements	865,871	8,006
Fund balances - August 31, 2025	1,652,539	221,033
Fund balances - August 31, 2026	$ 2,518,410	$ 229,039

See notes to financial statements.

Special Building Fund	Bond Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
$ 89,860	$ 493,891	$ -	$ -	$ 3,338,740
-	-	-	-	208,244
2,017	7,459	-	-	70,150
58,728	69,658	-	-	1,891,037
261	1,078	-	-	9,848
26	95	-	-	892
1,089	4,029	-	-	37,800
178	659	-	-	6,179
143	1,011	-	-	6,868
-	-	-	-	9,548
-	-	-	-	3,934
-	-	-	-	13,080
-	-	-	-	1,010,448
-	-	-	-	77,657
8,702	9,159	650	-	48,077
-	-	76,250	(236,250)	-
-	-	163,592	-	163,592
-	-	-	-	132,958
-	-	-	-	4,989
161,004	587,039	240,492	(236,250)	7,034,041
-	-	-	-	2,227,491
-	-	-	-	479,845
-	-	-	-	155,437
-	-	-	-	69,969
-	-	-	-	54,589
-	-	187,120	-	342,865
-	-	-	-	344,545
-	-	-	-	460,782
-	-	-	-	151,207
-	-	-	-	675,611
-	-	-	(160,000)	218,412
-	-	-	-	12,512
199,064	-	11,052	-	210,116
-	-	-	-	155,484
-	-	-	(76,250)	10,000
-	345,000	-	-	345,000
-	168,738	-	-	168,738
-	440	-	-	440
199,064	514,178	198,172	(236,250)	6,083,043
(38,060)	72,861	42,320	$ -	950,998
683,456	666,989	125,858		3,349,875
$ 645,396	$ 739,850	$ 168,178		$ 4,300,873

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

STATEMENT OF NET POSITION - PROPRIETARY FUND -
MODIFIED CASH BASIS

August 31, 2026

	Nutrition Fund
ASSETS	
Cash	$ 5,955
LIABILITIES	-
NET POSITION	
Unrestricted	$ 5,955

See notes to financial statements.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND - MODIFIED CASH BASIS

For the year ended August 31, 2026

	Nutrition Fund
Operating receipts:	
Lunch sales	$ 90,693
Other revenue	248
Total operating receipts	90,941
Operating disbursements:	
Salaries and employee benefits	114,603
Food and food service supplies	121,209
Capital outlay	2,400
Other	9,803
Total operating disbursements	248,015
Operating disbursements in excess of receipts	(157,074)
Noncapital subsidies:	
State sources	578
Federal sources	71,195
USDA commodities	11,706
Transfer from General Fund	10,000
Total noncapital subsidies	93,479
Operating disbursements in excess of receipts and noncapital subsidies	(63,595)
Other nonoperating receipts:	
Interest income	434
Decrease in net position	(63,161)
Net position - August 31, 2025	69,116
Net position - August 31, 2026	$ 5,955

See notes to financial statements.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

August 31, 2026

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Reporting Entity

Osceola Public Schools - District #19 is a tax-exempt political subdivision and a Class III school district of the State of Nebraska. The District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the District and has concluded that no organization should be included. Therefore, the financial statements present the District as the primary government.

2. Basis of Presentation

The School District has adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Effective September 1, 2010, the District adopted GASB Statement No. 54 regarding classification of governmental fund balances. Fund balances are classified as follows:

Nonspendable−Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted−Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed−Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.

Assigned−Amounts that are designated by the Superintendent for a specific purpose but are not spendable until a budget ordinance is passed by the School Board.

Unassigned−All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

The District's financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

During the year ended August 31, 2026, the District adopted GASB Statement No. 103, *Financial Reporting Model Improvements.* The adoption of Statement No. 103 resulted in presentation and disclosure changes only and did not have an effect on beginning net position.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. The effect of interfund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e., generally supported by taxes and intergovernmental revenues) and business-type (i.e., generally supported by fees for service).

The statement of net position presents the financial position of the District's governmental and business-type activities at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues.

Fund Financial Statements – The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the School District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from noncapital subsidies and other nonoperating items.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued

Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. The Nutrition Fund is considered a proprietary fund.

3. Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared on the modified cash basis of accounting in that county treasurer cash is recorded. This basis recognizes assets, liabilities, net position, revenues and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 capital assets) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, accrued expenses and liabilities and long-term debt) *are not recorded* in these financial statements. Accordingly, the financial statements and supplementary schedules are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. There are no differences between the government-wide financial statements and the fund financial statements.

The government-wide financial statements are prepared using the modified cash basis of accounting, as are the proprietary fund financial statements. Capital assets and related liabilities and right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Basis of Accounting/Measurement Focus, continued

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified cash basis of accounting. Proceeds from issuance of long-term debt are recognized when received and payment of long-term debt is reported as an expenditure when paid. Capital assets are recorded as expenditures and depreciation is not recognized.

Proprietary funds distinguish operating revenues and expenses from noncapital subsidies and nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

4. Fund Types

Governmental Funds – Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are to be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

> **General Fund:** This fund is the operating fund of the District. It is used to account for all financing resources except those required to be accounted for in other funds.
>
> **Depreciation Fund:** The Depreciation Fund was established to facilitate future purchases of capital assets by reserving money from the General Fund.
>
> **Bond Fund:** The Bond Fund accounts for taxes levied and other revenues specifically earmarked for the retirement of bonded indebtedness.
>
> **Special Building Fund:** Accounts for taxes levied and other revenue specifically maintained for acquiring and improving sites and buildings.

The other governmental funds are:

> **Qualified Capital Purpose Undertaking Fund:** Accounts for taxes levied to facilitate the removal of the environmental hazards and the reduction or elimination of accessibility barriers in school district buildings.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types, continued

Employee Benefit Fund: The Employee Benefit Fund was established in order to specifically reserve General Fund money for early retirement benefits and unemployment claims.

Activity Fund: This fund is used to account for assets held by the District for various school organizations and activities.

Student Fee Fund: This fund is used to account for student fees collected from students by the District for extracurricular activities and summer school.

Proprietary Funds – Proprietary funds include enterprise funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net position. The District's only proprietary fund is the following fund:

Nutrition Fund: Accounts for the operations of the District's nutrition program.

5. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

6. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for all funds. The supplementary information presents budgets for the General Fund, Depreciation Fund, Bond Fund, and the

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

Special Building Fund (the major governmental funds). Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act. State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

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

1. As of August 1, or shortly thereafter, Administration of the District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.

4. Total actual expenditures may not legally exceed the Total Budget of Expenditures. Appropriations for expenditures lapse at year end and any revisions require a public hearing and Board approval.

5. The county clerk certifies a preliminary property tax rate for each fund of the School District, which levied property taxes in the county the previous year. For school systems with multiple school districts, the county clerk certifies to each school district the combined valuation of the school system and the proportion of valuation of each district. The county clerk also certifies the preliminary levies based on the combined valuation and the amount requested for the school system for the prior year. The preliminary levy shall be the final levy unless the School Board passes, by a majority vote, a resolution setting a levy at a different amount. For school systems with multiple school districts, the School Board of the Class III school district, or kindergarten through grade twelve district, shall have the authority to set the tax rate for the school system.

6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with the procedures discussed above, which attaches as an enforceable lien on property within the District as of January 1.

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

Taxes are due as of that date. The first half of the real estate taxes due January 1 become delinquent after the following May 1, with the second half becoming delinquent after September 1.

The assessed value for Osceola Public Schools - District #19 upon which the 2025 levy was based, was $714,585,782.

The tax levy per $100 of assessed valuation of taxable property for the year ended August 31, 2026, was as follows:

General Fund levy subject to levy limit	$ 0.636379
Special Building Fund	0.021203
Bond Fund	0.078455
	$ 0.736037

The District did not adopt a budget for the Qualified Capital Purpose Undertaking Fund. This resulted in the disbursements exceeding budgeted appropriations by $11,052 for the year ended August 31, 2026.

NOTE C – CASH

Cash

At August 31, 2026, the carrying value of the District's deposits was $3,492,744 and the bank balance was $3,674,678. For reporting purposes, the collateral on the School District bank deposits is classified in these categories:

1. Insured or collateralized with securities held by the School District or by its agent in the School District's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the School District's name.

The bank balances of the School District's deposits as of August 31, 2026 are entirely insured or collateralized. All securities are held by the pledging financial institution's trust department or agent in the School District's name.

NOTE C – CASH, continued

Cash for the School District at August 31, 2026 consisted of the following:

Cash on hand	$ 5,725
Demand deposits and money market accounts	3,487,019
Total cash	$ 3,492,744

Summary of Carrying Values

The carrying values of cash shown above are included in the fund financial statements at August 31, 2026, as follows:

Carrying value:	
Cash	$ 3,492,744
Included in the following statement of net position captions:	
Statement of Net Position – Governmental –	
Cash	$ 2,241,553
Cash restricted for building projects	623,326
Cash restricted for bond payments	621,910
Statement of Net Position – Business-type –	
Cash	5,955
	$ 3,492,744

NOTE D – FUNDS HELD BY COUNTY TREASURERS

The following receipts were held by the County Treasurers for the School District at August 31, 2026. The receipts were transferred subsequent to the fiscal year ended August 31, 2026.

General Fund	$ 674,074
Special Building Fund	22,070
Bond Fund	117,940
Total cash with County Treasurers at August 31, 2026	$ 814,084

NOTE E – LONG-TERM DEBT

Following is a summary of changes in the District's governmental activities' long-term debt for the year ended August 31, 2026:

	Balance August 31, 2025	Additions	Deletions	Balance August 31, 2026	Due Within One Year
Financing agreement	$ 138,210	$ 10,053	$ -	$ 148,263	$ 148,263
General obligation building bonds	5,805,000	-	(345,000)	5,460,000	355,000
	$ 5,943,210	$ 10,053	$ (345,000)	$ 5,608,263	$ 503,263

The principal and interest payments on the financing agreement will be paid by the Depreciation Fund and the general obligation bonds will be paid by the Bond Fund.

Financing agreement – On December 6, 2022, the District financed three buses for $306,200 with Wells Fargo with an initial down payment of $74,500 and interest of 5.80 percent. Payments of $32,152 are due annually on January 6 with a final balloon payment due on February 6, 2027. The District made a $60,000 payment during the years ended August 31, 2024 and 2025 to decrease the final balloon payment. These payments are not applied to principal but sit in a suspense account, until the next payment is due. During the year ended August 31, 2026, the District utilized the suspense account to make the payment increasing the remaining principal due by the interest. At August 31, 2026 the suspense account has a balance of $25,042.

General Obligation School Building Bonds - On July 30, 2019, the District issued $7,700,000 general obligation bonds. Interest is payable semi-annually on June 15 and December 15 of each year through maturity at rates ranging from 2.0 – 5.0 percent. Principal payments are due beginning December 15, 2019 through June 15, 2039.

Following is a summary of remaining annual debt service requirements to maturity on the District's governmental activities long-term debt:

Year Ending	Direct Placement			Other Debt			Total		
August 31,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2027	$ 148,263	$ 11,947	$ 160,210	$ 355,000	$ 158,388	$ 513,388	$ 503,263	$ 170,335	$ 673,598
2028	-	-	-	365,000	147,737	512,737	365,000	147,737	512,737
2029	-	-	-	370,000	139,890	509,890	370,000	139,890	509,890
2030	-	-	-	385,000	128,790	513,790	385,000	128,790	513,790
2031	-	-	-	390,000	119,550	509,550	390,000	119,550	509,550
2032-2036	-	-	-	2,145,000	414,300	2,559,300	2,145,000	414,300	2,559,300
2037-2039	-	-	-	1,450,000	87,750	1,537,750	1,450,000	87,750	1,537,750
Totals	$ 148,263	$ 11,947	$ 160,210	$ 5,460,000	$ 1,196,405	$ 6,656,405	$ 5,608,263	$ 1,208,352	$ 6,816,615

NOTE F – PENSION PLAN

Plan Description

Osceola Public Schools – District #19 contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2025, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

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

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

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

NOTE F – PENSION PLAN, continued

Plan Description, continued

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

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

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

For the District's year ended August 31, 2026, the District's total payroll for all employees was $2,806,183. Total covered payroll was $2,664,287. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

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

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

NOTE F – PENSION PLAN, continued

Contributions, continued

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

The employee contribution was equal to 8.00 percent from July 1, 2025, to June 30, 2026. The employee contribution was 7.25 percent from July 1, 2026, to August 31, 2026. The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2026, was $212,347.

The State contributed an amount equal to 0.7 percent of the compensation of all members through June 30, 2026 and 0.0 percent July 1, 2026, to August 31, 2026. This contribution is considered a nonemployer contribution since school employees are not employees of the State.

Pension Asset

At June 30, 2025 the District had an asset of $1,261,755 for its proportionate share of the net pension asset. (This asset is not recorded in the accompanying modified cash basis financial statements.) The net pension asset was measured as of June 30, 2025, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The NPERS School Plan was 102.1% funded as of November 2025 based on an actuarial valuation report. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025, the District's proportion was 0.101575 percent, which was an increase of 0.014076 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District's allocated pension income was $389,930.

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTE F – PENSION PLAN, continued

Actuarial Assumptions, continued

Inflation	2.35 percent
Salary increases, including wage inflation	2.95 - 12.95 Percent
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.00% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00% with no floor benefit
Investment Rate of Return, net of investment expense, including inflation	6.95 percent

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

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

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

The School Plan's disability mortality rates were based on the Pub-1020 Non-Safety Disabled Mortality Table (static table).

The actuarial assumptions used in the July 1, 2025, valuations for the School plan are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2023. The experience study report is dated February 19, 2025.

NOTE F – PENSION PLAN, continued

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June30, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
US Equity	24.0%	4.5%
Non-US Equity	22.0%	4.8%
Global Equity	11.5%	4.6%
Fixed Income	30.0%	3.0%
Private Equity	5.0%	7.1%
Real Estate	7.5%	4.0%
Total	100.0%	

*Arithmetic mean, net of investment expense

Discount Rate

The discount rate used to measure the Total Pension Liability at June 30, 2025, was 6.95 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2019, through June 30, 2023. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractual rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2124.

NOTE F – PENSION PLAN, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is

1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

	Discount rate	District's proportionate Share of net pension liability/(asset)
1% decrease	5.95%	$ 1,196,164
Current discount rate	6.95%	$ (1,261,755)
1% increase	7.95%	$ (3,276,667)

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 G – RISK MANAGEMENT

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

NOTE G – RISK MANAGEMENT, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the School District's investments at August 31, 2026 are held in the name of the School District. The underlying securities consist of money market accounts.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The School District does not have any investments with maturity dates.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The School District's investments consist of only money market accounts, minimizing credit risk associated with the School District's investment portfolio.

Concentration of Credit Risk. The School District's investment policy places no limit on the amount that may be invested in any one issuer. At August 31, 2026, the School District's deposits consisted of the following:

Financial Institution	Amount
Pinnacle Bank	$ 3,486,919
Nebraska Liquid Asset Fund	100
	$ 3,487,019

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District's investments had no exposure to foreign currency risk and the School District held no investments denominated in foreign currency at August 31, 2026.

NOTE H – INTERFUND TRANSFERS AND BALANCES

During the year ended August 31, 2026, the General Fund transferred $10,000 to the Nutrition Fund, $76,250 to the Activity Fund and $160,000 to the Depreciation Fund. The transfers to the Activity and Depreciation Funds were eliminated from the total Governmental Funds on page 14.

NOTE I – TAX ABATEMENT

The District is subject to a tax abatement granted by the City of Osceola who has entered into tax increment financing (TIF) agreement with the local grain cooperative for an improvement project. This TIF program has the stated purpose of increasing business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the City to finance the project for a period of up to 15 years.

Information relevant to the abatements impacting the District for the year ended August 31, 2026 is as follows:

Tax Abatement Program	Amount Abated During the Year
Tax Increment Financing	$ 10,931

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2026, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended August 31, 2026

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
	RECEIPTS			
	Local receipts:			
1110	Property	$ 4,501,997	$ 2,754,989	$ (1,747,008)
1115	Carline	1,000	771	(229)
1120	Public power district tax	500	32,682	32,182
1125	Motor vehicle	175,000	208,244	33,244
1140	Penalties and interest on taxes	-	5,714	5,714
1370	Preschool tuition and fees	5,000	10,475	5,475
1510	Interest	1,000	25,815	24,815
1740	Fees	-	2,605	2,605
1911	Other local license fees	-	1,030	1,030
1990	Other local receipts	500	-	(500)
	Total local receipts	4,684,997	3,042,325	(1,642,672)
	County and ESU receipts:			
2110	Fines and licenses	4,000	8,518	4,518
2210	ESU receipts	1,000	3,934	2,934
	Total county and ESU receipts	5,000	12,452	7,452
	State receipts:			
3110	State aid	490,110	530,110	40,000
3120	Special education programs	284,161	421,246	137,085
3130	Homestead exemption	-	60,674	60,674
3131	Property tax credit	-	1,762,651	1,762,651
3133	Nameplate capacity	-	5,342	5,342
3180	Pro-rate motor vehicle	5,000	8,509	3,509
3400	State apportionment	46,000	51,592	5,592
3551	Career and technical education	-	7,500	7,500
	Total state receipts	825,271	2,847,624	2,022,353
4000	Federal grants	441,669	77,657	(364,012)
	Non-revenue receipts:			
5300	Sale of property	-	2,840	2,840
5301	Insurance adjustments	-	130,118	130,118
5690	Other non-revenue receipts	171,380	4,989	(166,391)
	Total non-revenue receipts	171,380	137,947	(33,433)
	Total receipts	6,128,317	6,118,005	(10,312)
	DISBURSEMENTS			
1100	Instructional services	2,841,000	2,227,491	(613,509)
1200	Special education programs	518,000	479,845	(38,155)
1300	Summer school	2,800	-	(2,800)
	Support services:			
2100	Pupil	135,000	155,437	20,437
2141-2183	Special education	140,000	69,969	(70,031)
2200	Instructional staff	75,000	54,589	(20,411)
2300	General administration	300,000	344,545	44,545
2400	School administration	350,000	460,782	110,782
2500	Business	250,000	151,207	(98,793)
2600	Building and grounds	700,000	675,611	(24,389)
2700	Pupil transportation	200,000	378,412	178,412
3500	State categorical programs	12,360	12,512	152
6000	Federal programs	9,478	155,484	146,006
8000	Transfer to other funds	159,398	86,250	(73,148)
	Total disbursements	5,693,036	5,252,134	(440,902)
	RECEIPTS OVER DISBURSEMENTS	$ 435,281	865,871	$ 430,590
	Fund balances - August 31, 2025		1,652,539	
	Fund balances - August 31, 2026		$ 2,518,410	

Composition of fund balance:	8/31/2025	8/31/2026
Cash	$ 1,103,452	$ 1,844,336
County treasurer cash	549,087	674,074
Total fund balance	$ 1,652,539	$ 2,518,410

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - DEPRECIATION FUND

Year ended August 31, 2026

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
	RECEIPTS			
	Local receipts:			
1510	Interest income	$ -	$ 3,751	$ 3,751
	Non-revenue receipts:			
5200	Transfer from General Fund	-	160,000	160,000
	Total receipts	-	163,751	163,751
	DISBURSEMENTS			
2900	Other support services	312,606	155,745	(156,861)
	RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (312,606)	8,006	$ 320,612
	Fund balances - August 31, 2025		221,033	
	Fund balances - August 31, 2026		$ 229,039	
	Composition of fund balance:		8/31/2025	8/31/2026
	Cash		$ 221,033	$ 229,039

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - SPECIAL BUILDING FUND

Year ended August 31, 2026

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
	RECEIPTS			
	Local receipts:			
1110	Property	$ 150,000	$ 89,860	$ (60,140)
1115	Carline	-	26	26
1120	Public power district sales tax	-	1,089	1,089
1140	Penalties and interest on taxes	-	143	143
1510	Interest income	-	8,702	8,702
	Total local receipts	150,000	99,820	(50,180)
	State receipts:			
3130	Homestead exemption	-	2,017	2,017
3131	Property tax credit	-	58,728	58,728
3133	Nameplate capacity	-	178	178
3180	Pro-rate motor vehicle	-	261	261
	Total state receipts	-	61,184	61,184
	Total receipts	150,000	161,004	11,004
	DISBURSEMENTS			
4500	Facilities	814,900	199,064	(615,836)
	RECEIPTS UNDER DISBURSEMENTS	$ (664,900)	(38,060)	$ 626,840
	Fund balances - August 31, 2025		683,456	
	Fund balances - August 31, 2026		$ 645,396	
	Composition of fund balance:		8/31/2025	8/31/2026
	Cash		$ 670,520	$ 623,326
	County treasurer cash		12,936	22,070
	Total fund balance		$ 683,456	$ 645,396

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - BOND FUND

Year ended August 31, 2026

Function Code		Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
	RECEIPTS			
	Local receipts:			
1110	Property	$ 555,020	$ 493,891	$ (61,129)
1115	Carline	-	95	95
1120	Public power district sales tax	-	4,029	4,029
1140	Penalties and interest on taxes	-	1,011	1,011
1510	Interest income	-	9,159	9,159
	Total local receipts	555,020	508,185	(46,835)
	State receipts:			
3130	Homestead exemption	-	7,459	7,459
3131	Property tax credit	-	69,658	69,658
3133	Nameplate capacity tax	-	659	659
3180	Pro-rate motor vehicle	-	1,078	1,078
	Total state receipts	-	78,854	78,854
	Total receipts	555,020	587,039	32,019
	DISBURSEMENTS			
	Debt service:			
5000	Principal	350,822	345,000	(5,822)
5000	Interest	168,738	168,738	-
5000	Bond fees	440	440	-
	Total disbursements	520,000	514,178	(5,822)
	RECEIPTS OVER DISBURSEMENTS	$ 35,020	72,861	$ 37,841
	Fund balances - August 31, 2025		666,989	
	Fund balances - August 31, 2026		$ 739,850	
	Composition of fund balance:		8/31/2025	8/31/2026
	Cash		$ 563,717	$ 621,910
	County treasurer cash		103,272	117,940
	Total fund balance		$ 666,989	$ 739,850

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE -
NOTE TO SUPPLEMENTAL INFORMATION

Year ended August 31, 2026

Note A - Explanation of Significant Variances

Original vs Final Budget Variances

There were no budget amendments during the year ended August 31, 2026.

Final Budget vs Actual Variances

All Funds

Property tax variance should be viewed net of homestead allocation and property tax credit variances due to the District not being able to budget for homestead allocation and property tax credit, as these allocations are controlled by the State.

General Fund

Special education receipts was a favorable variance of $137,085 due changes in the reimbursement formula by the State.

Instructional service expense was a favorable variance of $613,509 due to lower than expected costs and budgeted expense reserves in the budget not being used.

School administration expense was an unfavorable variance of $110,782 due to the hiring of an elementary principal.

Pupil transportation expense was a unfavorable variance of $178,412 due to a $160,000 transfer to the Depreciation Fund.

Federal program expense was a unfavorable variance of $146,006 due to not budgeting Federal expenses due to unknown ability for the District to meet MOE requirements.

Depreciation Fund

Transfers from General Fund was a favorable variance of $160,000 due approved Board transfer.

Other support services expense was a favorable variance of $156,861 due to lower than expected capital needs.

Special Building Fund

Facilities expense was a favorable variance of $615,836 due to lower than expected capital needs.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

August 31, 2026

	Employee Benefit Fund	Qualified Capital Purpose Undertaking Fund	Activity Fund	Student Fee Fund	Total Other Governmental Funds
ASSETS					
Cash	$ 39,850	$ -	$ 127,597	$ 731	$ 168,178
LIABILITIES AND FUND BALANCES					
Liabilities	$ -	$ -	$ -	$ -	$ -
Fund balances:					
Restricted for:					
Qualified capital purpose	-	-	-	-	-
Assigned for:					
Extracurricular activities	-	-	127,597	731	128,328
Employee benefits	39,850	-	-	-	39,850
Total fund balances	39,850	-	127,597	731	168,178
Total liabilities and fund balances	$ 39,850	$ -	$ 127,597	$ 731	$ 168,178

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

Year ended August 31, 2026

	Employee Benefit Fund	Qualified Capital Purpose Undertaking Fund	Activity Fund	Student Fee Fund	Total Other Governmental Funds
RECEIPTS					
Extracurricular receipts	$ -	$ -	$ 162,861	$ 731	$ 163,592
Interest income	512	138	-	-	650
Transfer from other funds	-	-	76,250	-	76,250
Total receipts	512	138	239,111	731	240,492
DISBURSEMENTS					
Other support services	-	-	187,120	-	187,120
Facilities	-	11,052	-	-	11,052
Total disbursements	-	11,052	187,120	-	198,172
Receipts over (under) disbursements	512	(10,914)	51,991	731	42,320
Fund balances - August 31, 2025	39,338	10,914	75,606	-	125,858
Fund balances - August 31, 2026	$ 39,850	$ -	$ 127,597	$ 731	$ 168,178

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND FUND BALANCE - ACTIVITY FUND

Year ended August 31, 2026

	Balance August 31, 2025	Receipts and Transfers	Disbursements	Balance August 31, 2026
District-wide				
Driver's education	$ 1,420	$ -	$ -	$ 1,420
Annual	3,862	3,082	519	6,425
Athletics	(12,167)	159,593	106,049	41,377
Book club	-	150	-	150
Boys basketball	1,091	9,279	10,294	76
Business	1,703	-	-	1,703
Class of 2024	(94)	94	-	-
Class of 2025	96	-	96	-
Class of 2026	3,173	65	3,238	-
Class of 2027	2,175	3,684	2,559	3,300
Class of 2028	114	2,737	-	2,851
Class of 2029	935	883	-	1,818
Class of 2030	849	549	-	1,398
Class of 2031	1,015	52	-	1,067
Class of 2032	-	713	-	713
Concession stand	(4,876)	-	(3,929)	(947)
Crossroads conference	550	100	-	650
Dazzlers	3,752	13,211	16,255	708
Drama	(967)	6,028	5,061	-
Elementary	(102)	2,440	1,833	505
Elementary principal	1,290	1,074	469	1,895
Embroidery	10,082	404	96	10,390
Entrepreneurship	7,278	-	-	7,278
Engineering	188	-	-	188
Ethan Gustafson	1	-	-	1
FFA	4,180	10,912	14,284	808
Football	3,437	1,412	3,943	906
General	9,804	853	5,600	5,057
Girls basketball	40	4,426	3,468	998
HS/MS principal account	1,261	1,238	1,096	1,403
Miscellaneous	43	(43)	-	-
MS book club	453	51	164	340
MS student council	1,489	201	812	878
Music	10,732	-	515	10,217
National Honor Society	623	612	586	649
Quiz bowl	5,550	643	1,795	4,398
Shop	832	-	-	832
Spelling bee	7,757	801	554	8,004
Speech	(721)	5,823	5,102	-
Striv TV	500	-	-	500
Student council	3,716	1,038	1,120	3,634
SWAG	3,381	-	107	3,274
Volleyball	573	6,470	5,381	1,662
Weight room fund	588	536	53	1,071
Total	$ 75,606	$ 239,111	$ 187,120	$ 127,597

AMGL
CPAs & Advisors

SHAREHOLDERS:
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold
Grant M. Harden

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*

To the Board of Education
Osceola Public Schools - District #19
Polk County, 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 activities, each major fund, and the aggregate remaining fund information of Osceola Public Schools – District #19 as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 30, 2026. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its financial statements on a basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Osceola Public Schools – District #19'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 Osceola Public Schools – District #19's internal control.

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

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A PROFESSIONAL CORPORATION

Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2026-001 and 2026-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osceola Public Schools – District #19's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2026-003.

Osceola Public Schools – District #19's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Osceola Public Schools – District #19's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Osceola Public Schools – District #19's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
October 30, 2026

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

Year ended August 31, 2026

Findings relating to the financial statements that are required to be reported in accordance with GAGAS:

Significant Deficiencies:

2026-001 - Inadequate Review and Oversight of Payroll Financial Reporting

Criteria: District management is responsible for designing, implementing and maintaining internal control over financial reporting. That control should prevent, or detect and correct, misstatements on a timely basis. For payroll, this includes:

- Independent review and approval of payroll registers before disbursement.
- Verification of employee withholdings against authorized elections and statutory rates.
- Timely and accurate deposit and filing of payroll taxes.
- Reconciliation of payroll liabilities and remittances to third-party vendors against supporting invoices and the general ledger.
- Segregation of duties among the people who set up employees and pay rates, process payroll, and record and reconcile payroll.

Condition: During our audit of the fiscal year ended August 31, 2026, we noted that the District did not adequately review or oversee financial reporting for payroll transactions. Our testing of payroll identified the following:

- Over withholding of $2,645.65 from employees in July and August 2026 due to incorrect rate updates.
- Retirement remittances more than actual employee withholdings due to failing to update retirement elections.
- The District paid penalties and interest of $20,846.15 due to failure to make deposits timely for payroll paid during the year ended August 31, 2025.

Cause: The District did not have effective policies and procedures for reviewing, approving, and reconciling payroll transactions and related liabilities. This was caused by staff having a lack of training and updating contribution rates timely.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES, Continued

Year ended August 31, 2026

Findings relating to the financial statements that are required to be reported in accordance with GAGAS:

Significant Deficiencies, continued:

2026-001 - Inadequate Review and Oversight of Payroll Financial Reporting, continued

Effect: Without effective review and oversight, the District paid employees and vendors incorrectly, over withheld from employees, and incurred avoidable penalties and interest. This wasted District resources. The same weaknesses created an opportunity for errors or fraud, including fictitious employees, unauthorized pay-rate changes, or misdirected remittances, to occur and go undetected. They also exposed payroll expenditures, benefits and payroll liabilities to misstatement that might not be prevented, or detected and corrected, on a timely basis.

Recommendation: Management should ensure staff have adequate training to monitor and reconcile payroll liabilities monthly and ensure that employee elections and required withholdings are updated timely. Understanding what transactions are being posted to each payroll liability is crucial to being able to monitor accounts balances for accuracy on a regular basis. Any identified reconciling items should be monitored to ensure they clear a subsequent period in a reasonable time frame.

Views of Responsible Officials and Planned Corrective Actions: Management agrees and will ensure that staff receive proper training, will review monthly financial statements to monitor the payroll liabilities to ensure balances are clearing out on a monthly basis and that identified reconciling items are reasonable and clear within a reasonable time frame and will ensure that all employee withholdings are accurate.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES, Continued

Year ended August 31, 2026

Findings relating to the financial statements that are required to be reported in accordance with GAGAS:

Significant Deficiencies, continued:

2026-002 – Segregation of Duties

Criteria: Effective internal control requires an appropriate segregation of incompatible duties so that no one individual has responsibility for authorizing transactions, recording transactions, maintaining custody of assets, and reconciling related accounts. Proper segregation of duties reduces the risk that errors, irregularities, or misappropriation of assets could occur and not be prevented or detected in a timely manner through the normal course of operations.

Condition: During our audit, we noted that certain financial duties are not adequately segregated. Specifically, the same individual or limited group of individuals has access to perform multiple incompatible functions, such as initiating or approving transactions, recording activity in the accounting records, maintaining custody of related assets, and/or performing account reconciliations. As a result, independent review and oversight controls are limited.

Cause: The lack of segregation of duties appears to be primarily attributable to limited staffing levels and the concentration of accounting and financial responsibilities among a small number of personnel. In addition, compensating review procedures have not been sufficiently formalized to mitigate the risks associated with incompatible duties.

Effect: Inadequate segregation of duties increases the risk that errors, unauthorized transactions, or misappropriation of assets could occur and not be prevented or detected in a timely manner. This condition also increases the risk of inaccurate financial reporting and may reduce the effectiveness of the District's overall internal control environment.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES, Continued

Year ended August 31, 2026

Findings relating to the financial statements that are required to be reported in accordance with GAGAS:

Significant Deficiencies, continued:

2026-002 – Segregation of Duties, continued

Recommendation: We recommend that management evaluate current accounting and financial processes to identify incompatible duties and implement practical segregation of duties wherever feasible. Where full segregation is not possible due to staffing limitations, management should establish and document compensating controls, such as independent review and approval of transactions, periodic review of user access rights, supervisory review of bank reconciliations, review of journal entries, and regular monitoring of financial reports by an individual independent of the transaction-processing function. These controls should be performed timely, evidenced through documentation, and reviewed periodically for continued effectiveness.

Views of Responsible Officials and Planned Corrective Actions: Due to the small size of the District, is it impractical to further segregate duties. However, management will review processes to determine if there are compensating controls and independent review processes that can be implemented and documented.

OSCEOLA PUBLIC SCHOOLS - DISTRICT #19
POLK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES, Continued

Year ended August 31, 2026

Findings relating to the financial statements that are required to be reported in accordance with GAGAS:

Noncompliance:

2026-003 – Failure to Adopt a Budget for the Qualified Capital Purpose Undertaking Fund

Criteria: Nebraska State Statutes requires the Board of Education to adopt an annual budget for the Qualified Capital Purpose Undertaking Fund before September 30, 2025. It also prohibits expenditures in excess of, or in the absence of, an adopted budget, without Board approval of any amendments before additional funds are obligated or spent.

Condition: During our audit for the fiscal year ended August 31, 2026, we noted that the Board did not adopt a budget for the Qualified Capital Purpose Undertaking Fund. Even so, the District recorded expenditures of $11,052 in that fund during the year. We found no adopted original budget and no amended budget.

Cause: The fund was omitted when the budget was prepared and presented to the Board.

Effect: The District did not comply with statute. It spent $11,052 without legal spending authority.

Recommendation: We recommend that the District use a checklist that lists every fund required by law to have an adopted budget and confirm that each one is included in the proposed budget before it is published and presented to the Board.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will ensure that every fund has an adopted budget.

Board Report - Monthly

GENERAL FUND

Posted - During Check Cycle; Processing Month 11/2026

Check #	Vendor Name	Description	Amount
37116	AMGL CPAs & Advisors	District Audit	14,650.00
37117	Breanna Brennfoerder	Reimb. Supplies	72.51
37118	City Of Osceola	Water/Sewer/Compactor	2,844.30
37119	Comfort Inn Kearney	NEMTSS Hotel Room	283.00
37120	Control Services	Service Contract	1,211.67
37121	Dempsey, Ben	Reimb. Meals (NEMTSS)	44.55
37122	Eakes Office Plus	Supplies	1,623.64
37123	Electronic Contracting Company	Annual Software	5,973.33
37124	Engel, Ronnie	Reimb. Computer Parts	349.14
37125	ESU #7	Maintenance / 1st Qtr Network Charges	1,747.35
37126	ESU #7	SPED Services	42,213.34
37127	Follet Content Solutions, LLC	Library Books	58.70
37128	Frontier Cooperative Services	Fuel	4,617.44
37129	Garys Plumbing	Supplies	109.35
37130	Glatter, Kirsten	Reimb. Fuel	30.00
37131	Grainger	Repairs	1,533.96
37132	Hampton Inn	Hotel Rooms (NEMTSS)	325.90
37133	Hometown Leasing	Copier Lease	413.97
37134	Jackson Services	Rug Service	213.55
37135	Love Signs, Inc	Suburban Decals	525.00
37136	Menards	Supplies	76.97
37137	NE Council of School Administrators	2026 NAESP Conference	210.00
37138	Nebraska Interactive, LLC	Subscription Fee	210.00
37139	Nebraska Safety Center	Bus Driving Training	225.00
37140	Nippon Sanso Matheson Inc	Supplies	109.39
37141	Osceola Food Mart	Supplies	388.84
37142	Ostmeyer Lawn Service	Fall Spraying	950.00
37143	Pinnacle Bank	Supplies	722.63
37144	Pinnacle Bank	Supplies	3,012.92
37145	Polk County Health Department	Fees	682.50
37146	Polk County Rppd	Electricity	10,918.36
37147	Quadient Leasing USA, Inc.	Postage Meter Lease	323.73
37148	Ringo, Arianna	Reimb. Music Purchased	75.95
37149	Scholastic, Inc.	Subscriptions	25.54
37150	Shelby Lumber Co., Inc	Supplies	1,158.01
37151	Sparrow Publications, LLC	Printing	156.63
37152	Sport Safe	Drug Testing	611.00
37153	Trane U.S., Inc.	Repairs	205.00
37154	Truck Center Companies	Repairs/Labor/Supplies	8,648.37
		Checking Account Total:	**107,551.54**

Checking 1

819	Optum	Flex Plan Funding	150.00
820	Woodriver Energy LLC	Natural Gas	619.64
821	PLIC - SBD Grand Island	LTD Insurance	1,173.40
822	MG Trust Company	Annuities Payable	560.00

823	Farm Bureau	Term Life Insurance		13.81
824	Essential Screens	Background Checks		40.09
825	Estech Systems, inc.	Phone Services		97.62
			Checking Account Total:	**2,654.56**
Checking 1 - Prepaid				
37103	JC Repair	Ice Machine		4,750.00
			Checking Account Total:	**4,750.00**
Checking 2				
2	Midwest Bus Repair LLC	Bus Cameras		16,445.00
				16,445.00
Checking 4				
2353	Windstream	State Internet Contact		257.30
2354	Annie Jeffrey	Cleaning Carts		180.00
			Checking Account Total:	**437.30**
			Total Checks & Prepaids:	**131,838.40**
			Total Payroll:	**348,394.60**
			Grand Total:	**480,233.00**