

**AUDIT REPORT  
OF  
HOLT COUNTY**

**JULY 1, 2023, THROUGH JUNE 30, 2024**

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**Issued on October 8, 2024**

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*The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.*

*We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.*

*We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.*

### **Audit Staff Working On This Report**

Dakota Christensen, CPA, CISA, CFE – Audit Manager

Jay Kannapareddy – Auditor II

Haylee Miller – Auditor II

Our reports can be found electronically at: [auditors.nebraska.gov](https://auditors.nebraska.gov)

Additionally, you may request them by contacting us at:

**Nebraska Auditor of Public Accounts**

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# HOLT COUNTY

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HOLT COUNTY  
204 N. 4<sup>th</sup> Street  
O'Neill, NE 68763

**LIST OF COUNTY OFFICIALS**  
At June 30, 2024

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Dustin Breiner	Jan. 2025
	Duane Neiman	Jan. 2027
	Doug Frahm	Jan. 2027
	Scott Keyes	Jan. 2025
	Darrin Paxton	Jan. 2025
	William Tielke	Jan. 2027
	Josh Treptow	Jan. 2027
Assessor	Tim Wallinger	Jan. 2027
Attorney	Brent Kelly	Jan. 2027
Clerk	Cathy Pavel	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Junior Young	Jan. 2027
Public Defender	Rod Smith	Jan. 2027
Sheriff	Ben Matchett	Jan. 2027
Treasurer	Michelle Ross	Jan. 2027
Surveyor	Steven Rasmussen	Jan. 2027
Veterans' Service Officer	Ken Stenka	Appointed
Weed Superintendent	Bill Babutzke	Appointed
Highway Superintendent	Gary Connot	Appointed
Planning & Zoning	Marv Fritz	Appointed
Emergency Manager	Deb Hilker	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### HOLT COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Holt County, Nebraska

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holt County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Holt County as of June 30, 2024, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

##### ***Basis for Opinions***

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

##### ***Emphasis of Matter – Basis of Accounting***

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

##### ***Responsibilities of Management for the Financial Statements***

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

### ***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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 18-31, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2024, on our consideration of Holt County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 Holt County's internal control over financial reporting and compliance.

October 3, 2024

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

HOLT COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 9,694,059
<b>TOTAL ASSETS</b>	<u><u>\$ 9,694,059</u></u>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 85,486
Emergency Management	20
Law Enforcement	65,351
Preservation of Records	58,848
Debt Service	87,786
Road & Bridge Maintenance	742,586
Aid and Assistance	13,385
Federal Relief	337,332
Unrestricted	<u>8,303,265</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 9,694,059</u></u>

The notes to the financial statements are an integral part of this statement.



HOLT COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2024

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (5,230,996)	\$ 709,511	\$ 85,207	\$ (4,436,278)
Public Safety	(1,254,868)	36,316	96,257	(1,122,295)
Public Works	(9,606,641)	92,992	5,263,192	(4,250,457)
Public Assistance	(103,825)	-	-	(103,825)
Culture and Recreation	(182,660)	-	-	(182,660)
Debt Payments	(1,182,318)	-	-	(1,182,318)
Capital Projects	(190,551)	-	-	(190,551)
Total Governmental Activities	<u>\$ (17,751,859)</u>	<u>\$ 838,819</u>	<u>\$ 5,444,656</u>	<u>(11,468,384)</u>

General Receipts:

Taxes:	
Property	10,631,389
Motor Vehicle	659,215
Inheritance	868,754
Nameplate Capacity	337,903
Other	331,644
Grants and Contributions Not Restricted to Specific Programs	125,753
Investment Income	490,266
Miscellaneous	324,619
Total General Receipts	<u>13,769,543</u>
Change in Net Position	2,301,159
Net Position - Beginning of year	7,392,900
Net Position - End of year	<u>\$ 9,694,059</u>

The notes to the financial statements are an integral part of this statement.

HOLT COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2024

	General Fund	Road Fund	Inheritance Fund	Construction Asphalt Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 2,678,598	\$ 80,948	\$ 2,003,224	\$ 3,398,580	\$ 1,532,709	\$ 9,694,059
<b>TOTAL ASSETS</b>	<u>\$ 2,678,598</u>	<u>\$ 80,948</u>	<u>\$ 2,003,224</u>	<u>\$ 3,398,580</u>	<u>\$ 1,532,709</u>	<u>\$ 9,694,059</u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	85,486	85,486
Emergency Management	-	-	-	-	20	20
Law Enforcement	-	-	-	-	65,351	65,351
Preservation of Records	-	-	-	-	58,848	58,848
Debt Service	-	-	-	-	87,786	87,786
Road & Bridge Maintenance	-	-	-	-	742,586	742,586
Aid and Assistance	-	-	-	-	13,385	13,385
Federal Relief	-	-	-	-	337,332	337,332
Committed to:						
Law Enforcement	-	-	-	-	13,342	13,342
Road Maintenance & Equipment	-	80,948	-	3,398,580	115,573	3,595,101
Aid and Assistance	-	-	-	-	13,000	13,000
Assigned to:						
Other Purposes	-	-	2,003,224	-	-	2,003,224
Unassigned	2,678,598	-	-	-	-	2,678,598
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 2,678,598</u>	<u>\$ 80,948</u>	<u>\$ 2,003,224</u>	<u>\$ 3,398,580</u>	<u>\$ 1,532,709</u>	<u>\$ 9,694,059</u>

The notes to the financial statements are an integral part of this statement.

HOLT COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2024

	General Fund	Road Fund	Inheritance Fund	Construction Asphalt Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Taxes:						
Property	\$ 9,444,351	\$ 4	\$ -	\$ 7	\$ 1,187,027	\$ 10,631,389
Motor Vehicle	659,215	-	-	-	-	659,215
Inheritance	-	-	868,754	-	-	868,754
Nameplate Capacity	299,324	-	-	-	38,579	337,903
Other	140,873	185	-	-	190,586	331,644
Investment Income	489,156	-	-	-	1,110	490,266
Intergovernmental	221,378	4,855,768	-	-	493,263	5,570,409
Charges for Services	733,184	92,992	-	-	12,643	838,819
Miscellaneous	127,935	196,684	-	-	-	324,619
<b>TOTAL RECEIPTS</b>	<u>12,115,416</u>	<u>5,145,633</u>	<u>868,754</u>	<u>7</u>	<u>1,923,208</u>	<u>20,053,018</u>
<b>DISBURSEMENTS</b>						
General Government	5,201,796	-	-	-	29,200	5,230,996
Public Safety	1,186,575	-	-	-	68,293	1,254,868
Public Works	339,278	8,735,079	-	109,695	422,589	9,606,641
Public Assistance	97,325	-	-	-	6,500	103,825
Culture and Recreation	-	-	-	-	182,660	182,660
Debt Service:						
Principal Payments	-	-	-	-	1,160,000	1,160,000
Interest and Fiscal Charges	-	-	-	-	22,318	22,318
Capital Projects	-	-	-	-	190,551	190,551
<b>TOTAL DISBURSEMENTS</b>	<u>6,824,974</u>	<u>8,735,079</u>	<u>-</u>	<u>109,695</u>	<u>2,082,111</u>	<u>17,751,859</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>5,290,442</u>	<u>(3,589,446)</u>	<u>868,754</u>	<u>(109,688)</u>	<u>(158,903)</u>	<u>2,301,159</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	700,000	3,600,000	-	1,840,000	6,500	6,146,500
Transfers out	<u>(5,446,500)</u>	<u>-</u>	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>(6,146,500)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,746,500)</u>	<u>3,600,000</u>	<u>(700,000)</u>	<u>1,840,000</u>	<u>6,500</u>	<u>-</u>
Net Change in Fund Balances	543,942	10,554	168,754	1,730,312	(152,403)	2,301,159
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>2,134,656</u>	<u>70,394</u>	<u>1,834,470</u>	<u>1,668,268</u>	<u>1,685,112</u>	<u>7,392,900</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u><u>\$ 2,678,598</u></u>	<u><u>\$ 80,948</u></u>	<u><u>\$ 2,003,224</u></u>	<u><u>\$ 3,398,580</u></u>	<u><u>\$ 1,532,709</u></u>	<u><u>\$ 9,694,059</u></u>

The notes to the financial statements are an integral part of this statement.

HOLT COUNTY  
**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS**  
June 30, 2024

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 802,734
NET POSITION	
Restricted for:	
State - Collected by County Treasurer	335,083
State - Collected by Other Offices	13,765
Schools	288,191
Educational Service Units	3,262
Technical College	19,649
Natural Resource Districts	5,016
Fire Districts	3,884
Municipalities	42,047
Agricultural Society	371
Reclamation District	1,458
Townships	7,072
Airport Authorities	1,385
Others - Collected by County Treasurer	10,322
Others - Collected by Other Offices	71,229
TOTAL NET POSITION	\$ 802,734

The notes to the financial statements are an integral part of this statement.

HOLT COUNTY  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS**  
For the Year Ended June 30, 2024

	Custodial Funds
	<hr/>
ADDITIONS	
Collections for Other Governments	\$ 39,676,830
Miscellaneous Collections	595,073
TOTAL ADDITIONS	<hr/> 40,271,903 <hr/>
DEDUCTIONS	
Payments to Other Governments	39,758,304
Other Miscellaneous Items Paid To Individuals	577,680
TOTAL DEDUCTIONS	<hr/> 40,335,984 <hr/>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(64,081)
NET POSITION - BEGINNING OF YEAR	866,815
NET POSITION - END OF YEAR	<hr/> \$ 802,734 <hr/>

The notes to the financial statements are an integral part of this statement.

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

#### 1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies utilized in the accounting system of Holt County.

##### **A. Reporting Entity**

Holt County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

##### **Joint Organization.**

Behavioral Health Region IV – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region IV (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$54,595 toward the operation of the Region during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the North Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. Summary of Significant Accounting Policies (Continued)

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute towards the operation of the Department during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (2024 Neb. Laws, L.B. 1143, § 3). Financial information for the Department is available in that report.

Boyd Holt E911 Communications Center – The County has entered into an agreement with the Boyd Holt E911 Communications Center (Center) to establish a countywide 911 service. Participating members of the Center are the city of O'Neill and the counties of Boyd and Holt. The Center's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by 911 surcharges collected by the State of Nebraska and local telephone companies, and local funding is provided on a per capita basis by the participating entities. The County contributed \$257,869 toward the operation of the Center during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Center is required to be audited in accordance with Neb. Rev. Stat. § 84-304(4) (2024 Neb. Laws, L.B. 1143, § 3). An audit waiver was requested for fiscal year 2023; financial information for the Center is available in that waiver.

Holt County Economic Development Agency – The County has entered into an agreement with the Holt County Economic Development Agency (Agency) to establish a countywide economic development plan. Participating members of the Agency are the cities of O'Neill and Atkinson, the villages of Stuart, Ewing, Chambers, Emmet, Inman, and Page, and the county of Holt. The Agency's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by local funding as a percentage of the Agency's annual budget. The County contributed \$31,250 toward the operation of the Agency during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

#### **B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. Statement of Net Position presents the County's non-fiduciary assets in two categories:

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources as they are needed.

**Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. Summary of Significant Accounting Policies (Continued)

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

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

**Road Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

**Construction Asphalt Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and is primarily funded by transfers from the General Fund.

The County reports the following additional non-major governmental fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific receipt source that is restricted to disbursements for a specified purpose.

**Custodial Funds.** These funds account for assets held by the County as an agent for various local governments.

**Capital Project Funds.** The COVID American Rescue Plan Act Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Fund.** The Other Debt Service Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

**Restricted.** The fund balance is restricted by external impositions, such as creditors, grantors, or laws or regulations of other governments.



## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

#### 1. Summary of Significant Accounting Policies (Continued)

**Committed.** The fund balance has been designated by the County Board for a specific purpose.

**Assigned.** The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

**Unassigned.** This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

#### C. **Measurement Focus, Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis. Receipts are recognized when received, and disbursements are recognized when paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences, and claims and judgments are recorded only when payment is due.

#### D. **Assets and Net Position**

**Cash and Cash Equivalents.** The County's cash and cash equivalents are considered to be cash on hand, certificates of deposit, and demand deposits.

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315 (Reissue 2018), Neb. Rev. Stat. § 77-2340 (Reissue 2018), and Neb. Rev. Stat. § 77-2341 (2024 Neb. Laws, L.B. 1074, § 96) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

**Capital Assets.** Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), to be reported in the applicable governmental activities columns in the government-wide financial statements.

Depreciation expenses on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expenses would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. Summary of Significant Accounting Policies (Concluded)

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,390,794 of restricted net position, which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 30, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

**Excess of Disbursements Over Appropriations.** For the year ended June 30, 2024, disbursements exceeded budgeted appropriations in the County Miscellaneous function of the General Fund by \$141,518. These over-expenditures were funded by the available fund balance in the General Fund.

#### 2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$9,694,059 for County funds and \$802,734 for Fiduciary funds. The bank balances for all funds totaled \$10,270,320. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2024, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 3. **Taxes**

Property taxes are levied by the County Board on or before October 20 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2023, for the 2023 taxes, which will be materially collected in May and September 2024, was set at \$.354891/\$100 of assessed valuation. The levy set in October 2022, for the 2022 taxes, which were materially collected in May and September 2023, was set at \$.336137/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

#### 4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022; Supp. 2023; 2024 Neb. Laws, L.B. 198, § 4) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Through September 1, 2023, employees contributed 1% of their salary. Starting September 2, 2023, this contribution was increased to 2%. The County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2024, 104 employees contributed \$194,269, and the County contributed \$288,147. Contributions included \$6,515 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees. Lastly, the County paid \$1,076 directly to 13 retired employees for prior service benefits.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures.

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2024.

The County self-insures for employee health insurance and has contracted with Meritain Health to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions. The activity of the plan is reflected in the County's financial statements under the General Fund. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained specific stop-loss coverage to limit the County's total exposure to \$50,000 per enrolled member, per calendar year. The County has also obtained aggregate stop-loss coverage to limit the County's maximum exposure for the calendar year. For calendar year 2024, the maximum exposure for Holt County was \$1,156,575.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<b>Transfers to</b>	<b>Transfers from</b>		<b>Total</b>
	<b>General Fund</b>	<b>Inheritance Fund</b>	
General Fund	\$ -	\$ 700,000	\$ 700,000
Road Fund	3,600,000	-	3,600,000
Construction Asphalt Fund	1,840,000	-	1,840,000
Nonmajor Funds	6,500	-	6,500
Total	<u>\$ 5,446,500</u>	<u>\$ 700,000</u>	<u>\$ 6,146,500</u>

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. **Long-Term Obligations**

**Bonds**

**Limited Tax County Road Bond Series 2019A.** The County issued bonds on May 30, 2019, in the amount of \$4,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to extreme flooding. During the fiscal year, the County made the final debt payment on the bond.

**Limited Tax County Road Bond Series 2019B.** The County issued bonds on December 26, 2019, in the amount of \$1,520,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to extreme flooding. During the fiscal year, the County made the final debt payment on the bond.

8. **Noxious Weed Board**

The County has a separately elected Noxious Weed Board (Weed Board). The Weed Board has the authority to set rates and approve bids for the activity of the County's Noxious Weed Department.

**HOLT COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 10,783,078	\$ 10,783,078	\$ 10,543,763	\$ (239,315)
Investment Income	90,000	90,000	489,156	399,156
Intergovernmental	145,500	145,500	221,378	75,878
Charges for Services	713,110	713,110	733,184	20,074
Miscellaneous	6,152	6,152	127,935	121,783
<b>TOTAL RECEIPTS</b>	<b>11,737,840</b>	<b>11,737,840</b>	<b>12,115,416</b>	<b>377,576</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	167,350	167,350	160,416	6,934
County Clerk	243,820	243,820	243,208	612
County Treasurer	292,950	292,950	273,477	19,473
County Assessor	341,960	341,960	330,545	11,415
Election Commissioner	52,350	52,350	27,253	25,097
Building and Zoning	20,500	20,500	15,115	5,385
Personnel Costs	2,761,000	2,748,078	2,262,473	485,605
Clerk of the District Court	130,150	139,489	139,489	-
County Court System	25,000	25,000	24,477	523
District Judge	12,400	13,009	13,009	-
Public Defender	119,950	119,950	108,347	11,603
Building and Grounds	661,850	661,850	282,330	379,520
Agricultural Extension Agent	135,600	135,600	122,186	13,414
Juvenile Court	59,938	59,938	50,801	9,137
Counsel & Jury Costs	134,900	134,900	68,008	66,892
Economic Development	32,750	32,750	32,531	219
Miscellaneous	1,474,060	1,474,060	1,048,131	425,929
Public Safety				
County Sheriff	587,380	587,380	567,322	20,058
County Attorney	215,488	215,488	193,844	21,644
County Jail	365,900	365,900	335,173	30,727
Emergency Management	37,900	40,874	40,874	-
District Probation Office	57,500	57,500	49,362	8,138
Public Works				
County Surveyor	38,750	38,750	37,056	1,694
Noxious Weed Control	151,585	151,585	130,082	21,503
Highway Department	176,000	176,000	172,140	3,860
Public Assistance				
Veterans' Service Officer	102,850	102,850	97,325	5,525
<b>TOTAL DISBURSEMENTS</b>	<b>8,399,881</b>	<b>8,399,881</b>	<b>6,824,974</b>	<b>1,574,907</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>3,337,959</b>	<b>3,337,959</b>	<b>5,290,442</b>	<b>1,952,483</b>

(Continued)

HOLT COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	700,000	700,000
Transfers out	(4,879,053)	(4,879,053)	(5,446,500)	(567,447)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,879,053)</u>	<u>(4,879,053)</u>	<u>(4,746,500)</u>	<u>132,553</u>
Net Change in Fund Balance	(1,541,094)	(1,541,094)	543,942	2,085,036
<b>FUND BALANCE - BEGINNING</b>	<u>1,791,094</u>	<u>1,791,094</u>	<u>2,134,656</u>	<u>343,562</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 250,000</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 2,678,598</u></u>	<u><u>\$ 2,428,598</u></u>
				(Concluded)

HOLT COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
RECEIPTS				
Taxes	\$ 184	\$ 184	\$ 189	\$ 5
Intergovernmental	4,322,169	4,322,169	4,855,768	533,599
Charges for Services	60,200	60,200	92,992	32,792
Miscellaneous	174,000	174,000	196,684	22,684
TOTAL RECEIPTS	4,556,553	4,556,553	5,145,633	589,080
DISBURSEMENTS	8,806,000	8,806,000	8,735,079	70,921
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,249,447)	(4,249,447)	(3,589,446)	660,001
OTHER FINANCING SOURCES (USES)				
Transfers in	4,179,053	4,179,053	3,600,000	(579,053)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,179,053	4,179,053	3,600,000	(579,053)
Net Change in Fund Balance	(70,394)	(70,394)	10,554	80,948
FUND BALANCE - BEGINNING	70,394	70,394	70,394	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 80,948	\$ 80,948
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ 220,000	\$ 220,000	\$ 868,754	\$ 648,754
TOTAL RECEIPTS	220,000	220,000	868,754	648,754
DISBURSEMENTS	754,470	754,470	-	754,470
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(534,470)	(534,470)	868,754	1,403,224
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,300,000)	(1,300,000)	(700,000)	600,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,300,000)	(1,300,000)	(700,000)	600,000
Net Change in Fund Balance	(1,834,470)	(1,834,470)	168,754	2,003,224
FUND BALANCE - BEGINNING	1,834,470	1,834,470	1,834,470	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,003,224	\$ 2,003,224

(Continued)

HOLT COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CONSTRUCTION ASPHALT FUND</b>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 7	\$ 7
TOTAL RECEIPTS	-	-	7	7
DISBURSEMENTS	3,668,268	3,668,268	109,695	3,558,573
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,668,268)	(3,668,268)	(109,688)	3,558,580
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	2,000,000	1,840,000	(160,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000	2,000,000	1,840,000	(160,000)
Net Change in Fund Balance	(1,668,268)	(1,668,268)	1,730,312	3,398,580
FUND BALANCE - BEGINNING	1,668,268	1,668,268	1,668,268	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,398,580	\$ 3,398,580
				(Concluded)



HOLT COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY ROAD BRIDGE BUYBACK FUND</b>				
Receipts	\$ 400,000	\$ 400,000	\$ 407,424	\$ 7,424
Disbursements	(957,751)	(957,751)	(222,589)	735,162
Net Change in Fund Balance	(557,751)	(557,751)	184,835	742,586
Fund Balance - Beginning	557,751	557,751	557,751	-
Fund Balance - Ending	\$ -	\$ -	\$ 742,586	\$ 742,586
<b>INTERLOCAL ROAD FUND</b>				
Receipts	\$ 8,000	\$ 8,000	\$ -	\$ (8,000)
Disbursements	(45,051)	(45,051)	-	45,051
Net Change in Fund Balance	(37,051)	(37,051)	-	37,051
Fund Balance - Beginning	37,051	37,051	37,051	-
Fund Balance - Ending	\$ -	\$ -	\$ 37,051	\$ 37,051
<b>EQUIPMENT RESERVE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(78,522)	(78,522)	-	78,522
Net Change in Fund Balance	(78,522)	(78,522)	-	78,522
Fund Balance - Beginning	78,522	78,522	78,522	-
Fund Balance - Ending	\$ -	\$ -	\$ 78,522	\$ 78,522
<b>DATA MASTER FUND</b>				
Receipts	\$ 1,000	\$ 1,000	\$ 1,100	\$ 100
Disbursements	(5,198)	(5,198)	-	5,198
Net Change in Fund Balance	(4,198)	(4,198)	1,100	5,298
Fund Balance - Beginning	4,198	4,198	4,198	-
Fund Balance - Ending	\$ -	\$ -	\$ 5,298	\$ 5,298
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 70,000	\$ 70,000	\$ 89,401	\$ 19,401
Disbursements	(104,442)	(104,442)	(92,166)	12,276
Net Change in Fund Balance	(34,442)	(34,442)	(2,765)	31,677
Fund Balance - Beginning	34,442	34,442	34,442	-
Fund Balance - Ending	\$ -	\$ -	\$ 31,677	\$ 31,677

(Continued)

HOLT COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 70,000	\$ 70,000	\$ 89,401	\$ 19,401
Disbursements	(124,902)	(124,902)	(90,494)	34,408
Net Change in Fund Balance	(54,902)	(54,902)	(1,093)	53,809
Fund Balance - Beginning	54,902	54,902	54,902	-
Fund Balance - Ending	\$ -	\$ -	\$ 53,809	\$ 53,809

<b>REGISTER OF DEEDS PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 7,000	\$ 7,000	\$ 7,771	\$ 771
Disbursements	(58,077)	(58,077)	-	58,077
Net Change in Fund Balance	(51,077)	(51,077)	7,771	58,848
Fund Balance - Beginning	51,077	51,077	51,077	-
Fund Balance - Ending	\$ -	\$ -	\$ 58,848	\$ 58,848

<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 1,110	\$ 1,110
Disbursements	(25,275)	(25,275)	(6,500)	18,775
Transfers in	-	-	6,500	6,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(25,275)	(25,275)	1,110	26,385
Fund Balance - Beginning	25,275	25,275	25,275	-
Fund Balance - Ending	\$ -	\$ -	\$ 26,385	\$ 26,385

<b>STOP PROGRAM FUND</b>				
Receipts	\$ 1,000	\$ 1,000	\$ 1,899	\$ 899
Disbursements	(4,650)	(4,650)	(2,145)	2,505
Net Change in Fund Balance	(3,650)	(3,650)	(246)	3,404
Fund Balance - Beginning	3,650	3,650	3,650	-
Fund Balance - Ending	\$ -	\$ -	\$ 3,404	\$ 3,404

<b>LAW ENFORCEMENT GRANTS FUND</b>				
Receipts	\$ 16,927	\$ 16,927	\$ -	\$ (16,927)
Disbursements	(22,000)	(22,000)	-	22,000
Net Change in Fund Balance	(5,073)	(5,073)	-	5,073
Fund Balance - Beginning	5,073	5,073	5,073	-
Fund Balance - Ending	\$ -	\$ -	\$ 5,073	\$ 5,073

HOLT COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MISCELLANEOUS GRANTS (NEMA) FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20)	(20)	-	20
Net Change in Fund Balance	(20)	(20)	-	20
Fund Balance - Beginning	20	20	20	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
<b>JUVENILE JUSTICE GRANT HHS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(5,743)	(5,743)	-	5,743
Net Change in Fund Balance	(5,743)	(5,743)	-	5,743
Fund Balance - Beginning	5,743	5,743	5,743	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,743</u>	<u>\$ 5,743</u>
<b>FEDERAL FORFEITURE FUND</b>				
Receipts	\$ 126,140	\$ 126,140	\$ -	\$ (126,140)
Disbursements	(140,000)	(140,000)	(8,558)	131,442
Net Change in Fund Balance	(13,860)	(13,860)	(8,558)	5,302
Fund Balance - Beginning	13,860	13,860	13,860	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,302</u>	<u>\$ 5,302</u>
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
Receipts	\$ -	\$ -	\$ 50,000	\$ 50,000
Disbursements	(737,083)	(737,083)	(449,751)	287,332
Net Change in Fund Balance	(737,083)	(737,083)	(399,751)	337,332
Fund Balance - Beginning	737,083	737,083	737,083	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,332</u>	<u>\$ 337,332</u>
<b>LAW ENFORCEMENT CONTRACT FUND</b>				
Receipts	\$ 24,645	\$ 24,645	\$ 33,475	\$ 8,830
Disbursements	(61,550)	(61,550)	(21,147)	40,403
Net Change in Fund Balance	(36,905)	(36,905)	12,328	49,233
Fund Balance - Beginning	36,905	36,905	36,905	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,233</u>	<u>\$ 49,233</u>

(Continued)

HOLT COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>JAIL COMMISSARY FUND</b>				
Receipts	\$ 5,790	\$ 5,790	\$ 1,873	\$ (3,917)
Disbursements	(15,000)	(15,000)	(6,443)	8,557
Net Change in Fund Balance	(9,210)	(9,210)	(4,570)	4,640
Fund Balance - Beginning	9,210	9,210	9,210	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,640</u>	<u>\$ 4,640</u>
<b>OTHER DEBT SERVICE FUND</b>				
Receipts	\$ 1,226,318	\$ 1,226,318	\$ 1,239,754	\$ 13,436
Disbursements	(1,256,668)	(1,256,668)	(1,182,318)	74,350
Net Change in Fund Balance	(30,350)	(30,350)	57,436	87,786
Fund Balance - Beginning	30,350	30,350	30,350	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,786</u>	<u>\$ 87,786</u>

(Concluded)

HOLT COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2024

	Highway Road Bridge Buyback Fund	Interlocal Road Fund	Equipment Reserve Fund	Data Master Fund	Visitors Promotion Fund	Visitors Improvement Fund
<b>RECEIPTS</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nameplate Capacity	-	-	-	-	-	-
Other	-	-	-	-	89,401	89,401
Investment Income	-	-	-	-	-	-
Intergovernmental	407,424	-	-	-	-	-
Charges for Services	-	-	-	1,100	-	-
<b>TOTAL RECEIPTS</b>	<u>407,424</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>89,401</u>	<u>89,401</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	222,589	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	92,166	90,494
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>222,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,166</u>	<u>90,494</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>184,835</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>(2,765)</u>	<u>(1,093)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	184,835	-	-	1,100	(2,765)	(1,093)
<b>FUND BALANCES - BEGINNING</b>	<u>557,751</u>	<u>37,051</u>	<u>78,522</u>	<u>4,198</u>	<u>34,442</u>	<u>54,902</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 742,586</u>	<u>\$ 37,051</u>	<u>\$ 78,522</u>	<u>\$ 5,298</u>	<u>\$ 31,677</u>	<u>\$ 53,809</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	31,677	53,809
Emergency Management	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road & Bridge Maintenance	742,586	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
Federal Relief	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	5,298	-	-
Road Maintenance & Equipment	-	37,051	78,522	-	-	-
Aid and Assistance	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 742,586</u>	<u>\$ 37,051</u>	<u>\$ 78,522</u>	<u>\$ 5,298</u>	<u>\$ 31,677</u>	<u>\$ 53,809</u>

(Continued)

HOLT COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2024

	Register of Deeds Preservation and Modernization Fund	Veterans' Aid Fund	Stop Program Fund	Law Enforcement Grants Fund	Miscellaneous Grants (NEMA) Fund	Juvenile Justice Grant HHS Fund
<b>RECEIPTS</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nameplate Capacity	-	-	-	-	-	-
Other	-	-	-	-	-	-
Investment Income	-	1,110	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	7,771	-	1,899	-	-	-
<b>TOTAL RECEIPTS</b>	<u>7,771</u>	<u>1,110</u>	<u>1,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	2,145	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	6,500	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>6,500</u>	<u>2,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>7,771</u>	<u>(5,390)</u>	<u>(246)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	6,500	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	7,771	1,110	(246)	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>51,077</u>	<u>25,275</u>	<u>3,650</u>	<u>5,073</u>	<u>20</u>	<u>5,743</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 58,848</u>	<u>\$ 26,385</u>	<u>\$ 3,404</u>	<u>\$ 5,073</u>	<u>\$ 20</u>	<u>\$ 5,743</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Emergency Management	-	-	-	-	20	-
Law Enforcement	-	-	-	5,073	-	5,743
Preservation of Records	58,848	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road & Bridge Maintenance	-	-	-	-	-	-
Aid and Assistance	-	13,385	-	-	-	-
Federal Relief	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	3,404	-	-	-
Road Maintenance & Equipment	-	-	-	-	-	-
Aid and Assistance	-	13,000	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 58,848</u>	<u>\$ 26,385</u>	<u>\$ 3,404</u>	<u>\$ 5,073</u>	<u>\$ 20</u>	<u>\$ 5,743</u>

(Continued)

HOLT COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2024

	Federal Forfeiture Fund	COVID American Rescue Plan Act Fund	Law Enforcement Contract Fund	Jail Commissary Fund	Other Debt Service Fund	Total Nonmajor Funds
<b>RECEIPTS</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ 1,187,027	\$ 1,187,027
Nameplate Capacity	-	-	-	-	38,579	38,579
Other	-	-	-	-	11,784	190,586
Investment Income	-	-	-	-	-	1,110
Intergovernmental	-	50,000	33,475	-	2,364	493,263
Charges for Services	-	-	-	1,873	-	12,643
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>50,000</u>	<u>33,475</u>	<u>1,873</u>	<u>1,239,754</u>	<u>1,923,208</u>
<b>DISBURSEMENTS</b>						
General Government	-	29,200	-	-	-	29,200
Public Safety	8,558	30,000	21,147	6,443	-	68,293
Public Works	-	200,000	-	-	-	422,589
Public Assistance	-	-	-	-	-	6,500
Culture and Recreation	-	-	-	-	-	182,660
Debt Service:						
Principal Payments	-	-	-	-	1,160,000	1,160,000
Interest and Fiscal Charges	-	-	-	-	22,318	22,318
Capital Projects	-	190,551	-	-	-	190,551
<b>TOTAL DISBURSEMENTS</b>	<u>8,558</u>	<u>449,751</u>	<u>21,147</u>	<u>6,443</u>	<u>1,182,318</u>	<u>2,082,111</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>(8,558)</u>	<u>(399,751)</u>	<u>12,328</u>	<u>(4,570)</u>	<u>57,436</u>	<u>(158,903)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	6,500
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Net Change in Fund Balances	(8,558)	(399,751)	12,328	(4,570)	57,436	(152,403)
<b>FUND BALANCES - BEGINNING</b>	<u>13,860</u>	<u>737,083</u>	<u>36,905</u>	<u>9,210</u>	<u>30,350</u>	<u>1,685,112</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 5,302</u>	<u>\$ 337,332</u>	<u>\$ 49,233</u>	<u>\$ 4,640</u>	<u>\$ 87,786</u>	<u>\$ 1,532,709</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	85,486
Emergency Management	-	-	-	-	-	20
Law Enforcement	5,302	-	49,233	-	-	65,351
Preservation of Records	-	-	-	-	-	58,848
Debt Service	-	-	-	-	87,786	87,786
Road & Bridge Maintenance	-	-	-	-	-	742,586
Aid and Assistance	-	-	-	-	-	13,385
Federal Relief	-	337,332	-	-	-	337,332
Committed to:						
Law Enforcement	-	-	-	4,640	-	13,342
Road Maintenance & Equipment	-	-	-	-	-	115,573
Aid and Assistance	-	-	-	-	-	13,000
<b>TOTAL FUND BALANCES</b>	<u>\$ 5,302</u>	<u>\$ 337,332</u>	<u>\$ 49,233</u>	<u>\$ 4,640</u>	<u>\$ 87,786</u>	<u>\$ 1,532,709</u>
						(Concluded)

HOLT COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2024

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>
BALANCES JULY 1, 2023	<u>\$ 841</u>	<u>\$ 17,251</u>	<u>\$ 59,461</u>	<u>\$ 22,451</u>	<u>\$ 1,837</u>	<u>\$ 125</u>
RECEIPTS						
Taxes	-	-	-	17,797	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	3,138	105,330	13,410	31,143	-	-
Miscellaneous	99	-	1,251	618	947	104
State Fees	1,511	189,443	13,902	25	-	-
Other Liabilities	-	-	286,575	27,799	120	-
TOTAL RECEIPTS	<u>4,748</u>	<u>294,773</u>	<u>315,138</u>	<u>77,382</u>	<u>1,067</u>	<u>104</u>
DISBURSEMENTS						
Payments to County Treasurer	3,231	104,859	15,314	62,391	-	-
Payments to State Treasurer	1,501	186,926	15,003	25	-	-
Petty Cash & Other Payments	34	-	1,241	431	1,784	104
Other Liabilities	-	-	271,312	26,394	120	-
TOTAL DISBURSEMENTS	<u>4,766</u>	<u>291,785</u>	<u>302,870</u>	<u>89,241</u>	<u>1,904</u>	<u>104</u>
BALANCES JUNE 30, 2024	<u><u>\$ 823</u></u>	<u><u>\$ 20,239</u></u>	<u><u>\$ 71,729</u></u>	<u><u>\$ 10,592</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 125</u></u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 330	\$ 7,635	\$ 868	\$ 7,146	\$ -	\$ -
Petty Cash	350	-	310	1,750	1,000	125
Due to State Treasurer	143	12,604	1,018	-	-	-
Due to Others	-	-	69,533	1,696	-	-
BALANCES JUNE 30, 2024	<u><u>\$ 823</u></u>	<u><u>\$ 20,239</u></u>	<u><u>\$ 71,729</u></u>	<u><u>\$ 10,592</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 125</u></u>
						(Continued)



**HOLT COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2024

	Highway Superintendent	Veterans' Service Officer	County Treasurer	County Assessor	North Central Problem-Solving Court	Total
BALANCES JULY 1, 2023	\$ -	\$ 4,727	\$ 200	\$ 150	\$ 50,617	\$ 157,660
RECEIPTS						
Taxes	-	-	-	-	-	17,797
Intergovernmental	-	6,500	-	-	-	6,500
Charges for Services	55,952	-	-	15	9,022	218,010
Miscellaneous	140,488	89	1,017	133	-	144,746
State Fees	1,956	-	-	-	-	206,837
Other Liabilities	-	-	-	-	-	314,494
TOTAL RECEIPTS	<u>198,396</u>	<u>6,589</u>	<u>1,017</u>	<u>148</u>	<u>9,022</u>	<u>908,384</u>
DISBURSEMENTS						
Payments to County Treasurer	196,440	-	-	15	-	382,250
Payments to State Treasurer	1,956	-	-	-	-	205,411
Petty Cash & Other Payments	-	1,023	1,017	133	5,275	11,042
Other Liabilities	-	-	-	-	-	297,826
TOTAL DISBURSEMENTS	<u>198,396</u>	<u>1,023</u>	<u>1,017</u>	<u>148</u>	<u>5,275</u>	<u>896,529</u>
BALANCES JUNE 30, 2024	<u>\$ -</u>	<u>\$ 10,293</u>	<u>\$ 200</u>	<u>\$ 150</u>	<u>\$ 54,364</u>	<u>\$ 169,515</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ -	\$ 10,293	\$ -	\$ -	\$ 54,364	\$ 80,636
Petty Cash	-	-	200	150	-	3,885
Due to State Treasurer	-	-	-	-	-	13,765
Due to Others	-	-	-	-	-	71,229
BALANCES JUNE 30, 2024	<u>\$ -</u>	<u>\$ 10,293</u>	<u>\$ 200</u>	<u>\$ 150</u>	<u>\$ 54,364</u>	<u>\$ 169,515</u>
						(Concluded)

HOLT COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2024

Item	2019	2020	2021	2022	2023
Tax Certified by Assessor					
Real Estate	\$ 35,517,914	\$ 35,665,651	\$ 34,661,714	\$ 35,209,667	\$ 36,895,833
Personal and Specials	1,815,088	2,051,498	2,014,813	2,040,821	2,161,726
Total	<u>37,333,002</u>	<u>37,717,149</u>	<u>36,676,527</u>	<u>37,250,488</u>	<u>39,057,559</u>
Corrections					
Additions	24,105	21,084	337,610	33,989	12,068
Deductions	(21,258)	(10,017)	(436,463)	(5,435)	(46,910)
Net Additions/ (Deductions)	<u>2,847</u>	<u>11,067</u>	<u>(98,853)</u>	<u>28,554</u>	<u>(34,842)</u>
Corrected Certified Tax	<u>37,335,849</u>	<u>37,728,216</u>	<u>36,577,674</u>	<u>37,279,042</u>	<u>39,022,717</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2020	23,431,934	-	-	-	-
June 30, 2021	13,885,182	24,265,061	-	-	-
June 30, 2022	11,481	13,449,651	23,940,267	-	-
June 30, 2023	4,133	9,425	12,618,845	24,538,715	-
June 30, 2024	439	1,048	14,464	12,734,770	25,798,063
Total Net Collections	<u>37,333,169</u>	<u>37,725,185</u>	<u>36,573,576</u>	<u>37,273,485</u>	<u>25,798,063</u>
Total Uncollected Tax	<u>\$ 2,680</u>	<u>\$ 3,031</u>	<u>\$ 4,098</u>	<u>\$ 5,557</u>	<u>\$ 13,224,654</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>33.89%</u>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors  
Holt County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holt County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 3, 2024. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below, that we consider to be a material weakness:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A proper system of internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

**Report on Compliance and Other Matters**

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

**Additional Items**

We also noted certain matters that we reported to the management of Holt County in a separate letter dated October 3, 2024.

**Holt County's Response to Findings**

Holt County declined to respond to the finding described above.

**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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 3, 2024

A handwritten signature in black ink that reads "Dakota Christensen". The signature is fluid and cursive, with the first name "Dakota" and last name "Christensen" clearly distinguishable.

Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 3, 2024

Board of Supervisors  
Holt County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Holt County (County) for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 3, 2024. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

### **NORTH CENTRAL PROBLEM-SOLVING COURT**

#### **Accounting Procedures**

We noted that the County was the holder, under its own Federal Tax Identification Number (FTIN), of a bank account for the North Central Problem-Solving Court (NCPSC). NCPSC is "governed by the Nebraska Supreme Court Committee on Problem-Solving Courts under the direction of the Nebraska Supreme Court," and it includes "programs established for the treatment of problems related to substance use, mental health, individuals reentering the community from incarceration, and domestic violence." (<https://supremecourt.nebraska.gov/courts/problem-solving-courts>). The NCPSC covers the following counties: Blaine, Brown, Boyd, Cherry, Custer, Garfield, Greeley, Holt, Howard, Keya Paha, Loup, Rock, Sherman, Valley, and Wheeler.

Per a July 18, 2022, interlocal agreement with the Court Administrator's Office, the County has agreed to provide "assistance in the collection and disbursement of participant fees for approved operating program expenses such as testing, program materials, and the like, and provide accounting services in respect thereto." In addition, the agreement states, "The cost of training and travel shall lie with the [Court Administrator's] Office."

As noted above, the County had taken responsibility for the "collection and disbursement" of NCPSC participant fees. In doing so, however, the County has failed to follow the same statutory safeguards that ensure the proper receipt, holding, and disbursement of its own public monies. During the fiscal year, NCPSC deposited \$9,022 and paid \$5,275 out of this bank account. As of June 30, 2024, the bank balance for this account was \$54,364.

During our review of the bank statements and underlying documentation for the NCPSC, we noted the following:

- Most payments out of this account were made through direct debit card transactions, totaling \$3,554, without the specific oversight and approval of any County official. After further inquiry with the County and the NCPSC Coordinator regarding controls over this account, the following deficiencies were noted:
  - The review of the bank account and its activity was not formally documented.
  - Most expenses incurred are only verbally discussed with the NCPSC Coordinator before being incurred.
- All funds received by NCPSC are receipted by the district courts located in each county and then remitted to the NCPSC; however, we were not provided a list of payments to NCPSC from the central system or database. Therefore, we were unable to verify the accuracy of the funds deposited into the bank account, totaling \$9,022, during fiscal year 2024.
- The NCPSC Coordinator maintained a spreadsheet tracking the bank deposits and disbursements. However, it was noted that \$905 deposited into the bank account was not included in the deposits in the tracking spreadsheet.
- The NCPSC could not provide any policies or other documentation to support the appropriate use of the funds from this account.
- The NCPSC purchased gift cards and other food items, such as breakfast pizzas and donuts, to provide to the NCPSC participants as “incentives” or promotion/graduation rewards, totaling \$2,616. Of this amount, \$1,200 was for gift cards to Amazon.com or Casey’s General Store. During our review of these purchases and the supporting documentation, we noted the following:
  - Two purchases, totaling \$194, were for food and are summarized in the table below; however, the NCPSC was unable to provide documentation to support who received the food items and the purposes for those purchases.

Vendor	Amount	Description
Grocery Kart	\$ 23	Donuts; Chocolate milk; cups; plates
Tumbleweed Café	171	40 reg burritos (\$4 each)
<b>Total</b>	<b>\$ 194</b>	

- Additionally, as of June 30, 2024, 18 gift cards were kept on hand, totaling \$360, that have not yet been given out as incentives.
- Ten purchases made by the NCPSC, totaling \$350, did not have adequate documentation to support the items purchased. For these purchases, the receipts stated “Produce.” Per the NCPSC, these purchases were supposedly for fruit trays.
- Sales tax paid during the fiscal year was \$48.

Among the statutes applicable to the County’s own funds is Neb. Rev. Stat. § 23-1601(1) (Reissue 2022), which states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Likewise, Neb. Rev. Stat. § 23-3106 (Reissue 2022) states, in relevant part, the following:

*The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.*

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) states, in relevant part, the following:

*An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

Per Neb. Rev. Stat. § 77-2704.15(1)(a) (Supp. 2023), purchases made by the State or its political subdivisions are exempt from sales tax, as follows:

*Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village, rural or suburban fire protection district, city airport authority, county airport authority, joint airport authority, drainage district organized under sections 31-401 to 31-450, sanitary drainage district organized under sections 31-501 to 31-553, land bank created under the Nebraska Municipal Land Bank Act, natural resources district, county agricultural society, elected county fair board, housing agency as defined in section 71-1575 except for purchases for any commercial operation that does not exclusively benefit the residents of an affordable housing project, cemetery created under section 12-101, or joint entity or agency formed by any combination of two or more counties, townships, cities, villages, or other exempt governmental units pursuant to the Interlocal Cooperation Act, the Integrated Solid Waste Management Act, or the Joint Public Agency Act, except for purchases for use in the business of furnishing gas, water, electricity, or heat, or by any irrigation or reclamation district, the irrigation division of any public power and irrigation district, or public schools or learning communities established under Chapter 79.*

Additionally, good internal controls and sound business practices require procedures to ensure the following: 1) written policies are created to govern the use of all NCPSC funds held by the County; 2) any funds held under the County's FTIN, including those in the NCPSC account, are included in the accounting systems used to prepare financial statements, and disbursements of such funds are recorded in the County Treasurer's financials and subject to the County's claim and warrant process; 3) adequate records are maintained to support the balance, receipt, and disbursement of NCPSC funds, and such records are reconciled to the bank balances and activity; 4) adequate supporting documentation is maintained for all expenditures of funds from a County bank account; and 5) unnecessary charges, including local and State sales taxes, are avoided when practicable.

Without such procedures, there is an increased risk for the loss, theft, or misuse of funds entrusted to the custody and care of the County.

This finding has been reported since the fiscal year 2020 audit report.

We recommend the County work with the Court Administrator's Office to develop written policies and procedures for the proper handling of NCPSC funds and incentives. We also recommend the implementation of procedures to ensure the following:

- All funds held under the County's FTIN, including those in the NCPSC account, are included in the accounting systems used to prepare financial statements, and disbursements of such funds are recorded in the County Treasurer's financials and subject to the County's claim and warrant process;
- Adequate records are maintained to support the balance, receipts, and disbursements of all funds held by the County, including those held in the NCPSC account, and such records are reconciled to the bank balances and activity;

- Adequate supporting documentation is maintained for all expenditures of funds from a County bank account; and
- Unnecessary charges, including local and State sales taxes, are avoided when practicable.

## **COUNTY BOARD**

### **County Self-Insurance Health Account**

During fiscal year 2024, Holt County self-insured for employee health insurance and contracted with Meritain Health to administer the County's self-insured plan. For the self-insured plan, a bank account is maintained for the County's self-insurance funds. We noted the following regarding this account:

- As of June 30, 2024, the bank account had a book balance of \$352,848, and total receipts and disbursements for this account for fiscal year 2024 were \$1,125,536 and \$1,116,250, respectively.

However, this account is held outside the County Treasurer and is not included in the County's financials. On October 14, 2022, the County Board authorized this Meritain account to hold between \$250,000 and \$350,000; however, the County was not balancing to a set amount each month, and the amount of such account has not been stated in the County Board budget message.

- Meritain Health is the current holder of these funds and had direct access to the bank account to make deposits and to withdraw money without prior approval of the County Board.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Neb. Rev. Stat. § 77-2312 (Reissue 2018) says the following, as is relevant:

*The county treasurer of each and every county in the State of Nebraska shall deposit, and at all times keep on deposit for safekeeping in the state or national banks, capital stock financial institutions, or qualifying mutual financial institutions doing business in the county of approved and responsible standing, the amount of money in his or her hands collected and held by him or her as county treasurer.*

Neb. Rev. Stat. § 23-106 (Reissue 2022) states the following regarding management of County funds and authorized petty cash funds:

*(1) The county board shall manage the county funds and county business except as otherwise specifically provided.*

*(2) The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Per the above statutory provisions, County funds are to be held by the County Treasurer in designated financial institutions, accounted for in the County financial records, and managed by the County Board, which may authorize use of a petty cash fund for "subsidiary general operational expenditures and purchases."



Unless the County Board designates the self-insurance bank account as a “petty cash fund” under § 23-106(2), there is no authority for allowing it to be maintained outside the County Treasurer. If the bank account is to be treated as a “petty cash fund” under § 23-106(2), moreover, the County Board budget message should reflect the authorized petty cash amount to ensure compliance with State statute.

Good internal controls and sound accounting practices require procedures to ensure that County funds remain in the custody and care of the County Treasurer – unless the County Board authorizes those monies to be placed in a petty cash fund – and accounted for accordingly in the County’s financial records. Furthermore, for any authorized petty cash fund, those same administrative procedures should ensure also that periodic reconciliation and balancing methods are used to verify that such fund is maintained at the authorized amount, and the County Board reimburses the account for actual expenses.

Without such procedures, there is not only an increased risk of a possible financial misstatement, as well as loss, theft, or misuse of County funds, but also noncompliance with State statute.

This finding has been reported since the fiscal year 2019 audit report.

We recommend the County Board implement procedures to ensure County funds remain in the custody and care of the County Treasurer – unless the County Board authorizes those monies to be placed in a petty cash fund – and accounted for accordingly in the County’s financial records. If the County Board approves such a petty cash fund, we recommend the County implement procedures to ensure the following: (1) the fund is maintained at the authorized amount; (2) a periodic reconciliation to the authorized petty cash amount is performed; (3) the County Board reimburses the account for actual expenses; and (4) the County Board budget message reflects the authorized petty cash balance.

### **Expenditures in Excess of Budget**

For the year ended June 30, 2024, disbursements exceeded budgeted appropriations in the County Miscellaneous function of the General Fund by \$141,518. These over-expenditures were funded by the available fund balance in the General Fund.

Neb. Rev. Stat. § 23-916 (Reissue 2022) provides the following:

*After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.*

When expenditures are made in excess of amounts budgeted, with no appropriation adjustments by the County Board to address those excesses, the County is noncompliant with State statute.

We recommend the County Board implement procedures to monitor closely its budget status on an ongoing basis to avoid individual functions and funds incurring expenses in excess of the amount budgeted.

### **Lack of Supporting Documentation and Claims Not Filed Within 90 Days**

During the audit, we noted there was a lack of adequate supporting documentation for the following claims:

- For four claims tested, totaling \$75,857, the County paid non-profit and private entities with visitor promotion and improvement funds; however, the County took no subsequent action to ensure that the funds were spent appropriately.

Entity	Amount
O'Neill Chamber of Commerce	\$ 48,357
Atkinson Chamber of Commerce	20,000
Page Development Corporation	7,500
<b>Total</b>	<b>\$ 75,857</b>

During testing of these four claims, the following was noted:

- Two of the claims were paid to the O'Neill Chamber of Commerce (Chamber), totaling \$48,357. For the first claim, the County received only estimated cost information. For the second claim, the County obtained final cost information; however, detailed invoices or receipts were not on file to support those costs.
- Further, included in the second Chamber claim was a payment of \$1,357. The County and Chamber have an agreement by which the County will pay the Chamber 20% of the visitor promotion and improvement funds received from the State each month as a stipend for the Chamber's expenses for postage, office expenses, costs of operation, as well as other labor. The County does not receive documentation from the Chamber for hours spent or expenses incurred to support that the funds disbursed each month are not for more than what the Chamber actually incurred.
- The third claim, totaling \$20,000, paid to the Atkinson Chamber of Commerce, included only estimated costs for its improvement project.
- The fourth claim, totaling \$7,500, paid to the Page Development Corporation, included only estimated costs for its improvement project.

During fiscal year 2024, the County paid out an additional \$107,504 from the Visitors Promotion Fund and the Visitors Improvement Fund to other non-profits and private businesses.

- One mileage reimbursement claim paid to the County Board Chairman lacked adequate supporting documentation, including start and stop locations for three of the trips included on the mileage log. It was noted also that the Chairman did not abstain from voting to approve the mileage claim paid to him during the December 18, 2023, County Board meeting.

During the fiscal year 2024, the Chairman was paid \$1,468 for mileage reimbursements. Additionally, the claim included trips dated between 32 and 140 days before the claim was filed with the County Board.

- One payment made to Wex Fleet Universal for fuel included a prior billing balance paid of \$2,218; however, there was no supporting documentation for this previous balance.

The Nebraska Political Accountability and Disclosure Act (Act) is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021; Cum. Supp 2022; 2024 Neb. Laws, L.B. 1070, § 1). Neb. Rev. Stat. § 49-1499.03(1) (Cum. Supp. 2022) of the Act provides the following:

*(a) An official of a political subdivision designated in section 49-1493 who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall take the following actions as soon as he or she is aware of such potential conflict or should reasonably be aware of such potential conflict, whichever is sooner:*

(i) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict; and

(ii) Deliver a copy of the statement to the commission and to the person in charge of keeping records for the political subdivision who shall enter the statement onto the public records of the political subdivision.

(b) The official shall take such action as the commission shall advise or prescribe to remove himself or herself from influence over the action or decision on the matter.

(c) This subsection does not prevent such a person from making or participating in the making of a governmental decision to the extent that the individual's participation is legally required for the action or decision to be made. A person acting pursuant to this subdivision shall report the occurrence to the commission.

(Emphasis added.) Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in relevant part, the following:

*All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . . .*

Good internal controls and sound business practices require procedures to ensure the following: 1) entities receiving grant funds expend those public monies for appropriate purposes; 2) the County maintains documentation supporting the appropriate expenditure of all public funds; and 3) Board members and elected officials ensure compliance with applicable provisions of the Act and other relevant statutes.

Without such procedures, there is an increased risk for not only loss, misuse, or theft of public funds but also noncompliance with State law.

A similar comment was noted in the prior year's audit report.

We recommend the County Board implement procedures to ensure the following: 1) entities receiving grant funds expend those public monies for appropriate purposes; 2) the County maintains documentation supporting the appropriate expenditure of all public funds; and 3) Board members and elected officials ensure compliance with applicable provisions of the Act and other relevant statutes.

### **Other Claims Issues**

We noted the following other issues during testing of County Board claims:

- On January 16, 2024, the County Board approved a payment for a motor grader for \$1,823 more than the approved bid amount. Upon being notified of this discrepancy by the APA, the County contacted the vendor, which issued a credit on the County's account for the overage.
- The County paid unnecessary invoice fees of \$90 on two claims paid to Schindler Elevator Corporation during the fiscal year.

Good internal controls require procedures to ensure that items purchased pursuant to a bid or contract are paid at the agreed-upon price, unless the County Board takes formal action to permit otherwise. Further, those same controls should ensure that unnecessary fees are avoided.

Without such procedures, there is an increased risk of loss, misuse, or theft of public funds.

We recommend the Board implement procedures to ensure: 1) items purchased pursuant to a bid or contract are paid at the agreed-upon price, unless the County Board takes formal action to permit otherwise; and 2) unnecessary fees are avoided.

## COUNTY SHERIFF

### Accounting Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures at June 30, 2024:

- The County Sheriff fee account had an unknown long of \$424 as of June 30, 2024. The following table provides details of how this long was calculated:

<b>Office Assets:</b>	
Reconciled Bank Balance	\$ 2,281
Accounts Receivable	304
<b>Total Office Assets</b>	<b>\$ 2,585</b>
<b>Office Liabilities:</b>	
Due to County	\$ 1,291
Due to Others	870
<b>Total Office Liabilities</b>	<b>\$ 2,161</b>
<b>Unknown Long</b>	<b>\$ 424</b>

- The County Sheriff miscellaneous account had an unknown long of \$24 as of June 30, 2024. The following table provides details of how this long was calculated:

<b>Office Assets:</b>	
Reconciled Bank Balance	\$ 869
<b>Total Office Assets</b>	<b>\$ 869</b>
<b>Office Liabilities:</b>	
Due to County	\$ 642
Due to Others	203
<b>Total Office Liabilities</b>	<b>\$ 845</b>
<b>Unknown Long</b>	<b>\$ 24</b>

- The inmate commissary bank account held \$12 paid to an individual in fiscal year 2020; however, the check had not cleared as of June 30, 2024. Further, the original check was voided, and the funds were still in the bank account as of June 30, 2024, and the County Sheriff had not remitted the funds to the State Treasurer as unclaimed property as of June 30, 2024.
- The inmate commissary account had deposits totaling \$11,199 during the fiscal year, and the County Sheriff was unable to provide a detailed listing of these deposits.
- The County Sheriff collected \$150 of service fees during fiscal year 2022. This money had not been remitted to the proper recipient as of June 20, 2024.
- The County Sheriff collects service fees, a commission fee for commissary items purchased by County inmates, housing fees for boarding of prisoners, and distress warrants collected on behalf of the County Treasurer. During the audit, we noted the following fees were not remitted to the County Treasurer timely:
  - The County Sheriff collected commissary fees, totaling \$4,918, during fiscal year 2024. Of these fees collected, only \$1,873 was remitted to the County Treasurer in January 2024. No other remittances were made during fiscal year 2024.
  - The County Sheriff collected inmate housing funds, totaling \$1,200, in March 2024; however, these fees were not remitted to the County Treasurer until August 2024.
  - The County Sheriff collected distress warrants, totaling \$599, in July 2024. These fees were not remitted to the County Treasurer as of audit fieldwork in early September 30, 2024.
- The County Jail is authorized to hold \$1,500 as a petty cash fund; however, this was not included in the County's 2023-2024 budget message.

- The other petty cash fund, totaling \$250, maintained by the County Sheriff was used to reimburse postage and mailing fees during fiscal year 2024; however, the fund had an unknown short of \$5.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

(Emphasis added.) Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) states the following:

*Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.*

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2022) provides the following, in relevant part:

*(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.*

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding . . . . The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report . . . .*

Good internal controls and sound accounting practices require adequate reconciliation and balancing procedures to be utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on at least a monthly basis, and all funds are remitted to the proper recipient(s) in a timely manner. Those same procedures require fees collected to be remitted to the County Treasurer in a timely manner. Additionally, all unclaimed property must be remitted to the State Treasurer in a timely manner. Furthermore, all petty cash amounts should be included in the County Board's budget message.

Without such procedures, there is an increased risk for loss, theft, or misuse of County funds and violation of State statute.

A similar comment was included in the prior year's audit report.

We recommend the County Sheriff implement procedures to ensure adequate reconciliation and balancing methods are utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on at least a monthly basis, and all funds are remitted to the proper recipient(s) in a timely manner. We also recommend the County Sheriff implement procedures for remitting fees to the County Treasurer in a timely manner. Additionally, all unclaimed property must be remitted to the State Treasurer in a timely manner. Furthermore, all petty cash amounts are to be included in the County Board's budget message.

## CLERK OF THE DISTRICT COURT

### Petty Cash Procedures

During the audit, we noted the following issues related to the District Court's petty cash procedures:

- The cash held, totaling \$310, was not recorded in JUSTICE, the District Court's accounting system; therefore, the records do not reflect accurately that balance.

The balance held of \$310 as of June 30, 2024, does not agree to the approved petty cash balance of \$225, as documented in the County's budget message for the 2023-2024 year. This excess balance held is partially due to the following:

- In December 2023, the District Court filed a claim to the County Board for \$241 to replenish the petty cash; however, this was \$16 more than the approved petty cash balance.
  - Further, in April 2024, the District Court filed another claim to the County Board for \$470 to replenish the petty cash, which was \$245 more than the approved petty cash balance.
  - The District Court does not keep a running balance of either the petty cash or passport cash on its logs.
- During testing of one petty cash claim for 34 different receipts, totaling \$76, it was noted that receipts were not submitted within 90 days from when the expense was incurred. These receipts were incurred from 97 to 341 days before the claim date.

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in relevant part, the following:

*All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . .*

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) provides the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Good internal control and sound business practices require procedures to ensure the following: 1) petty cash reimbursements are submitted in a timely manner; 2) all balances held by the office are recorded accurately in the financial records; 3) the petty cash log is accurate and reflects the petty cash balance, and that balance is reconciled to the authorized balance; and 4) funds held in excess of the authorized balance are remitted to the County Treasurer in a timely manner.

Without such procedures there is increased risk of not only loss, theft, or misuse of County funds but also noncompliance with State statute.

A similar comment was noted in the prior year's report.

We recommend the District Court implement procedures to ensure: 1) petty cash reimbursements are submitted in a timely manner; 2) all balances held by the office are recorded accurately in the financial records; 3) the petty cash log is accurate and reflects the petty cash balance, and that balance is reconciled to the authorized balance; and 4) funds held in excess of the authorized balance are remitted to the County Treasurer in a timely manner.

### **Trust Balance**

For one of five trust balances tested, totaling \$4,000, the District Court has not resolved the balance held in a timely manner. The District Court ordered a bench warrant on June 27, 2022, with an expiration date of June 22, 2023. Further, no activity has been noted on the case since the warrant expired, and the District Court is still holding the trust money with no current activity on the case.

Good internal control and sound business practices require procedures to ensure that trust balances are reviewed on a regular basis, and trust balances ordered forfeit are resolved in a timely manner.

Without such procedures, there is increased risk for loss, misuse, or theft of funds.

A similar comment was included in the prior year's report.

We recommend the District Court implement procedures to ensure a regular review of trust balances held to ensure that all such balances are current, and all funds ordered forfeited are remitted to the applicable parties.

### **Overdue Case Balances**

During the audit, we tested 10 balances listed on the Overdue Case Account Report (Report). During testing of these cases, we noted five, totaling \$5,376, on which the District Court failed to take subsequent action, such as the issuance of warrants and/or suspensions or the designation of certain overdue balances as uncollectible, to ensure their timely collection and/or resolution.

As of June 28, 2024, overdue case balances totaled \$51,098. Of the cases included on the Report, only five were flagged with a current warrant or suspension.

Good internal control and sound accounting practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action should be taken to collect or otherwise address the balances listed therein. Such review and any resulting follow-up action should be adequately documented.

Without such procedures, there is an increased risk of overdue balances either not having proper follow-up action taken timely, resulting in the District Court not collecting all funds owed to it, or having been resolved previously and no longer needing to be reflected as overdue in the accounting system.

A similar comment was included in the prior year's report.

We recommend the District Court implement procedures to ensure that the Report is reviewed on an ongoing, timely basis, and such review and any resulting follow-up action is documented adequately. Potential courses of action for follow-up on overdue case balances would include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a designation of certain balances as being uncollectible. If a determination should be made that no further action is necessary on specific balances, we recommend the District Court document both that determination and the reason therefore.

## **COUNTY TREASURER**

### **Untimely Recording of Interest**

During the review of the County's assets held by the County Treasurer, we noted that interest, totaling \$4,897, earned on a certificate of deposit in March 2024 was not recorded until July 2024.

Sound business practices require procedures to ensure that bank statements and transaction activity are reviewed periodically and timely, and interest earned and posted to accounts is recorded timely.

Without such procedures, there is an increased risk of interest and activity not being recorded in the incorrect period, if recorded at all, resulting in a possible material misstatement to the financial statements.

We recommend that the County Treasurer implement procedures to ensure that bank statements and transaction activity are reviewed periodically and timely, and interest earned posted to the accounts is recorded timely.

### **COUNTY VETERANS' SERVICE OFFICER**

#### **Bank Account Issues**

During the audit, we noted the following issues with the County Veterans' Service Officer accounts:

- The Veterans' Service Officer's aid checking account is limited to \$5,000 per the County's 2023-2024 budget message. However, as of June 30, 2024, the book balance of this account was \$9,310, which is \$4,310 over the limit set by the County Board.
- The Veterans' Service Officer had a prepaid charge account with Torpin's Rodeo Market, which was used for purchasing groceries and household items for veterans. As of June 30, 2024, that charge account held \$983 in public funds. Additionally, this charge account, including any balance held, was not approved by the County Board as a petty cash fund.
- Further, the Torpin's Rodeo Market charge account had a \$17 balance owed from November 2023 to May 2024. This \$17 balance was unpaid for seven months.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides, in relevant part, the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.*

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Additionally, good internal controls and sound accounting practices require procedures to ensure the following: 1) excess funds held in the aid checking account are remitted to the County Treasurer; 2) funds are held in a County-approved depository, which is authorized as a petty cash fund; and 3) balances owed are paid in a timely manner to avoid any unnecessary fees.

Without such procedures, there is an increased risk for not only loss or misuse of public funds but also noncompliance with State statute.

We recommend the County Veterans' Service Officer implement procedures to ensure the following: 1) excess funds held in the aid checking account are remitted to the County Treasurer; 2) funds are held in a County-approved depository, which is authorized as a petty cash fund; and 3) balances owed are paid in a timely manner to avoid any unnecessary fees.



## **COUNTY CLERK**

### **Bond Principal Coding**

During the audit, we noted that the County Clerk miscoded \$1,160,000 in bond principal to bond interest. This amount was adjusted on the financial statements.

Good internal controls require procedures for coding transactions properly to help ensure the accuracy of accounting records and financial statements.

Without such procedures, there is an increased risk of a material financial statement misstatement.

A similar comment was included in the prior year's audit report.

We recommend the County Clerk implement procedures for coding transactions properly to help ensure the accuracy of accounting records and financial statements.

## **COUNTY ATTORNEY**

### **Petty Cash Procedures**

During the audit, we noted the following issues with the County Attorney's accounting procedures at June 30, 2024:

- Accurate monthly bank reconciliations, including maintaining an accurate book balance and list of outstanding checks, were not performed for the petty cash account. Furthermore, during the fiscal year, other non-petty cash revenues were deposited into the petty cash account, and no asset-to-liability reconciliation was performed. Due to this, we noted an unknown cash shortage of \$213 in the petty cash account as of June 30, 2024. Additionally, an outstanding check for \$15 was not included in the check register.
- The County Attorney received a petty cash reimbursement of \$198 in January 2024, but this money was not deposited into the bank account until July 2024, almost six months later.

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Additionally, good internal control and sound accounting practices require the use of periodic reconciliation and balancing procedures to ensure that petty cash is maintained at the authorized amount, and County funds, such as petty cash reimbursements, are deposited timely.

Without such procedures, there is an increased risk for not only loss, misuse, or theft of public funds but also noncompliance with State statute.

A similar finding was included in the prior year's audit report.

We recommend the County Attorney utilize periodic reconciliation and balancing procedures to ensure that petty cash is maintained at the authorized amount, and deposited are made timely.

## COUNTY OVERALL

### Segregation of Duties

We noted that the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

A proper system of internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

\* \* \* \* \*

It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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

Sincerely,

A handwritten signature in cursive script that reads "Dakota Christensen".

Dakota Christensen, CPA, CISA, CFE  
Audit Manager