

**AUDIT REPORT  
OF  
DAWES COUNTY**

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

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the Auditor of Public Accounts.**

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**Issued on April 3, 2025**

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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

Jeff Schreier, CPA – Audit Manager

Joe Mueller – Auditor-In-Charge

Nathan Tomjack – Auditor-In-Charge

Kyle Hanna – Auditor II

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

Additionally, you may request them by contacting us at:

**Nebraska Auditor of Public Accounts**

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DAWES COUNTY

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DAWES COUNTY  
451 Main St.  
Chadron, NE 69337

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

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Jake Stewart Valentin Rivera Webb Johnson	Jan. 2027 Jan. 2027 Jan. 2025
Assessor Planning & Zoning	Roberta Coleman	Jan. 2027 Appointed
Attorney	Vance Haug	Jan. 2027
Clerk Election Commissioner Register of Deeds	Cheryl Feist	Jan. 2027
Clerk of the District Court	Celeste Cattin	Jan. 2027
Sheriff	Jeff Johns	Jan. 2027
Treasurer	Sam Wellnitz	Jan. 2027
Public Defender	Becca Chasek	Jan. 2027
Veterans' Service Officer	Robert Jordan	Appointed
Weed Superintendent	Dan Wordekemper	Appointed
Highway Superintendent	Wade Yada	Appointed
Emergency Manager	Nan Gould	Appointed
Tourism Director	Kerri Rempp	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

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DAWES COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Dawes 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 Dawes 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 Dawes 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 19-30, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 March 18, 2025, on our consideration of Dawes 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 Dawes County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Jeff Schreier". The signature is written in a cursive, flowing style.

March 18, 2025

Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,672,638
Investments (Note 1.D)	552,807
<b>TOTAL ASSETS</b>	<b>\$ 6,225,445</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 290,137
911 Emergency Services	222,390
Drug Education / Enforcement	33,945
Law Enforcement	11,523
Preservation of Records	27,118
Debt Service	136,887
Road/Bridge Maintenance	702,703
Community Development	220,094
Federal Relief	393,143
Unrestricted	4,187,505
<b>TOTAL NET POSITION</b>	<b>\$ 6,225,445</b>

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



DAWES 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	\$ (3,247,084)	\$ 291,041	\$ 100,005	\$ (2,856,038)
Public Safety	(1,576,831)	251,568	31,079	(1,294,184)
Public Works	(1,843,467)	2,258	1,462,540	(378,669)
Public Health	(9,162)	-	-	(9,162)
Public Assistance	(110,787)	-	-	(110,787)
Culture and Recreation	(263,661)	-	25,000	(238,661)
Debt Payments	(94,030)	-	-	(94,030)
<b>Total Governmental Activities</b>	<b>\$ (7,145,022)</b>	<b>\$ 544,867</b>	<b>\$ 1,618,624</b>	<b>(4,981,531)</b>

General Receipts:

Taxes:	
Property	4,170,960
Motor Vehicle	261,439
Inheritance	467,975
Lodging	250,400
Other	178,692
Grants and Contributions Not Restricted to Specific Programs	
Investment Income	392,755
Miscellaneous	252,171
Miscellaneous	81,169
<b>Total General Receipts</b>	<b>6,055,561</b>
Change in Net Position	1,074,030
Net Position - Beginning of year	5,151,415
Net Position - End of year	<b>\$ 6,225,445</b>

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

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Highway Bridge Buyback Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 1,630,344	\$ 405,083	\$ 1,967,431	\$ 684,681	\$ 985,099	\$ 5,672,638
Investments (Note 1.D)	42,914	10,663	51,787	18,022	429,421	552,807
<b>TOTAL ASSETS</b>	<u><u>\$ 1,673,258</u></u>	<u><u>\$ 415,746</u></u>	<u><u>\$ 2,019,218</u></u>	<u><u>\$ 702,703</u></u>	<u><u>\$ 1,414,520</u></u>	<u><u>\$ 6,225,445</u></u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	290,137	290,137
911 Emergency Services	-	-	-	-	222,390	222,390
Drug Education / Enforcement	-	-	-	-	33,945	33,945
Law Enforcement	-	-	-	-	11,523	11,523
Preservation of Records	-	-	-	-	27,118	27,118
Debt Service	-	-	-	-	136,887	136,887
Road/Bridge Maintenance	-	-	-	702,703	-	702,703
Community Development	-	-	-	-	220,094	220,094
Federal Relief	-	-	-	-	393,143	393,143
Committed to:						
Road Maintenance	-	415,746	-	-	-	415,746
Aid and Assistance	-	-	-	-	8,252	8,252
Appraisal of Property	-	-	-	-	71,031	71,031
Assigned to:						
Other Purposes	-	-	2,019,218	-	-	2,019,218
Unassigned	1,673,258	-	-	-	-	1,673,258
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u><u>\$ 1,673,258</u></u>	<u><u>\$ 415,746</u></u>	<u><u>\$ 2,019,218</u></u>	<u><u>\$ 702,703</u></u>	<u><u>\$ 1,414,520</u></u>	<u><u>\$ 6,225,445</u></u>

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

DAWES 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	Highway Bridge Buyback Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Taxes:						
Property	\$4,077,613	\$ -	\$ -	\$ -	\$ 93,347	\$ 4,170,960
Motor Vehicle	261,439	-	-	-	-	261,439
Inheritance	-	-	467,975	-	-	467,975
Lodging	-	-	-	-	250,400	250,400
Other	109,548	196	-	-	68,948	178,692
Investment Income	248,656	-	-	-	3,515	252,171
Intergovernmental	316,183	1,321,312	-	141,228	232,656	2,011,379
Charges for Services	538,908	1,585	-	-	4,374	544,867
Miscellaneous	57,549	-	-	-	23,620	81,169
<b>TOTAL RECEIPTS</b>	<u>5,609,896</u>	<u>1,323,093</u>	<u>467,975</u>	<u>141,228</u>	<u>676,860</u>	<u>8,219,052</u>
<b>DISBURSEMENTS</b>						
General Government	3,148,594	-	-	-	98,490	3,247,084
Public Safety	1,432,948	-	-	-	143,883	1,576,831
Public Works	114,570	1,549,254	-	-	179,643	1,843,467
Public Health	9,162	-	-	-	-	9,162
Public Assistance	107,920	-	-	-	2,867	110,787
Culture and Recreation	-	-	-	-	263,661	263,661
Debt Service:						
Principal Payments	-	-	-	-	70,000	70,000
Interest and Fiscal Charges	-	-	-	-	24,030	24,030
<b>TOTAL DISBURSEMENTS</b>	<u>4,813,194</u>	<u>1,549,254</u>	<u>-</u>	<u>-</u>	<u>782,574</u>	<u>7,145,022</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>796,702</u>	<u>(226,161)</u>	<u>467,975</u>	<u>141,228</u>	<u>(105,714)</u>	<u>1,074,030</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	3,404	200,000	-	-	59,097	262,501
Transfers out	(258,051)	-	-	-	(4,450)	(262,501)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(254,647)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>54,647</u>	<u>-</u>
Net Change in Fund Balances	542,055	(26,161)	467,975	141,228	(51,067)	1,074,030
<b>CASH BASIS FUND BALANCES - BEGINNING</b>						
	<u>1,131,203</u>	<u>441,907</u>	<u>1,551,243</u>	<u>561,475</u>	<u>1,465,587</u>	<u>5,151,415</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>						
	<u>\$1,673,258</u>	<u>\$ 415,746</u>	<u>\$ 2,019,218</u>	<u>\$702,703</u>	<u>\$ 1,414,520</u>	<u>\$ 6,225,445</u>

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

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

		Custodial Funds
<hr/>		
ASSETS		
Cash and Cash Equivalents	\$	502,201
<hr/>		
NET POSITION		
Restricted for:		
State - Collected by County Treasurer		155,930
State - Collected by Other Offices		10,233
Schools		200,422
Educational Service Units		2,177
Technical College		14,265
Natural Resource Districts		2,035
Fire Districts		2,961
Municipalities		35,960
Agricultural Society		1,281
Solid Waste Agency of NW Nebraska		204
Others - Collected by County Treasurer		45,195
Others - Collected by Other Offices		31,538
TOTAL NET POSITION	\$	502,201
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The notes to the financial statements are an integral part of this statement.

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

	Custodial Funds
<b>ADDITIONS</b>	
Collections for Other Governments	\$ 17,124,564
Miscellaneous Collections	943,143
<b>TOTAL ADDITIONS</b>	<b>18,067,707</b>
 <b>DEDUCTIONS</b>	
Payments to Other Governments	17,140,389
Other Miscellaneous Items Paid To Individuals	985,918
<b>TOTAL DEDUCTIONS</b>	<b>18,126,307</b>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	<b>(58,600)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>560,801</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 502,201</b>

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

DAWES 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 Dawes County.

**A. Reporting Entity**

Dawes 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 I – 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 I (Region) consists of the following counties: Sioux, Dawes, Box Butte, Sheridan, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel.

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 \$34,709 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 Panhandle Public 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).

DAWES 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 toward 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) (Reissue 2024). Financial information for the Department is available in that report.

**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. The 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.

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.

DAWES COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

**Highway Bridge Buyback Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges in the County and is primarily funded by amounts received from the State of Nebraska through the Federal Funds Purchase Program.

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.

**Debt Service Fund.** The Dunlap Road Project 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.

**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.



DAWES COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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, § 77-2340, and § 77-2341 (Reissue 2018, Cum. Supp. 2024) 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.

**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 \$2,037,940 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.

DAWES COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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 \$5,672,638 for County funds and \$502,201 for Fiduciary funds. The bank balances for all funds totaled \$6,179,716. 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.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$552,807 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

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 \$.376961/\$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 \$.392259/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

DAWES COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes** (Concluded)

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, 68 employees contributed \$125,018, and the County contributed \$184,617. Contributions included \$5,827 in cash contributions towards the supplemental law enforcement plan for eight law enforcement employees. Lastly, the County paid \$629 directly to nine retired employees for prior service benefits.

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 is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 112 counties and local governments throughout Nebraska.

DAWES COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management** (Concluded)

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of the county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the county's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 500,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 500,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the pool or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

**6. Interfund Transfers**

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

	Transfers from		
	General Fund	Nonmajor Funds	
Road Fund	\$ 200,000	\$ -	\$ 200,000
General Fund	-	3,404	3,404
Nonmajor Funds	58,051	1,046	59,097
Total	\$ 258,051	\$ 4,450	\$ 262,501

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

**7. Long-Term Obligations**

Bonds

The County issued bonds on August 15, 2019, in the amount of \$1,140,000 for the purpose of paying the costs of constructing certain road improvements within the County. The bond payable balance, as of June 30, 2024, was \$830,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

DAWES COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**7. Long-Term Obligations** (Concluded)

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 75,000	\$ 22,195	\$ 97,195
2026	75,000	20,657	95,657
2027	75,000	19,120	94,120
2028	80,000	17,170	97,170
2029	80,000	15,090	95,090
2030-2034	445,000	40,460	485,460
<b>Total Payments</b>	<b>\$ 830,000</b>	<b>\$ 134,692</b>	<b>\$ 964,692</b>

**DAWES 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	\$ 4,205,890	\$ 4,205,890	\$ 4,448,600	\$ 242,710
Investment Income	50,500	50,500	248,656	198,156
Intergovernmental	235,000	235,000	316,183	81,183
Charges for Services	690,914	690,914	538,908	(152,006)
Miscellaneous	19,000	19,000	57,549	38,549
<b>TOTAL RECEIPTS</b>	<b>5,201,304</b>	<b>5,201,304</b>	<b>5,609,896</b>	<b>408,592</b>
<b>DISBURSEMENTS</b>				
General Government				
County Board	101,444	101,444	83,855	17,589
County Clerk	195,300	195,300	178,452	16,848
County Treasurer	232,300	232,300	223,625	8,675
County Assessor	218,249	218,249	200,786	17,463
Election Commissioner	26,223	26,223	19,134	7,089
Building and Zoning	16,100	16,125	16,125	-
Clerk of the District Court	98,935	98,935	98,621	314
County Court System	88,300	141,877	141,877	-
District Judge	53,700	77,073	77,073	-
Public Defender	106,053	106,053	102,906	3,147
Building and Grounds	120,350	120,350	108,785	11,565
Agricultural Extension Agent	98,600	98,600	53,245	45,355
Miscellaneous	1,974,792	1,897,817	1,844,110	53,707
Public Safety				
County Sheriff	378,752	378,752	365,711	13,041
County Attorney	189,722	189,722	187,433	2,289
Communication Center	63,750	63,750	9,946	53,804
Crawford Law Enforcement	180,414	180,414	175,883	4,531
County Attorney Child Support	47,574	47,574	45,827	1,747
County Jail	669,870	669,870	648,148	21,722
Public Works				
County Surveyor	20,000	20,000	5,208	14,792
Noxious Weed Control	134,075	134,075	109,362	24,713
Public Health				
Alcohol & Drug Abuse	22,000	22,000	9,162	12,838
Public Assistance				
County Relief	13,460	13,460	6,395	7,065
Veterans' Service Officer	102,700	102,700	87,978	14,722
Institutions	30,701	30,701	13,547	17,154
<b>TOTAL DISBURSEMENTS</b>	<b>5,183,364</b>	<b>5,183,364</b>	<b>4,813,194</b>	<b>370,170</b>

(Continued)

DAWES 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)
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	17,940	17,940	796,702	778,762
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	92,650	92,650	3,404	(89,246)
Transfers out	(641,793)	(641,793)	(258,051)	383,742
TOTAL OTHER FINANCING SOURCES (USES)	(549,143)	(549,143)	(254,647)	294,496
Net Change in Fund Balance	(531,203)	(531,203)	542,055	1,073,258
<b>FUND BALANCE - BEGINNING</b>	1,131,203	1,131,203	1,131,203	-
<b>FUND BALANCE - ENDING</b>	\$ 600,000	\$ 600,000	\$ 1,673,258	\$ 1,073,258

(Concluded)

**DAWES 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>				
<b>RECEIPTS</b>				
Taxes	\$ 196	\$ 196	\$ 196	\$ -
Intergovernmental	1,157,266	1,157,266	1,321,312	164,046
Charges for Services	1,500	1,500	1,585	85
<b>TOTAL RECEIPTS</b>	<u>1,158,962</u>	<u>1,158,962</u>	<u>1,323,093</u>	<u>164,131</u>
<b>DISBURSEMENTS</b>	<u>1,827,401</u>	<u>1,827,401</u>	<u>1,549,254</u>	<u>278,147</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>(668,439)</u>	<u>(668,439)</u>	<u>(226,161)</u>	<u>442,278</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	536,532	536,532	200,000	(336,532)
Transfers out	(10,000)	(10,000)	-	10,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>526,532</u>	<u>526,532</u>	<u>200,000</u>	<u>(326,532)</u>
Net Change in Fund Balance	(141,907)	(141,907)	(26,161)	115,746
<b>FUND BALANCE - BEGINNING</b>	<u>441,907</u>	<u>441,907</u>	<u>441,907</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 415,746</u>	<u>\$ 115,746</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 75,000	\$ 75,000	\$ 467,975	\$ 392,975
<b>TOTAL RECEIPTS</b>	<u>75,000</u>	<u>75,000</u>	<u>467,975</u>	<u>392,975</u>
<b>DISBURSEMENTS</b>	<u>1,568,593</u>	<u>1,568,593</u>	<u>-</u>	<u>1,568,593</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>(1,493,593)</u>	<u>(1,493,593)</u>	<u>467,975</u>	<u>1,961,568</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,000	35,000	-	(35,000)
Transfers out	(92,650)	(92,650)	-	92,650
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(57,650)</u>	<u>(57,650)</u>	<u>-</u>	<u>57,650</u>
Net Change in Fund Balance	(1,551,243)	(1,551,243)	467,975	2,019,218
<b>FUND BALANCE - BEGINNING</b>	<u>1,551,243</u>	<u>1,551,243</u>	<u>1,551,243</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,019,218</u>	<u>\$ 2,019,218</u>

(Continued)



DAWES 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><u>HIGHWAY BRIDGE BUYBACK FUND</u></b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 141,227	\$ 141,227	\$ 141,228	\$ 1
<b>TOTAL RECEIPTS</b>	<u>141,227</u>	<u>141,227</u>	<u>141,228</u>	<u>1</u>
<b>DISBURSEMENTS</b>	<u>702,702</u>	<u>702,702</u>	<u>-</u>	<u>702,702</u>
Net Change in Fund Balance	(561,475)	(561,475)	141,228	702,703
FUND BALANCE - BEGINNING	<u>561,475</u>	<u>561,475</u>	<u>561,475</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,703</u>	<u>\$ 702,703</u>

(Concluded)

**DAWES 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 PROMOTION FUND</b>				
Receipts	\$ 121,950	\$ 121,950	\$ 138,809	\$ 16,859
Disbursements	(186,817)	(186,817)	(163,143)	23,674
Net Change in Fund Balance	(64,867)	(64,867)	(24,334)	40,533
Fund Balance - Beginning	64,867	64,867	64,867	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,533</u>	<u>\$ 40,533</u>
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 150,000	\$ 150,000	\$ 161,623	\$ 11,623
Disbursements	(338,499)	(338,499)	(100,518)	237,981
Net Change in Fund Balance	(188,499)	(188,499)	61,105	249,604
Fund Balance - Beginning	188,499	188,499	188,499	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,604</u>	<u>\$ 249,604</u>
<b>REAPPRAISAL FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(115,800)	(115,800)	(44,769)	71,031
Transfers in	58,051	58,051	58,051	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(57,749)	(57,749)	13,282	71,031
Fund Balance - Beginning	57,749	57,749	57,749	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,031</u>	<u>\$ 71,031</u>
<b>PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 4,000	\$ 4,000	\$ 4,374	\$ 374
Disbursements	(27,434)	(27,434)	(690)	26,744
Net Change in Fund Balance	(23,434)	(23,434)	3,684	27,118
Fund Balance - Beginning	23,434	23,434	23,434	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,118</u>	<u>\$ 27,118</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 16	\$ 16
Disbursements	(11,103)	(11,103)	(2,867)	8,236
Net Change in Fund Balance	(11,103)	(11,103)	(2,851)	8,252
Fund Balance - Beginning	11,103	11,103	11,103	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,252</u>	<u>\$ 8,252</u>

(Continued)

**DAWES 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>DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(9,488)	(9,488)	-	9,488
Net Change in Fund Balance	(9,488)	(9,488)	-	9,488
Fund Balance - Beginning	9,488	9,488	9,488	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,488</u>	<u>\$ 9,488</u>
<b>GRANT FUND</b>				
Receipts	\$ 35,537	\$ 35,537	\$ 31,079	\$ (4,458)
Disbursements	(44,137)	(44,137)	(28,156)	15,981
Net Change in Fund Balance	(8,600)	(8,600)	2,923	11,523
Fund Balance - Beginning	8,600	8,600	8,600	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,523</u>	<u>\$ 11,523</u>
<b>CDBG GRANT FUND</b>				
Receipts	\$ 20,000	\$ 20,000	\$ 59,645	\$ 39,645
Disbursements	(183,327)	(183,327)	(2,878)	180,449
Net Change in Fund Balance	(163,327)	(163,327)	56,767	220,094
Fund Balance - Beginning	163,327	163,327	163,327	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,094</u>	<u>\$ 220,094</u>
<b>EMERGENCY 911 FUND</b>				
Receipts	\$ 17,000	\$ 17,000	\$ 22,830	\$ 5,830
Disbursements	(66,300)	(66,300)	(40,677)	25,623
Transfers in	22,210	22,210	1,046	(21,164)
Transfers out	-	-	-	-
Net Change in Fund Balance	(27,090)	(27,090)	(16,801)	10,289
Fund Balance - Beginning	27,090	27,090	27,090	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,289</u>	<u>\$ 10,289</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 53,000	\$ 53,000	\$ 44,665	\$ (8,335)
Disbursements	(273,276)	(273,276)	(48,390)	224,886
Transfers in	-	-	-	-
Transfers out	-	-	(4,450)	(4,450)
Net Change in Fund Balance	(220,276)	(220,276)	(8,175)	212,101
Fund Balance - Beginning	220,276	220,276	220,276	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,101</u>	<u>\$ 212,101</u>

**DAWES 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><u>DUNLAP ROAD PROJECT FUND</u></b>				
Receipts	\$ 77,139	\$ 77,139	\$ 95,006	\$ 17,867
Disbursements	(98,050)	(98,050)	(94,030)	4,020
Net Change in Fund Balance	(20,911)	(20,911)	976	21,887
Fund Balance - Beginning	135,911	135,911	135,911	-
Fund Balance - Ending	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 136,887</u>	<u>\$ 21,887</u>
<b><u>OPIOID RECOVERY FUND</u></b>				
Receipts	\$ 23,654	\$ 23,654	\$ 12,210	\$ (11,444)
Disbursements	(35,901)	(35,901)	-	35,901
Net Change in Fund Balance	(12,247)	(12,247)	12,210	24,457
Fund Balance - Beginning	12,247	12,247	12,247	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,457</u>	<u>\$ 24,457</u>
<b><u>LOCAL ASSISTANCE &amp; TRIBAL CONSISTENCY FUND</u></b>				
Receipts	\$ 102,981	\$ 102,981	\$ 103,088	\$ 107
Disbursements	(205,962)	(205,962)	-	205,962
Net Change in Fund Balance	(102,981)	(102,981)	103,088	206,069
Fund Balance - Beginning	102,981	102,981	102,981	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,069</u>	<u>\$ 206,069</u>
<b><u>COVID AMERICAN RESCUE PLAN FUND</u></b>				
Receipts	\$ -	\$ -	\$ 3,515	\$ 3,515
Disbursements	(440,015)	(440,015)	(256,456)	183,559
Net Change in Fund Balance	(440,015)	(440,015)	(252,941)	187,074
Fund Balance - Beginning	440,015	440,015	440,015	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,074</u>	<u>\$ 187,074</u>

(Concluded)

**DAWES COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2024

	Visitors Promotion Fund	Visitors Improvement Fund	Reappraisal Fund	Preservation & Modernization Fund	Veterans' Aid Fund
<b>RECEIPTS</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	125,200	125,200	-	-	-
Other	-	-	-	-	16
Investment Income	-	-	-	-	-
Intergovernmental	2,199	36,423	-	-	-
Charges for Services	-	-	-	4,374	-
Miscellaneous	11,410	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>138,809</b>	<b>161,623</b>	<b>-</b>	<b>4,374</b>	<b>16</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	44,769	690	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	2,867
Culture and Recreation	163,143	100,518	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>163,143</b>	<b>100,518</b>	<b>44,769</b>	<b>690</b>	<b>2,867</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(24,334)</b>	<b>61,105</b>	<b>(44,769)</b>	<b>3,684</b>	<b>(2,851)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	58,051	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>58,051</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(24,334)	61,105	13,282	3,684	(2,851)
<b>FUND BALANCES - BEGINNING</b>	<b>64,867</b>	<b>188,499</b>	<b>57,749</b>	<b>23,434</b>	<b>11,103</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 40,533</b>	<b>\$ 249,604</b>	<b>\$ 71,031</b>	<b>\$ 27,118</b>	<b>\$ 8,252</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	40,533	249,604	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education / Enforcement	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	27,118	-
Debt Service	-	-	-	-	-
Community Development	-	-	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Aid and Assistance	-	-	-	-	8,252
Appraisal of Property	-	-	71,031	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 40,533</b>	<b>\$ 249,604</b>	<b>\$ 71,031</b>	<b>\$ 27,118</b>	<b>\$ 8,252</b>

**DAWES COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2024

	Drug Law Enforcement & Education Fund	Grant Fund	CDBG Grant Fund	Emergency 911 Fund	911 Wireless Service Fund
<b>RECEIPTS</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	-	-	-	-	-
Other	-	-	-	22,830	44,665
Investment Income	-	-	-	-	-
Intergovernmental	-	31,079	59,645	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>31,079</u>	<u>59,645</u>	<u>22,830</u>	<u>44,665</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	2,878	-	-
Public Safety	-	28,156	-	40,677	48,390
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>28,156</u>	<u>2,878</u>	<u>40,677</u>	<u>48,390</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>-</u>	<u>2,923</u>	<u>56,767</u>	<u>(17,847)</u>	<u>(3,725)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	1,046	-
Transfers out	-	-	-	-	(4,450)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046</u>	<u>(4,450)</u>
Net Change in Fund Balances	-	2,923	56,767	(16,801)	(8,175)
<b>FUND BALANCES - BEGINNING</b>	<u>9,488</u>	<u>8,600</u>	<u>163,327</u>	<u>27,090</u>	<u>220,276</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 9,488</u>	<u>\$ 11,523</u>	<u>\$ 220,094</u>	<u>\$ 10,289</u>	<u>\$ 212,101</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	10,289	212,101
Drug Education / Enforcement	9,488	-	-	-	-
Law Enforcement	-	11,523	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Community Development	-	-	220,094	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Aid and Assistance	-	-	-	-	-
Appraisal of Property	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 9,488</u>	<u>\$ 11,523</u>	<u>\$ 220,094</u>	<u>\$ 10,289</u>	<u>\$ 212,101</u>

**DAWES COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2024

	Dunlap Road Project Fund	Opioid Recovery Fund	Local Assistance & Tribal Consistency Fund	COVID American Rescue Plan Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes:					
Property	\$ 93,347	\$ -	\$ -	\$ -	\$ 93,347
Lodging	-	-	-	-	250,400
Other	1,437	-	-	-	68,948
Investment Income	-	-	-	3,515	3,515
Intergovernmental	222	-	103,088	-	232,656
Charges for Services	-	-	-	-	4,374
Miscellaneous	-	12,210	-	-	23,620
<b>TOTAL RECEIPTS</b>	<u>95,006</u>	<u>12,210</u>	<u>103,088</u>	<u>3,515</u>	<u>676,860</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	50,153	98,490
Public Safety	-	-	-	26,660	143,883
Public Works	-	-	-	179,643	179,643
Public Assistance	-	-	-	-	2,867
Culture and Recreation	-	-	-	-	263,661
Debt Service:					
Principal Payments	70,000	-	-	-	70,000
Interest and Fiscal Charges	24,030	-	-	-	24,030
<b>TOTAL DISBURSEMENTS</b>	<u>94,030</u>	<u>-</u>	<u>-</u>	<u>256,456</u>	<u>782,574</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>976</u>	<u>12,210</u>	<u>103,088</u>	<u>(252,941)</u>	<u>(105,714)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	59,097
Transfers out	-	-	-	-	(4,450)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,647</u>
Net Change in Fund Balances	976	12,210	103,088	(252,941)	(51,067)
<b>FUND BALANCES - BEGINNING</b>	<u>135,911</u>	<u>12,247</u>	<u>102,981</u>	<u>440,015</u>	<u>1,465,587</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 136,887</u>	<u>\$ 24,457</u>	<u>\$ 206,069</u>	<u>\$ 187,074</u>	<u>\$ 1,414,520</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	290,137
911 Emergency Services	-	-	-	-	222,390
Drug Education / Enforcement	-	24,457	-	-	33,945
Law Enforcement	-	-	-	-	11,523
Preservation of Records	-	-	-	-	27,118
Debt Service	136,887	-	-	-	136,887
Community Development	-	-	-	-	220,094
Federal Relief	-	-	206,069	187,074	393,143
Committed to:					
Aid and Assistance	-	-	-	-	8,252
Appraisal of Property	-	-	-	-	71,031
<b>TOTAL FUND BALANCES</b>	<u>\$ 136,887</u>	<u>\$ 24,457</u>	<u>\$ 206,069</u>	<u>\$ 187,074</u>	<u>\$ 1,414,520</u>

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

	County Clerk	Clerk of the District Court	County Sheriff	Veterans' Service Officer	Employee Cafeteria Plan	Total
BALANCES JULY 1, 2023	\$ 13,587	\$ 41,304	\$ 7,556	\$ 4,438	\$ 11,365	\$ 78,250
<b>RECEIPTS</b>						
Charges for Services	50,419	14,383	28,220	-	-	93,022
Miscellaneous	62	-	1,436	2,867	13,037	17,402
State Fees	67,300	11,742	-	-	-	79,042
Other Liabilities	-	626,045	10,838	-	-	636,883
<b>TOTAL RECEIPTS</b>	<b>117,781</b>	<b>652,170</b>	<b>40,494</b>	<b>2,867</b>	<b>13,037</b>	<b>826,349</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	50,431	15,150	31,730	-	-	97,311
Payments to State Treasurer	66,696	9,955	-	-	-	76,651
Petty Cash & Other Payments	62	-	-	2,157	10,394	12,613
Other Liabilities	-	634,472	10,717	-	-	645,189
<b>TOTAL DISBURSEMENTS</b>	<b>117,189</b>	<b>659,577</b>	<b>42,447</b>	<b>2,157</b>	<b>10,394</b>	<b>831,764</b>
BALANCES JUNE 30, 2024	<u>\$ 14,179</u>	<u>\$ 33,897</u>	<u>\$ 5,603</u>	<u>\$ 5,148</u>	<u>\$ 14,008</u>	<u>\$ 72,835</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 5,605	\$ 1,003	\$ 5,100	\$ 5,148	\$ 14,008	\$ 30,864
Petty Cash	200	-	-	-	-	200
Due to State Treasurer	8,374	1,859	-	-	-	10,233
Due to Others	-	31,035	503	-	-	31,538
BALANCES JUNE 30, 2024	<u>\$ 14,179</u>	<u>\$ 33,897</u>	<u>\$ 5,603</u>	<u>\$ 5,148</u>	<u>\$ 14,008</u>	<u>\$ 72,835</u>



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

Item	2019	2020	2021	2022	2023
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 12,837,410	\$ 13,268,703	\$ 13,368,849	\$ 13,920,911	\$ 14,652,407
Personal and Specials	1,752,025	1,941,126	2,096,649	2,214,838	2,298,407
<b>Total</b>	<b>14,589,435</b>	<b>15,209,829</b>	<b>15,465,498</b>	<b>16,135,749</b>	<b>16,950,814</b>
<b>Corrections</b>					
Additions	10,891	5,677	7,960	4,550	9,578
Deductions	(22,603)	(23,945)	(33,468)	(29,670)	(18,118)
Net Additions/ (Deductions)	(11,712)	(18,268)	(25,508)	(25,120)	(8,540)
<b>Corrected Certified Tax</b>	<b>14,577,723</b>	<b>15,191,561</b>	<b>15,439,990</b>	<b>16,110,629</b>	<b>16,942,274</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2020	8,548,977	-	-	-	-
June 30, 2021	5,994,699	9,024,305	-	-	-
June 30, 2022	29,159	6,171,176	9,463,339	-	-
June 30, 2023	1,541	7,291	5,980,172	9,672,408	-
June 30, 2024	98	(15,326)	(11,504)	6,419,112	10,181,309
<b>Total Net Collections</b>	<b>14,574,474</b>	<b>15,187,446</b>	<b>15,432,007</b>	<b>16,091,520</b>	<b>10,181,309</b>
<b>Total Uncollected Tax</b>	<b>\$ 3,249</b>	<b>\$ 4,115</b>	<b>\$ 7,983</b>	<b>\$ 19,109</b>	<b>\$ 6,760,965</b>
<b>Percentage Uncollected Tax</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.05%</b>	<b>0.12%</b>	<b>39.91%</b>

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



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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DAWES 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 Commissioners  
Dawes 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 Dawes 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 March 18, 2025. 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 Dawes 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 Dawes County in a separate letter dated March 18, 2025.

**Dawes County’s Response to Findings**

Dawes 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.

March 18, 2025



Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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March 18, 2025

Board of Commissioners  
Dawes County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawes County (County) for the fiscal year ended June 30, 2024, and have issued our report thereon dated March 18, 2025. 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:

## COUNTY ASSESSOR

### Claims Issues; Refusal to Provide Records; & Timeliness of Responses to Audit Requests

During our testing of a variety of claims submitted by the County Assessor, we noted many issues, including: 1) refusal to provide requested records; 2) failure to provide requested records within the legally mandated timeframe; 3) a lack of adequate documentation to support the purpose of travel reimbursements; 4) \$334 of potentially disallowed coffee and candy purchases; and 5) a lavish \$97 evening meal for the Deputy County Assessor in North Platte, NE.

Each of the above-listed issues is discussed in greater detail below.

#### Refusal to Provide Pictometry Contract

On February 4, 2025, the Auditor of Public Accounts (APA) requested a copy of the contract between the County and Pictometry International Corp. (Pictometry) to support the veracity of the \$44,769 annual payment to Pictometry made on May 28, 2024, via claim #24050258.

On that same day, the County Assessor responded and refused to provide the requested contract. In doing so, she stated, "The invoice attached to the claim provides the necessary support."

Neb. Rev. Stat. § 84-305(1) (Reissue 2024) provides the following:

*The Auditor of Public Accounts shall have access to any and all information and records, confidential or otherwise, of any public entity, in whatever form or mode the records may be, unless the auditor is denied such access by federal law or explicitly named and denied such access by state law. If such a law exists, the public entity shall provide the auditor with a written explanation of its inability to produce such information and records and, after reasonable accommodations are made, shall grant the auditor access to all information and records or portions thereof that can legally be reviewed.*

(Emphasis added.) As evident from the County Assessor’s response above, no legal basis was provided for her refusal to provide the requested contract. Likewise, the APA is unaware of any authority for the County Assessor to dictate what constitutes “necessary support” for audit procedures performed by the APA.

When the APA reminded her that § 84-305(1) grants the APA clear access to the contract in question, the County Assessor responded, “I will be available for more data after March 19, 2025.”

Even if no longer blatantly refusing to provide the requested contract, the County Assessor’s second response continued to give rise to legal concerns. Specifically, § 84-305(2) provides the following:

*Upon receipt of a written request by the Auditor of Public Accounts for access to any information or records, the public entity shall provide to the auditor as soon as is practicable and without delay, but not more than three business days after actual receipt of the request, either (a) the requested materials or (b)(i) if there is a legal basis for refusal to comply with the request, a written denial of the request together with the information specified in subsection (1) of this section or (ii) if the entire request cannot with reasonable good faith efforts be fulfilled within three business days after actual receipt of the request due to the significant difficulty or the extensiveness of the request, a written explanation, including the earliest practicable date for fulfilling the request, and an opportunity for the auditor to modify or prioritize the items within the request. No delay due to the significant difficulty or the extensiveness of any request for access to information or records shall exceed three calendar weeks after actual receipt of such request by any public entity. The three business days shall be computed by excluding the day the request is received, after which the designated period of time begins to run. Business day does not include a Saturday, a Sunday, or a day during which the offices of the custodian of the public records are closed.*

(Emphasis added.) In addition to refusing to comply with the three-day requirement for compliance in § 84-305(1), the County Assessor evinced in her second communication an apparent intent to violate the inapplicable three-week deadline in § 84-305(2) for items requiring additional time “due to the significant difficulty or the extensiveness” of the request. Needless to say, that extended timeframe could not possibly apply to the APA’s request for a single document. Even if that were not the case, waiting until March 20 to respond to a document request made on February 4 would exceed the statutory three-week limit by almost a month.

Given that the APA informed her of the requirements in § 84-305, the County Assessor’s flippant responses and continued lack of compliance displayed what seem to have been a purposeful and particularly brazen flouting of Nebraska law.

Such being the case, it should be noted that Neb. Rev. Stat. § 84-305.02 (Reissue 2024) provides a criminal penalty for failure to comply with § 84-305, as follows:

*Any person who willfully fails to comply with section 84-305 or 84-305.01, who otherwise willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.*

### **Candy & Coffee Purchases**

During testing of expense reimbursement claims to the County Assessor, we noted three instances in which she was reimbursed for purchases of candy and coffee, totaling hundreds of dollars, as detailed in the following table:

Claim #	Claim Date	Vendor	Description	Amount
23120136	12/26/2023	Sam’s Club	Assorted Candy	\$ 119
23110023	11/14/2023	Walmart	Hills Bro Cappuccino	11
24040139	4/23/2024	Sam’s Club	Assorted Candy	204
<b>Total</b>				<b>\$ 334</b>

No documentation was attached to the reimbursement requests submitted for any of the above purchases to support their County-related purposes. When the APA asked for clarification in that regard, the County Assessor responded offhandedly that the purchases were “for the office.” She stated also, “A candy bowl is provided to the public in the assessor’s office.”

The Nebraska Supreme Court has stated that the authority of counties is limited, as follows:

*A county in this state is a creature of statute and has no inherent authority. It has only such powers as are expressly conferred upon it by statute, and such as are incidentally indispensable to carry into effect those expressly granted it. A grant of power to a county is strictly construed, and any fair and reasonable doubt of the existence of the power is resolved against the county.*

*State ex rel. Johnson v. Gage County*, 154 Neb. 822, 826, 49 N.W.2d 672, 675 (1951). It is also important to note that the Nebraska Attorney General has made the following observation:

*Counties and county boards can only exercise such powers as are expressly granted by statute which are strictly construed.*

Op. Att’y Gen. No. 96087 (December 20, 1996). As for various County officials in particular, the Supreme Court of Nebraska has observed:

*Powers conferred upon a public officer can be exercised only in the manner, and under the circumstances, prescribed by law, and any attempted exercise thereof in any other manner or under different circumstances is a nullity.*

*Garfield Cty. v. Pearl*, 138 Neb. 810, 818, 295 N.W. 820, 824-825 (1941) (quoting 46 C. J. 1032). Given the clear legal guidance above, the APA asked the County Assessor if she could point to any specific statutory authority for her purchases of candy and coffee with taxpayer funds.

The County Assessor replied simply, “No.”

The APA is similarly unaware of any express statutory authority for the County Assessor to expend hundreds of dollars in public funds to purchase candy and coffee for her office. Of course, the County Assessor is entitled to spend her own money for such treats and other nonessentials, which have no relevance whatsoever to her official duties. Without the requisite authority granted by State law, however, she is not entitled to expect the County’s citizens to pay for such extravagancies with their own hard-earned tax dollars.

**Purpose of Travel Documentation**

The APA noted multiple instances in which the County Assessor failed to provide adequate documentation – such as conference agendas, etc. – to support the County business-related purpose of her travel, much less why payment of related travel expenses with the County’s credit card was reasonable and necessary. She also declined to provide even a simple written explanation on the claim form stating the purpose of the travel.

The following table identifies the claims for which no supporting documentation, or even a written explanation, was offered to support the purpose of the travel:

Claim #	Claim Date	Description	Amount
23090041	9/12/2023	Meals & Fuel	\$ 189
24050044	5/14/2024	Meals & Fuel	49
24050194	5/28/2024	Meals	111
<b>Total</b>			<b>\$ 349</b>

On February 7, 2025, the APA attempted to follow-up with the County Assessor to obtain supporting documentation for the purpose of these trips. Once again, however, the County Assessor declined to provide any further documentation until after March 19, 2025, well past the maximum three weeks allowed by law

Copied below is the response received from the County Assessor on February 24, 2025, almost three weeks after our initial document request:

*On the claims submitted, a sworn statement is signed regarding that claim. Not only am I an elected official but have signed a sworn statement as well. If that is not sufficient, I sure am sorry. I do not have the time nor inclination to dig up old agendas or propaganda so you can triple check that what I have told you is true. If you truly feel this is necessary, let me know and I will dig it up for you. Please understand that I will not be available to dig until after my deadline of March 19th.*

(Emphasis added.) As explained in greater detail in the prior “Refusal to Provide Pictometry Contract” section herein (pgs. 1-2), Neb. Rev. Stat. § 84-305(1) (Reissue 2024) requires a response to the APA’s request for information “as soon as is practicable and without delay, but not more than three business days after actual receipt of the request.” For extensive requests or those involving “significant difficulty,” moreover, that same statute requires compliance within “three calendar weeks after actual receipt of such request by any public entity.”

As also pointed out in the prior comment, Neb. Rev. Stat. § 84-305.02 (Reissue 2024) provides a criminal penalty for failure to comply with § 84-305.

Aside from its cavalier tone, the County Assessor’s puerile response displayed an apparent intent to ignore State law – namely, § 84-305, which the APA had explained to her previously.

No less disturbing, her claim that she had neither the “time nor inclination to dig up old agendas or propaganda” seems to indicate a surprising lack of basic administrative skills. Assuming that she maintains accurate and complete files in the first place, there would be no need for the County Assessor to “dig” for the “propaganda,” as she called it amusingly, requested by the APA. More to the point, had the County Assessor provided the appropriate level of supporting documentation when the claims were filed, the APA would have had no need to request further information during the audit.

**Excessive Meal Reimbursement**

Furthermore, included on claim #24050194, which the County Assessor submitted to pay for charges made on the County’s credit card, was a \$97 payment to The Cedar Room in North Platte, Nebraska, for an evening meal purchased on May 1, 2024. According to the County Assessor, this meal was for the Deputy County Assessor during her travel to take the assessor certification examination on May 2, 2024. Not surprisingly, no supporting documentation for the purpose of this travel accompanied the claim.

Included below is a breakdown of the items purchased during the meal at issue and a copy of the receipt from The Cedar Room:

Item	Amount
Pork Belly Bites	\$ 12
Calamari	15
General Tso Brussel Sprouts	12
Ribeye Steak	38
Wild Rice	5
Crème Brulee	8
Tax	7
<b>Total</b>	<b>\$ 97</b>





When asked if this meal had been for more than one person, the County Assessor stated it was only for the Deputy County Assessor. The APA questions this assertion, however, as the above receipt shows clearly that two guests were at the table, and a “Split Plate” is noted on the receipt.

The identity of the apparent second guest at the Deputy County Assessor’s table remains unknown. This is because, as discussed already herein, the County Assessor refused to provide the APA with additional information until after March 19, 2025 – well past both the three-day and the inapplicable three-week statutory deadlines for compliance set out in Neb. Rev. Stat. § 84-305(1) (Reissue 2024).

Even if the dubious assertion regarding the lack of a dinner companion were proved correct, the reasonable maximum that the County should have paid for one meal – for the Deputy County Assessor alone – was only \$26, based on the per diem rate set by the General Services Administration (GSA) for May 2024 in Nebraska (outside of Omaha).

Additionally, the Local Government Miscellaneous Expenditures Act (Act), which is found at Neb. Rev. Stat. § 13-2201 to 13-2204 (Reissue 2022, Cum. Supp. 2024), places strict parameters upon the expenditure of public funds, not otherwise provided by law, by local governments, including counties. Specifically, Neb. Rev. Stat. § 13-2203 (Reissue 2022) provides the following in relevant part:

*In addition to other expenditures authorized by law, each governing body may approve:*

*(1)(a) The expenditure of public funds for the payment or reimbursement of actual and necessary expenses incurred by elected and appointed officials, employees, or volunteers at educational workshops, conferences, training programs, official functions, hearings, or meetings, whether incurred within or outside the boundaries of the local government, if the governing body gave prior approval for participation or attendance at the event and for payment or reimbursement either by the formal adoption of a uniform policy or by a formal vote of the governing body. Authorized expenses may include:*

*\* \* \* \**

*(iii) Meals and lodging at a rate not exceeding the applicable federal rate unless a fully itemized claim is submitted substantiating the costs actually incurred in excess of such rate and such additional expenses are expressly approved by the governing body. . .*

(Emphasis added.) Given the County Assessor’s refusal to comply in a timely fashion, if at all, with the APA’s requests for information, it is unknown – albeit doubtful – that the mandatory “prior approval” for the Deputy County Assessor’s travel was obtained from the County Board.

Furthermore, spending \$97 on a single meal hardly qualifies as a “necessary” expenditure of public funds. The APA finds it difficult to believe that anyone, especially the average County taxpayer, would consider a lavish \$97 evening meal, which is nearly four times the GSA per diem rate, to be “necessary” for the Deputy County Assessor when traveling to North Platte, NE.

In addition to the statutory provisions referenced in this comment, good internal controls and sound business practices require procedures to ensure that purchases made by public officials, including the County Assessor and her staff, and paid for by the County with property taxes assessed against local residents, are not only lawful but also reasonable, necessary, and adequately documented. Those same procedures should ensure also that the APA is provided with timely and unrestricted access to County records – despite any reluctance or even possibly illegal intransigence on the part of the custodian thereof – as required by State law.

Without such procedures, there is a significantly increased risk for loss, theft, abuse, and/or misuse of County funds.

We recommend the County implement procedures to ensure: 1) purchases made by County officials, including the County Assessor and her staff, and paid for with public funds are not only lawful but also reasonable, necessary, and adequately documented; and 2) the APA is provided with timely and unrestricted access to County records, in accordance with State law.



*County Assessor Response: I do not now, nor have I ever professed to be perfect. I, like every other human on this earth make mistakes. Notice of an error on my part in a clear and constructive manner is sufficient for me to examine my practices and make necessary adjustments. Sneers and remarks of a personal nature or opinion creates a hostile and unprofessional work environment and is unnecessary.*

*Since my original response has been muffled and limited, a copy of that response is available to the public in the Dawes County Assessor’s Office during regular business hours.*

*Commissioner Stewart Response: I will get this finding on the next agenda to set policy for Dawes County to pay a Per Diem cost for meals staying within the state and federal guidelines for this type of reimbursement. How can anyone claim that this type or cost of meal would ever be acceptable!*

**COUNTY TREASURER**

**5% Gross In-Lieu Distribution Errors**

During testing, we noted that the County Treasurer’s April 2024 distribution of 5% Gross In-Lieu taxes, totaling \$316,858, was improper. According to the County Treasurer, his computer system performed this distribution calculation, and he was unsure what was causing the over- and underpayments noted.

Furthermore, the distribution error noted in the prior-year audit remained uncorrected as of audit fieldwork in January 2025.

The following table details the over- and underpayments noted for the past two fiscal years:

Entity	FY 2024 Over/(Under) Payment	FY 2023 Over/(Under) Payment	Total
Dawes County	\$ (400)	\$ 291	\$ (109)
Chadron Public Schools	\$ 188	\$ 764	\$ 952
Crawford Public Schools	\$ 189	\$ (1,142)	\$ (953)
Village of Whitney	\$ 23	\$ 87	\$ 110

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states the following:

*All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.*

Good internal controls and sound accounting practices require procedures to ensure that the calculation of 5% Gross In-Lieu taxes distributions is proper. This includes procedures to ensure that calculations performed by the County Treasurer’s computer system are accurate, and prior-year errors are corrected in a timely manner.

Without such procedures, there is an increased risk for not only political subdivisions not receiving the appropriate amount of funding but also noncompliance with State statute.

We recommend the County Treasurer implement procedures to ensure the distribution calculation for 5% Gross In-Lieu taxes is proper, and prior-year errors are corrected timely.

**Coding Errors**

During the audit, we noted numerous issues with how the County Treasurer recorded transactions in the accounting records. Specifically, we observed the following:

- When moving money from the Tentative Inheritance Tax Holding Fund to the County Inheritance Fund, the County Treasurer used the Interfund-Transfer account code 590.02 instead of the Inheritance Tax account code 310.01. The County Treasurer should have reversed the original receipt in the Tentative Inheritance Tax Fund and recorded the receipt in the Inheritance Fund. As a result, \$87,093 of receipt activity was duplicated in the accounting records.
- The County Treasurer recorded receipts during the fiscal year, totaling \$316,858, for 5% Gross In-Lieu and \$13,158 for 1957 In-Lieu, to holding funds when the payments were initially received. However, when the County Treasurer distributed the money to the appropriate subdivision funds, these transactions were recorded using the Interfund-Transfer account code 590.03 instead of reversing the original receipts in the holding funds and recording the receipt to the appropriate subdivision funds. As a result, duplicate receipts were recorded in the accounting system.
- The County Treasurer recorded disbursements during the fiscal year, totaling \$5,681, out of the Partial Payment Holding Fund when money was distributed to the appropriate subdivision funds. Instead of recording a disbursement, the County Treasurer should have reversed the original receipt in the Partial Payment Holding Fund to ensure the financial records did not include duplicated receipt activity and disbursement activity not reflective of actual disbursements by the County.

Good internal controls and sound accounting practices require procedures to ensure that financial transactions are properly recorded in the accounting records of the County.

Without such procedures, there is an increased risk for material financial misstatements to occur and remain undetected.

A similar finding was noted during the prior audit.

We recommend the County Treasurer implement procedures to ensure financial transactions are properly recorded in the County’s accounting records.

**Fund and Bank Account Balances Do Not Agree**

The County Treasurer opened two bank accounts with Nebraska Public Agency Investment Trust (NPAIT) dedicated specifically towards holding funds for the Local Assistance & Tribal Consistency Fund and the COVID American Rescue Plan Fund. However, the County Treasurer was not reconciling the fund balances to the bank balances for these accounts.

The following table details the variances identified as of June 30, 2024:

<b>Fund Name</b>	<b>Fund Balance</b>	<b>Bank Balance</b>	<b>Variance</b>
Local Assistance & Tribal Consistency Fund	\$ 206,069	\$ 214,795	\$ 8,726
COVID American Rescue Plan Fund	\$ 187,074	\$ 224,009	\$ 36,935

Good internal controls and sound accounting practices require procedures to ensure that bank balances agree to fund balances for any bank accounts dedicated towards holding money for a specific fund, and all interest earned is coded to the correct account code in the accounting system.

Without such procedures, there is an increased risk for not only loss or misuse of County funds but also material financial statement misstatements.

A similar finding was noted in the prior audit.

We recommend the County Treasurer implement procedures to ensure bank balances agree to fund balances for any bank accounts dedicated towards holding money for a specific fund.

**Daily Balance Sheet and Accounting System Variances**

During the audit, we noted that the total fund balances recorded in the County Treasurer’s accounting system were understated by \$1,622 at June 30, 2024, compared to the actual money in his custody per the Daily Balance Sheet (DBS), which the County Treasurer uses to reconcile the activity and balances occurring in the County Treasurer’s bank accounts to the activity and fund balances recorded in the accounting system. The County Treasurer was unable to explain the specific issue(s) causing the variance noted.

As shown in the table below, similar unknown variances have been noted during the last three audits. These discrepancies indicate that, although the County Treasurer may be attempting to reconcile the financial activity and balances of his office, such attempts are proving consistently unsuccessful:

<b>Fiscal Year</b>	<b>Variance Noted</b>
FY 2022	\$ 1,733
FY 2023	\$ 3,989
FY 2024	\$ 1,622

Good internal controls and sound accounting practices require procedures to ensure that the total fund balance in the accounting system agrees to the total amount of money in the County Treasurer’s custody, as identified on the DBS, and any variances noted are resolved in a timely manner.

Without such procedures, there is an increased risk for not only loss, theft, or misuse of funds, but also material financial statement misstatements to occur and remain undetected.

A similar issue was noted during the prior audit.

We recommend the County Treasurer implement procedures to ensure the total fund balance in the accounting system agrees to the total amount of money in the County Treasurer’s custody, as identified on the DBS, and any variances noted are resolved in a timely manner.

**Trust Balance Follow-Up**

The County Treasurer was not adequately monitoring and following up on the balances held in his Tax Redemption Fund and Tentative Inheritance Tax Fund to ensure that the trust balances held therein were followed up on and resolved in a timely manner.

***Tax Redemption Fund***

The following issues were noted with the balance held in the Tax Redemption Fund at June 30, 2024:

- \$100 was receipted to the fund at some point during the fiscal year ending June 30, 2024; however, the County Treasurer was unable to support which specific receipt was still being held. When asked about this balance, the County Treasurer offered the following explanation:

*The \$100 was for TS2448 Cosine Commodities. This amount to be collected was missed at the time of redemption, but we paid it out to the investor as it was our collection error.*

However, this explanation does not appear legitimate because the County Treasurer is referring to money to be collected, whereas the item in question is money that has already been collected and is remaining as a balance in the Tax Redemption Fund and should have been previously paid to the proper parties.

- \$8,250.67 was received for the redemption of tax sale certificate 2445; however, only \$8,250.37 was remitted to the tax sale investor, leaving an excess \$0.30 in the Tax Redemption Fund that should have also been paid to the investor.

### ***Tentative Inheritance Tax Fund***

At June 30, 2024, there was \$3,254 included in the total fund balance that should have been transferred previously to the County Inheritance Fund after the probate case was finalized. The County Treasurer properly transferred the regular inheritance tax received, but did not transfer the \$3,254 inheritance tax interest amount.

Good internal controls require procedures to ensure that trust balances held are reviewed on a regular basis, and necessary action is taken timely to resolve the balances held.

Without such procedures, there is an increased risk for loss, theft, or misuse of funds, including the possibility of parties to whom the balances are owed not receiving their funds in a timely manner.

We recommend the County Treasurer implement procedures to ensure a regular review is performed of trust balances held, and necessary action is taken timely to resolve those balances.

### **ATV Sales Tax Remittance**

During January 2024, the County Treasurer collected a total of \$4,056 in sales tax for all-terrain vehicles (ATV). Of this total, however, only the local sales tax amount of \$916 was remitted to the Nebraska Department of Revenue in February 2024, resulting in an underpayment of \$3,140. Due to this error, the County was originally assessed penalties and interest of \$326. The State eventually forgave \$315 of that amount; however, the remaining \$11 was paid by the County. Despite originally occurring in February 2024, this issue was not completely resolved until January 2025, nearly a year later.

Neb. Rev. Stat. § 77-2703(1)(k)(i) (Cum. Supp. 2024) provides the following, as is relevant:

*The tax imposed by this section on the sale of an all-terrain vehicle as defined in section 60-103 or a utility-type vehicle as defined in section 60-135.01 shall be the liability of the purchaser. The tax shall be collected by the county treasurer. . . at the time the purchaser makes application for the certificate of title for the all-terrain vehicle or utility-type vehicle. . . . The county treasurer shall report and remit the tax so collected to the Tax Commissioner by the fifteenth day of the following month. . . .*

(Emphasis added.) Good internal controls require procedures to ensure that ATV sales tax collections are remitted to the Tax Commissioner by the fifteenth of the following month, in accordance with State law.

Without such procedures, there is an increased risk of improper sales tax remittances to the State, resulting in unnecessary penalties and interest.

We recommend the County Treasurer implement procedures to ensure ATV sales tax collections are remitted to the Tax Commissioner by the fifteenth of the following month, and any errors are identified and corrected timely.

*County Treasurer Response: The accomplishments this office has made in the last year, and last several years, have been notable. We completed our reconciliations of the Credit Card accounting issues dating back to 2018. We have made changes to certain procedures to not only have a better separation of duties, but to also have extra checks and balances on certain items. We did have a few errors as noted in the audit, but at least three of these errors were quickly caught, and attempts to correct them were immediately started. (ATV Tax, and .30 Redemption Error, and \$100 Tax investor check). We continue to adjust our processes, as recommended by the State Auditor's office. We also have almost monthly, a district Treasurer's meeting, where we can discuss with other Treasurer's their processes, and procedures and make changes where improvements can be made.*

*Staff shortages are still an ongoing hurdle at times, that we deal with as they happen.*

*We will continue to work diligently, and are committed to running and maintaining this office to its highest standards, as expected by the State Auditor's Office, and, the hard-working constituents of Dawes County.*

## COUNTY BOARD

### Delinquent Real Estate Taxes

On October 10, 2023, the County Treasurer presented a list of unsold taxes to the County Board. After receiving this listing, the County Board did not take action to address the delinquent taxes listed therein.

Neb. Rev. Stat. § 77-1918 (Reissue 2018) states the following, in relevant part:

*On or before October 1 of each year, the county treasurer shall make a report in writing to the county board setting out a complete list of all real property in the county on which any taxes are delinquent and which was not sold for want of bidders at the last annual tax sale held in such county. It shall be the duty of the county board, at its first meeting held after the making of such report, to carefully examine the same, and while it may direct the issuance of tax sale certificates to the county upon any real property upon which there are any delinquent taxes, it shall, as to all real property upon which taxes are delinquent for three or more years, either enter an order directing the foreclosure of the lien of such taxes as provided in section 77-1901 or enter an order for the county treasurer to issue tax sale certificates to the county covering the delinquent taxes upon such real property, to be foreclosed upon in the manner and at the time provided in sections 77-1901 to 77-1918.*

\* \* \* \*

*Any county treasurer, county attorney, or member of the county board who willfully fails, neglects, or refuses to perform the duties imposed by such sections shall be guilty of official misdemeanor and subject to removal from office as provided in sections 23-2001 to 23-2009. . . .*

(Emphasis added.) Good internal controls require procedures to ensure that the County Board acts, as required by State statute, to address delinquent taxes remaining uncollected, and such action is documented in the minutes of the meeting during which it was authorized or reported.

Without such procedures, there is an increased risk of the County Board failing not only to comply with State statute but also to utilize all available options for collecting delinquent taxes.

A similar finding was noted in the prior audit.

We recommend the County Board implement procedures to ensure: 1) action is taken, as required by State statute, to address delinquent taxes remaining uncollected; and 2) such action is documented in the minutes of the meeting during which it was authorized or reported.

*Commissioner Stewart Response: It was my understanding that when the Treasurer presented these the board voted directing the County Treasurer to move forward with the tax sales on the properties presented. Seems like we need to tighten up minutes to follow and abide by state law.*

### Historical Society Funding Request

During the fiscal year ending June 30, 2024, the County provided funding, totaling \$9,000, to the Dawes County Historical Society (Society) to support that entity's operations. Nine thousand dollars had been provided also during the fiscal year ending June 30, 2023. The County failed to ensure that the requirements of Neb. Rev. Stat. § 23-355.01(2)(b) (Reissue 2022) were met prior to providing the 2024 funding. That statute provides the following:

*Not later than one calendar year after receiving funding pursuant to this subsection, the nonprofit county historical association or society shall provide the county board with a detailed written accounting of how the funds have been used. Such accounting shall be presented during an open meeting of the county board. The nonprofit county historical association or society shall be ineligible to receive further county funding until after such accounting and presentation is made. A nonprofit county historical association or society that receives county funds pursuant to this subsection is subject to the audit requirement of subdivision (4) of section 84-304.*

(Emphasis added.) Specifically, the Society did not provide the County Board with a “detailed written accounting of how the funds have been used.” Consequently, the Society should have been ineligible for further County funding until after the detailed written accounting was provided following the first \$9,000 disbursement.

Good internal controls and sound business practices require procedures to ensure that all statutory requirements are met, including those requiring adequate County oversight, when public funds are provided to other entities.

Without such procedures, there is an increased risk for not only loss or misuse of County funds but also statutory noncompliance.

We recommend the County Board implement procedures to ensure all statutory requirements are met, including those requiring adequate County oversight, when public funds are provided to other entities.

*Commissioner Stewart Response: I will send this finding off to our Historical Society and have them present the needed information to the board by letter so these funding allocations can be accounted for.*

### **Deputy County Attorney Agreement**

We noted that the County lacked a written contract to support the monthly amounts paid to Skavdahl & Edmund law firm for providing Deputy County Attorney services. The law firm was paid \$5,400 per month for those services, plus reimbursement for any related mileage. According to the County, however, only a verbal agreement has been in place for the past several years.

During the fiscal year ending June 30, 2024, the County paid a total of \$67,599 to Skavdahl & Edmund.

Good internal controls and sound business practices require written contracts, signed by both parties, to be executed whenever the County agrees to pay for services provided.

Without such agreements, there is an increased risk for loss or misuse of County funds.

We recommend the County Attorney obtain a formal written agreement for the Deputy County Attorney services provided, specifying, among other things, the fees to be paid by the County.

*Commissioner Stewart Response: I will send a copy of this to the county attorney to draw up a contract if they want their deputy to receive payment for mileage out of Harrison NE.*

## **COUNTY CLERK OF THE DISTRICT COURT**

### **Bond Forfeiture Coding**

During our audit, we noted that bond forfeitures, totaling \$762, were remitted to the County General Fund, rather than being distributed to the County schools, as required by the Nebraska Constitution.

During the prior audit of the County, moreover, we noted also that \$762 had been remitted improperly to the County General Fund; however, no corrective action was taken to address this prior finding and distribute the money to the proper entities.

The following table identifies the amount that each school district should have received had these monies been distributed properly:

School	FY 2023	FY 2024	Total
Hemingford Public Schools	\$ 21	\$ 25	\$ 46
Chadron Public Schools	608	598	1,206
Crawford Public Schools	128	133	261
Hay Springs Public Schools	5	6	11
<b>Total</b>	<b>\$ 762</b>	<b>\$ 762</b>	<b>\$ 1,524</b>

The difference between the distributions for fiscal year 2023 and 2024, as shown above, is due to changes in the student census numbers from year to year.

Article VII, § 5(1), of the Nebraska Constitution provides, in relevant part, the following:

*Except as provided in subsections (2) and (3) of this section, all fines, penalties, and license money arising under the general laws of the state, except fines and penalties for violation of laws prohibiting the overloading of vehicles used upon the public roads and highways of this state, shall belong and be paid over to the counties respectively where the same may be levied or imposed, and all fines, penalties, and license money arising under the rules, bylaws, or ordinances of cities, villages, precincts, or other municipal subdivision less than a county shall belong and be paid over to the same respectively. All such fines, penalties, and license money shall be appropriated exclusively to the use and support of the common schools in the respective subdivisions where the same may accrue, except that all fines and penalties for violation of laws prohibiting the overloading of vehicles used upon the public roads and highways shall be placed as follows: Seventy-five per cent in a fund for state highways and twenty-five per cent to the county general fund where the fine or penalty is paid.*

(Emphasis added.) A good internal control plan requires procedures to ensure that bond forfeitures are distributed in accordance with the requirements of the Nebraska Constitution.

Without such procedures, there is an increased risk of not only County school districts not receiving the amount of funding to which they are entitled but also noncompliance with the Nebraska Constitution.

We recommend the Clerk of the District Court work with the County Treasurer to correct the errors identified. We further recommend the implementation of procedures to ensure future bond forfeitures are distributed properly to the County’s school districts.

## COUNTY OVERALL

### Inventory Statements Not Filed

Contrary to State law, the County Surveyor, Highway Department, and Weed Superintendent did not file an inventory statement with the County Board detailing the County-owned personal property in their custody by August 31, 2023. Additionally, the Veterans’ Service Officer’s inventory statement was not filed until September 5, 2023, after the August 31 deadline.

Neb. Rev. Stat. § 23-347 (Reissue 2022) provides the following:

*Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk’s office in a manner convenient for reference.*

Good internal controls require procedures to ensure that inventory statements are completed and filed timely with the County Board.

Without such procedures, there is an increased risk of not only noncompliance with State statute but also loss or misappropriation of County property – including the possibility of causal illicit activity remaining undetected.

We recommend the County implement procedures to ensure inventory statements are completed and filed timely with the County Board, in accordance with State law.

**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. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

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,



Jeff Schreier, CPA  
Audit Manager