

**AUDIT REPORT
OF
NEMAHA COUNTY**

JULY 1, 2023, THROUGH JUNE 30, 2024

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the Auditor of Public Accounts.**

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Issued on March 31, 2025

The Nebraska Auditor of Public Accounts Office was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Mike Foley was elected in November 2006 and re-elected in November 2010 and November 2022 as the Nebraska Auditor of Public Accounts. He was sworn into office on January 5, 2023, and is Nebraska's 24th State Auditor.

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

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

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

Audit Staff Working On This Report

Dakota Christensen, CPA, CISA, CFE – Audit Manager

Derek Baumfalk – Auditor-In-Charge

Jacob Placke – Auditor I

Kevin Wulf – Auditor I

Our reports can be found electronically at: auditors.nebraska.gov

Additionally, you may request them by contacting us at:

Nebraska Auditor of Public Accounts

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

NEMAHA COUNTY

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NEMAHA COUNTY
1824 N Street
Auburn, NE 68305

LIST OF COUNTY OFFICIALS
At June 30, 2024

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Mike Hall Bryan Melage Michael Weiss	Jan. 2027 Jan. 2025 Jan. 2027
Assessor	Mallory Lempka	Jan. 2027
Attorney	Angelo Ligouri	Jan. 2027
Clerk Election Commissioner Register of Deeds	Diane Johnson	Jan. 2027
Clerk of the District Court	Amy Hector	Jan. 2027
Sheriff	Brent Lottman	Jan. 2027
Treasurer	Jana Gerdes	Jan. 2027
Surveyor	Jeff Boden	Appointed
Veterans' Service Officer	Jim Reed	Appointed
Weed Superintendent	Kevin Schlange	Appointed
Emergency Manager	J. Renee Critser	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

NEMAHA COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Nemaha County, Nebraska

Report on the Audit of Financial Statements

Adverse and Unmodified Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nemaha 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Nemaha County, as of June 30, 2024, or the changes in financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

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 Nemaha County, as of June 30, 2024, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Adverse and Unmodified 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

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 20-35, 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 24, 2025, on our consideration of Nemaha 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 Nemaha County’s internal control over financial reporting and compliance.

March 24, 2025



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

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 3,552,599
Investments (Note 1.D)	198,544
TOTAL ASSETS	\$ 3,751,143
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 32,678
911 Emergency Services	206,898
Law Enforcement	501
Preservation of Records	3,849
Miscellaneous Projects	149,656
911 Region	1,000
Road & Bridge Projects	657,697
Unrestricted	2,698,864
TOTAL NET POSITION	\$ 3,751,143

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (2,206,756)	\$ 327,252	\$ 49,905	\$ (1,829,599)
Public Safety	(2,898,042)	510,738	110,723	(2,276,581)
Public Works	(4,724,076)	1,790	2,143,150	(2,579,136)
Public Assistance	(64,116)	-	-	(64,116)
Culture and Recreation	(34,494)	-	-	(34,494)
Total Governmental Activities	<u>\$ (9,927,484)</u>	<u>\$ 839,780</u>	<u>\$ 2,303,778</u>	<u>(6,783,926)</u>

General Receipts:

Taxes:

Property	4,189,036
Motor Vehicle	345,256
Inheritance	393,960
Other	125,188

Grants and Contributions Not Restricted to

Specific Programs	239,844
Investment Income	71,979
Miscellaneous	91,756

Total General Receipts 5,457,019

Change in Net Position	(1,326,907)
Net Position - Beginning of year	5,078,050
Net Position - End of year	<u>\$ 3,751,143</u>

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

NEMAHA 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>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 241,806	\$ 546,357	\$ 1,324,074	\$ 657,697	\$ 782,665	\$ 3,552,599
Investments (Note 1.D)	48,889	-	-	-	149,655	198,544
TOTAL ASSETS	<u>\$ 290,695</u>	<u>\$ 546,357</u>	<u>\$ 1,324,074</u>	<u>\$ 657,697</u>	<u>\$ 932,320</u>	<u>\$ 3,751,143</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	32,678	32,678
911 Emergency Services	-	-	-	-	206,898	206,898
Law Enforcement	-	-	-	-	501	501
Preservation of Records	-	-	-	-	3,849	3,849
Miscellaneous Projects	-	-	-	-	149,656	149,656
911 Region	-	-	-	-	1,000	1,000
Road & Bridge Projects	-	-	-	657,697	-	657,697
Committed to:						
Law Enforcement	-	-	-	-	56,329	56,329
Road & Bridge Maintenance	-	546,357	-	-	-	546,357
County Buildings	-	-	-	-	72,474	72,474
Equipment Purchases	-	-	-	-	275,642	275,642
Future Compensation Benefits	-	-	-	-	17,500	17,500
Disaster Recovery	-	-	-	-	115,793	115,793
Assigned to:						
Other Purposes	-	-	1,324,074	-	-	1,324,074
Unassigned	290,695	-	-	-	-	290,695
TOTAL CASH BASIS FUND BALANCES	<u>\$ 290,695</u>	<u>\$ 546,357</u>	<u>\$ 1,324,074</u>	<u>\$ 657,697</u>	<u>\$ 932,320</u>	<u>\$ 3,751,143</u>

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

NEMAHA 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
RECEIPTS						
Taxes:						
Property	\$4,189,036	\$ -	\$ -	\$ -	\$ -	\$ 4,189,036
Motor Vehicle	345,256	-	-	-	-	345,256
Inheritance	-	-	393,960	-	-	393,960
Other	37,043	-	-	-	88,145	125,188
Investment Income	71,979	-	-	-	-	71,979
Intergovernmental	391,915	1,431,567	-	637,769	82,371	2,543,622
Charges for Services	823,227	1,790	-	-	14,763	839,780
Miscellaneous	60,455	20,461	-	-	10,840	91,756
TOTAL RECEIPTS	<u>5,918,911</u>	<u>1,453,818</u>	<u>393,960</u>	<u>637,769</u>	<u>196,119</u>	<u>8,600,577</u>
DISBURSEMENTS						
General Government	2,183,237	-	-	-	23,519	2,206,756
Public Safety	2,620,799	-	88,405	-	188,838	2,898,042
Public Works	-	2,677,067	254,704	433,276	1,359,029	4,724,076
Public Assistance	64,116	-	-	-	-	64,116
Culture and Recreation	-	-	-	-	34,494	34,494
TOTAL DISBURSEMENTS	<u>4,868,152</u>	<u>2,677,067</u>	<u>343,109</u>	<u>433,276</u>	<u>1,605,880</u>	<u>9,927,484</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,050,759</u>	<u>(1,223,249)</u>	<u>50,851</u>	<u>204,493</u>	<u>(1,409,761)</u>	<u>(1,326,907)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,321,708	-	-	270,910	1,592,618
Transfers out	(1,360,673)	(2,217)	(200,000)	-	(29,728)	(1,592,618)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,360,673)</u>	<u>1,319,491</u>	<u>(200,000)</u>	<u>-</u>	<u>241,182</u>	<u>-</u>
Net Change in Fund Balances	(309,914)	96,242	(149,149)	204,493	(1,168,579)	(1,326,907)
CASH BASIS FUND BALANCES - BEGINNING, as adjusted	<u>600,609</u>	<u>450,115</u>	<u>1,473,223</u>	<u>453,204</u>	<u>2,100,899</u>	<u>5,078,050</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 290,695</u>	<u>\$ 546,357</u>	<u>\$ 1,324,074</u>	<u>\$ 657,697</u>	<u>\$ 932,320</u>	<u>\$ 3,751,143</u>

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

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

		Custodial Funds
<hr/>		
ASSETS		
Cash and Cash Equivalents	\$	694,875
<hr/>		
NET POSITION		
Restricted for:		
State - Collected by County Treasurer		130,840
State - Collected by Other Offices		4,435
Schools		131,246
Educational Service Units		1,180
Technical College		7,374
Natural Resource Districts		2,360
Fire Districts		1,504
Municipalities		37,237
Agricultural Society		367
Drainage Districts		81,286
Others - Collected by County Treasurer		2,121
Others - Collected by Other Offices		294,925
TOTAL NET POSITION	\$	694,875
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The notes to the financial statements are an integral part of this statement.

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

	Custodial Funds
ADDITIONS	
Collections for Other Governments	\$ 17,701,619
Miscellaneous Collections	945,075
TOTAL ADDITIONS	18,646,694
DEDUCTIONS	
Payments to Other Governments	17,845,540
Other Miscellaneous Items Paid To Individuals	720,486
TOTAL DEDUCTIONS	18,566,026
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	80,668
NET POSITION - BEGINNING OF YEAR	614,207
NET POSITION - END OF YEAR	\$ 694,875

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

NEMAHA 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 Nemaha County.

A. Reporting Entity

Nemaha 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.

Component Unit. These financial statements present the County (the primary government). The Nemaha County Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

Joint Organization.

Behavioral Health Region V – 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 V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

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 \$27,886 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 Southeast District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

South Region 911 Communication Services (911 Region) – The County has entered into an agreement with the governing boards of the Public Safety Answering Points (PSAPs) of the City of Lincoln, City of Beatrice, City of Crete, City of Falls City, Cass County, Clay County, Fillmore County, Jefferson County, Johnson County, Pawnee County, Nuckolls County, Otoe County, Seward County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County was named the fiscal agent for the 911 Region in 2016, and a separate County fund was created to account for the financial activity. The activity of this fund was included in the financial statements of the County and is included in this report. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable. 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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

Highway Bridge Buyback Fund. This fund is used to account for costs associated with the repair and maintenance of bridges on County roads and is funded by State receipts.

The County reports the following additional nonmajor 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.

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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

D. **Assets and Net Position**

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,052,279 of restricted net position, which is fully restricted by enabling legislation.

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

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

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

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 \$3,552,599 for County funds and \$694,875 for Fiduciary funds. The bank balances for all funds totaled \$4,266,763. 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 \$198,544 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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Taxes

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

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

The levy set in October 2023, for the 2023 taxes, which will be materially collected in May and September 2024, was set at \$.309372/\$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 \$.335061/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. Retirement System

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2024, 69 employees contributed \$156,483, and the County contributed \$226,667. Contributions included \$16,116 in cash contributions towards the supplemental law enforcement plan for 16 law enforcement employees. Lastly, the County paid \$702 directly to 10 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.

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:

<u>Transfers to</u>	<u>Transfers from</u>				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 1,321,708	\$ -	\$ -	\$ -	\$ 1,321,708
Nonmajor Funds	38,965	2,217	200,000	29,728	270,910
Total	<u>\$ 1,360,673</u>	<u>\$ 2,217</u>	<u>\$ 200,000</u>	<u>\$ 29,728</u>	<u>\$ 1,592,618</u>

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers (Concluded)

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

In the year ended June 30, 2024, the County made two one-time transfers, totaling \$29,550, from the 911 Emergency Comm. Study Agreement Fund to the 911 Emergency Management Fund to reimburse the County for interlocal agency expenditures paid out of that fund.

7. Long-Term Obligations

Lease-Purchase Agreements

Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are as follows:

	Motor Graders
Balance July 1, 2023	\$ 157,313
Purchases	744,548
Payments	527,893
Balance June 30, 2024	\$ 373,968
Future Payments:	
Year	
2025	\$ 202,949
2026	202,950
Total Payments	405,899
Less Interest	31,931
Present Value of Future	
Minimum Lease Payments	\$ 373,968
Carrying Value of the Related	
Fixed Asset	\$ 1,137,612

On August 2, 2024, the County entered into a purchase agreement for three dump trucks for a total purchase price of \$700,273 paid over seven years.

8. Contingent Liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

9. Change Within Financial Reporting Entity

For the fiscal year ended June 30, 2024, the presentation of the Road Bridge Improvement Fund and COVID American Rescue Plan Fund were changed from major to nonmajor. Additionally, the presentation of the Highway Bridge Buyback Fund was changed from nonmajor to major.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Change Within Financial Reporting Entity (Concluded)

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds			
	Road Bridge Improvement Fund	COVID American Rescue Plan Fund	Highway Bridge Buyback Fund	Nonmajor Governmental
CASH BASIS FUND				
BALANCES - BEGINNING, as previously presented	\$ 557,592	\$ 572,259	\$ -	\$ 1,424,252
Change from major to nonmajor fund	(557,592)	(572,259)		1,129,851
Change from nonmajor to major fund			453,204	(453,204)
CASH BASIS FUND				
BALANCES - BEGINNING, as adjusted	\$ -	\$ -	\$ 453,204	\$ 2,100,899

NEMAHA 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)
RECEIPTS				
Taxes	\$ 4,970,691	\$ 4,970,691	\$ 4,571,335	\$ (399,356)
Investment Income	65,120	65,120	71,979	6,859
Intergovernmental	142,817	142,817	391,915	249,098
Charges for Services	1,065,747	1,065,747	823,227	(242,520)
Miscellaneous	76,177	76,177	60,455	(15,722)
TOTAL RECEIPTS	<u>6,320,552</u>	<u>6,320,552</u>	<u>5,918,911</u>	<u>(401,641)</u>
DISBURSEMENTS				
General Government				
County Board	94,851	94,851	91,886	2,965
County Clerk	172,558	172,558	171,586	972
County Treasurer	184,690	184,690	180,874	3,816
County Assessor	204,512	204,512	196,990	7,522
Election Commissioner	28,275	28,275	25,184	3,091
Flood Plain Administrator	14,210	14,210	12,214	1,996
Clerk of the District Court	120,640	120,640	119,072	1,568
County Court System	4,550	4,550	3,477	1,073
District Judge	65,863	65,863	65,427	436
Building and Grounds	171,450	171,450	112,414	59,036
Agricultural Extension Agent	97,297	97,297	97,297	-
Co Bldg. Annex - Multi-plex Bldg.	57,000	57,000	40,772	16,228
Miscellaneous	1,157,848	1,157,848	1,066,044	91,804
Public Safety				
County Sheriff	1,408,151	1,408,151	1,235,865	172,286
County Attorney	204,368	204,368	189,179	15,189
Communication Center	458,379	458,379	406,069	52,310
County Jail	562,962	562,962	561,833	1,129
Emergency Management	185,086	185,086	159,610	25,476
Child Support	18,500	18,500	18,383	117
Four County Juvenile Services Aid	66,277	66,277	49,860	16,417
Public Assistance				
Veterans' Service Officer	57,936	57,936	57,936	-
Institutions	3,500	3,500	2,196	1,304
Relief	5,700	5,700	3,984	1,716
TOTAL DISBURSEMENTS	<u>5,344,603</u>	<u>5,344,603</u>	<u>4,868,152</u>	<u>476,451</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>975,949</u>	<u>975,949</u>	<u>1,050,759</u>	<u>74,810</u>

NEMAHA 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)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,326,558)	(1,326,558)	(1,360,673)	(34,115)
TOTAL OTHER FINANCING SOURCES (USES)	(1,326,558)	(1,326,558)	(1,360,673)	(34,115)
Net Change in Fund Balance	(350,609)	(350,609)	(309,914)	40,695
FUND BALANCE - BEGINNING	600,609	600,609	600,609	-
FUND BALANCE - ENDING	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 290,695</u>	<u>\$ 40,695</u>

(Concluded)

NEMAHA 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)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,289,000	\$ 1,289,000	\$ 1,431,567	\$ 142,567
Charges for Services	2,000	2,000	1,790	(210)
Miscellaneous	2,701	2,701	20,461	17,760
TOTAL RECEIPTS	<u>1,293,701</u>	<u>1,293,701</u>	<u>1,453,818</u>	<u>160,117</u>
DISBURSEMENTS	<u>3,063,307</u>	<u>3,063,307</u>	<u>2,677,067</u>	<u>386,240</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,769,606)</u>	<u>(1,769,606)</u>	<u>(1,223,249)</u>	<u>546,357</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,321,708	1,321,708	1,321,708	-
Transfers out	(2,217)	(2,217)	(2,217)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,319,491</u>	<u>1,319,491</u>	<u>1,319,491</u>	<u>-</u>
Net Change in Fund Balance	(450,115)	(450,115)	96,242	546,357
FUND BALANCE - BEGINNING	450,115	450,115	450,115	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,357</u>	<u>\$ 546,357</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 393,960	\$ 393,960
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>393,960</u>	<u>393,960</u>
DISBURSEMENTS	<u>1,273,223</u>	<u>1,273,223</u>	<u>343,109</u>	<u>930,114</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,273,223)</u>	<u>(1,273,223)</u>	<u>50,851</u>	<u>1,324,074</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(200,000)	(200,000)	(200,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,473,223)	(1,473,223)	(149,149)	1,324,074
FUND BALANCE - BEGINNING	1,473,223	1,473,223	1,473,223	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,324,074</u>	<u>\$ 1,324,074</u>

(Continued)

NEMAHA 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)
<u>HIGHWAY BRIDGE BUYBACK FUND</u>				
RECEIPTS				
Intergovernmental	\$ 637,769	\$ 637,769	\$ 637,769	\$ -
TOTAL RECEIPTS	<u>637,769</u>	<u>637,769</u>	<u>637,769</u>	<u>-</u>
DISBURSEMENTS	<u>1,090,973</u>	<u>1,090,973</u>	<u>433,276</u>	<u>657,697</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(453,204)</u>	<u>(453,204)</u>	<u>204,493</u>	<u>657,697</u>
Net Change in Fund Balance	(453,204)	(453,204)	204,493	657,697
FUND BALANCE - BEGINNING	<u>453,204</u>	<u>453,204</u>	<u>453,204</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,697</u>	<u>\$ 657,697</u>

(Concluded)

NEMAHA 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)
ROAD EQUIPMENT FUND				
Receipts	\$ 100,000	\$ 100,000	\$ 10,840	\$ (89,160)
Disbursements	(572,959)	(572,959)	(431,100)	141,859
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(272,959)	(272,959)	(220,260)	52,699
Fund Balance - Beginning	272,959	272,959	272,959	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,699</u>	<u>\$ 52,699</u>
ROAD BRIDGE IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(557,592)	(557,592)	(557,592)	-
Net Change in Fund Balance	(557,592)	(557,592)	(557,592)	-
Fund Balance - Beginning	557,592	557,592	557,592	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VISITORS PROMOTION FUND				
Receipts	\$ 7,500	\$ 7,500	\$ 10,901	\$ 3,401
Disbursements	(27,754)	(27,754)	(7,230)	20,524
Net Change in Fund Balance	(20,254)	(20,254)	3,671	23,925
Fund Balance - Beginning	20,254	20,254	20,254	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,925</u>	<u>\$ 23,925</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 7,500	\$ 7,500	\$ 10,901	\$ 3,401
Disbursements	(32,616)	(32,616)	(27,264)	5,352
Net Change in Fund Balance	(25,116)	(25,116)	(16,363)	8,753
Fund Balance - Beginning	25,116	25,116	25,116	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,753</u>	<u>\$ 8,753</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 4,553	\$ (447)
Disbursements	(9,082)	(9,082)	(4,786)	4,296
Net Change in Fund Balance	(4,082)	(4,082)	(233)	3,849
Fund Balance - Beginning	4,082	4,082	4,082	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,849</u>	<u>\$ 3,849</u>

(Continued)

NEMAHA 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)
VACATION/SICK LEAVE CLAIM RESERVE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(17,500)	(17,500)	-	17,500
Transfers in	7,067	7,067	7,067	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(10,433)	(10,433)	7,067	17,500
Fund Balance - Beginning	10,433	10,433	10,433	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 17,500</u>
JUVENILE DIVERSION PROGRAM FUND				
Receipts	\$ -	\$ -	\$ 1,425	\$ 1,425
Disbursements	(35,492)	(35,492)	(2,304)	33,188
Net Change in Fund Balance	(35,492)	(35,492)	(879)	34,613
Fund Balance - Beginning	35,492	35,492	35,492	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,613</u>	<u>\$ 34,613</u>
DIVERSION PROGRAM STOP FUND				
Receipts	\$ 1,000	\$ 1,000	\$ 450	\$ (550)
Disbursements	(2,900)	(2,900)	-	2,900
Net Change in Fund Balance	(1,900)	(1,900)	450	2,350
Fund Balance - Beginning	1,900	1,900	1,900	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,350</u>	<u>\$ 2,350</u>
FEDERAL DRUG FORFEITURE FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,500)	(10,500)	-	10,500
Net Change in Fund Balance	(500)	(500)	-	500
Fund Balance - Beginning	500	500	500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
CANINE DOG FUND				
Receipts	\$ 7,500	\$ 7,500	\$ -	\$ (7,500)
Disbursements	(7,547)	(7,547)	-	7,547
Net Change in Fund Balance	(47)	(47)	-	47
Fund Balance - Beginning	47	47	47	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 47</u>

(Continued)

NEMAHA 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)
FEDERAL CRIME GRANT FUND				
Receipts	\$ 3,000	\$ 3,000	\$ 1,046	\$ (1,954)
Disbursements	(3,455)	(3,455)	(1,500)	1,955
Net Change in Fund Balance	(455)	(455)	(454)	1
Fund Balance - Beginning	455	455	455	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
DISASTER FUND				
Receipts	\$ 425,000	\$ 425,000	\$ 80,220	\$ (344,780)
Disbursements	(460,573)	(460,573)	-	460,573
Net Change in Fund Balance	(35,573)	(35,573)	80,220	115,793
Fund Balance - Beginning	35,573	35,573	35,573	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,793</u>	<u>\$ 115,793</u>
COVID AMERICAN RESCUE PLAN FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(572,259)	(572,259)	(422,603)	149,656
Net Change in Fund Balance	(572,259)	(572,259)	(422,603)	149,656
Fund Balance - Beginning	572,259	572,259	572,259	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,656</u>	<u>\$ 149,656</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 273,000	\$ 273,000	\$ 20,221	\$ (252,779)
Disbursements	(312,296)	(312,296)	(24,777)	287,519
Transfers in	33,600	33,600	43,665	10,065
Transfers out	-	-	(178)	(178)
Net Change in Fund Balance	(5,696)	(5,696)	38,931	44,627
Fund Balance - Beginning	5,696	5,696	5,696	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,627</u>	<u>\$ 44,627</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 48,488	\$ 48,488	\$ 46,122	\$ (2,366)
Disbursements	(48,488)	(48,488)	(29,542)	18,946
Transfers in	-	-	178	178
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	16,758	16,758
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,758</u>	<u>\$ 16,758</u>

(Continued)

NEMAHA 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)
<u>911 WIRELESS SERVICE HOLDING FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(170,171)	(170,171)	(24,658)	145,513
Net Change in Fund Balance	(170,171)	(170,171)	(24,658)	145,513
Fund Balance - Beginning	170,171	170,171	170,171	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,513</u>	<u>\$ 145,513</u>
<u>LAW ENFORCEMENT OPERATING FUND</u>				
Receipts	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Disbursements	(5,071)	(5,071)	-	5,071
Net Change in Fund Balance	(71)	(71)	-	71
Fund Balance - Beginning	71	71	71	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 71</u>
<u>JAIL COMMISSARY FUND</u>				
Receipts	\$ 3,500	\$ 3,500	\$ 8,335	\$ 4,835
Disbursements	(17,941)	(17,941)	(3,528)	14,413
Net Change in Fund Balance	(14,441)	(14,441)	4,807	19,248
Fund Balance - Beginning	14,441	14,441	14,441	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,248</u>	<u>\$ 19,248</u>
<u>COUNTY BUILDINGS FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(63,071)	(63,071)	(597)	62,474
Transfers in	-	-	10,000	10,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(63,071)	(63,071)	9,403	72,474
Fund Balance - Beginning	63,071	63,071	63,071	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,474</u>	<u>\$ 72,474</u>
<u>911 EMERGENCY COMM. STUDY AGREEMENT FUND</u>				
Receipts	\$ 47,000	\$ 47,000	\$ 1,105	\$ (45,895)
Disbursements	(46,231)	(46,231)	(3,386)	42,845
Transfers in	-	-	-	-
Transfers out	(33,600)	(33,600)	(29,550)	4,050
Net Change in Fund Balance	(32,831)	(32,831)	(31,831)	1,000
Fund Balance - Beginning	32,831	32,831	32,831	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

NEMAHA 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)
<u>OTHER CAPITAL PROJECTS FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(277,956)	(277,956)	(65,013)	212,943
Transfers in	-	-	10,000	10,000
Transfers out	-	-	-	-
Net Change in Fund Balance	<u>(277,956)</u>	<u>(277,956)</u>	<u>(55,013)</u>	<u>222,943</u>
Fund Balance - Beginning	<u>277,956</u>	<u>277,956</u>	<u>277,956</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 222,943</u></u>	<u><u>\$ 222,943</u></u>

(Concluded)

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

For the Year Ended June 30, 2024

	Road Equipment Fund	Road Bridge Improvement Fund	Visitors Promotion Fund	Visitors Improvement Fund
RECEIPTS				
Taxes:				
Other	\$ -	\$ -	\$ 10,901	\$ 10,901
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	10,840	-	-	-
TOTAL RECEIPTS	10,840	-	10,901	10,901
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	431,100	557,592	-	-
Culture and Recreation	-	-	7,230	27,264
TOTAL DISBURSEMENTS	431,100	557,592	7,230	27,264
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(420,260)	(557,592)	3,671	(16,363)
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	200,000	-	-	-
Net Change in Fund Balances	(220,260)	(557,592)	3,671	(16,363)
FUND BALANCES - BEGINNING, as adjusted	272,959	557,592	20,254	25,116
FUND BALANCES - ENDING	\$ 52,699	\$ -	\$ 23,925	\$ 8,753
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	23,925	8,753
911 Emergency Services	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Miscellaneous Projects	-	-	-	-
911 Region	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
County Buildings	-	-	-	-
Equipment Purchases	52,699	-	-	-
Future Compensation Benefits	-	-	-	-
Disaster Recovery	-	-	-	-
TOTAL FUND BALANCES	\$ 52,699	\$ -	\$ 23,925	\$ 8,753

(Continued)

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

For the Year Ended June 30, 2024

	<u>Preservation and Modernization Fund</u>	<u>Vacation/Sick Leave Claim Reserve Fund</u>	<u>Juvenile Diversion Program Fund</u>	<u>Diversion Program STOP Fund</u>
RECEIPTS				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	4,553	-	1,425	450
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>4,553</u>	<u>-</u>	<u>1,425</u>	<u>450</u>
DISBURSEMENTS				
General Government	4,786	-	-	-
Public Safety	-	-	2,304	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,786</u>	<u>-</u>	<u>2,304</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(233)</u>	<u>-</u>	<u>(879)</u>	<u>450</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,067	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>7,067</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(233)	7,067	(879)	450
FUND BALANCES - BEGINNING, as adjusted	<u>4,082</u>	<u>10,433</u>	<u>35,492</u>	<u>1,900</u>
FUND BALANCES - ENDING	<u>\$ 3,849</u>	<u>\$ 17,500</u>	<u>\$ 34,613</u>	<u>\$ 2,350</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	3,849	-	-	-
Miscellaneous Projects	-	-	-	-
911 Region	-	-	-	-
Committed to:				
Law Enforcement	-	-	34,613	2,350
County Buildings	-	-	-	-
Equipment Purchases	-	-	-	-
Future Compensation Benefits	-	17,500	-	-
Disaster Recovery	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 3,849</u>	<u>\$ 17,500</u>	<u>\$ 34,613</u>	<u>\$ 2,350</u>

(Continued)

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

For the Year Ended June 30, 2024

	Federal Drug Forfeiture Fund	Canine Dog Fund	Federal Crime Grant Fund	Disaster Fund	COVID American Rescue Plan Fund
RECEIPTS					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,046	80,220	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	-	1,046	80,220	-
DISBURSEMENTS					
General Government	-	-	-	-	18,136
Public Safety	-	-	1,500	-	34,130
Public Works	-	-	-	-	370,337
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	1,500	-	422,603
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(454)	80,220	(422,603)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	-	-	(454)	80,220	(422,603)
FUND BALANCES - BEGINNING, as adjusted	500	47	455	35,573	572,259
FUND BALANCES - ENDING	\$ 500	\$ 47	\$ 1	\$ 115,793	\$ 149,656
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Law Enforcement	500	-	1	-	-
Preservation of Records	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	149,656
911 Region	-	-	-	-	-
Committed to:					
Law Enforcement	-	47	-	-	-
County Buildings	-	-	-	-	-
Equipment Purchases	-	-	-	-	-
Future Compensation Benefits	-	-	-	-	-
Disaster Recovery	-	-	-	115,793	-
TOTAL FUND BALANCES	\$ 500	\$ 47	\$ 1	\$ 115,793	\$ 149,656

(Continued)

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

For the Year Ended June 30, 2024

	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Law Enforcement Operating Fund
RECEIPTS				
Taxes:				
Other	\$ 20,221	\$ 46,122	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	20,221	46,122	-	-
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	24,777	29,542	24,658	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	24,777	29,542	24,658	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,556)	16,580	(24,658)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	43,665	178	-	-
Transfers out	(178)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	43,487	178	-	-
Net Change in Fund Balances	38,931	16,758	(24,658)	-
FUND BALANCES - BEGINNING, as adjusted	5,696	-	170,171	71
FUND BALANCES - ENDING	\$ 44,627	\$ 16,758	\$ 145,513	\$ 71
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	44,627	16,758	145,513	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Miscellaneous Projects	-	-	-	-
911 Region	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	71
County Buildings	-	-	-	-
Equipment Purchases	-	-	-	-
Future Compensation Benefits	-	-	-	-
Disaster Recovery	-	-	-	-
TOTAL FUND BALANCES	\$ 44,627	\$ 16,758	\$ 145,513	\$ 71

(Continued)

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

For the Year Ended June 30, 2024

	Jail Commissary Fund	County Buildings Fund	911 Emergency Comm. Study Agreement Fund	Other Capital Projects Fund	Total Nonmajor Funds
RECEIPTS					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 88,145
Intergovernmental	-	-	1,105	-	82,371
Charges for Services	8,335	-	-	-	14,763
Miscellaneous	-	-	-	-	10,840
TOTAL RECEIPTS	<u>8,335</u>	<u>-</u>	<u>1,105</u>	<u>-</u>	<u>196,119</u>
DISBURSEMENTS					
General Government	-	597	-	-	23,519
Public Safety	3,528	-	3,386	65,013	188,838
Public Works	-	-	-	-	1,359,029
Culture and Recreation	-	-	-	-	34,494
TOTAL DISBURSEMENTS	<u>3,528</u>	<u>597</u>	<u>3,386</u>	<u>65,013</u>	<u>1,605,880</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>4,807</u>	<u>(597)</u>	<u>(2,281)</u>	<u>(65,013)</u>	<u>(1,409,761)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	10,000	-	10,000	270,910
Transfers out	-	-	(29,550)	-	(29,728)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>10,000</u>	<u>(29,550)</u>	<u>10,000</u>	<u>241,182</u>
Net Change in Fund Balances	4,807	9,403	(31,831)	(55,013)	(1,168,579)
FUND BALANCES - BEGINNING, as adjusted	<u>14,441</u>	<u>63,071</u>	<u>32,831</u>	<u>277,956</u>	<u>2,100,899</u>
FUND BALANCES - ENDING	<u>\$ 19,248</u>	<u>\$ 72,474</u>	<u>\$ 1,000</u>	<u>\$ 222,943</u>	<u>\$ 932,320</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	32,678
911 Emergency Services	-	-	-	-	206,898
Law Enforcement	-	-	-	-	501
Preservation of Records	-	-	-	-	3,849
Miscellaneous Projects	-	-	-	-	149,656
911 Region	-	-	1,000	-	1,000
Committed to:					
Law Enforcement	19,248	-	-	-	56,329
County Buildings	-	72,474	-	-	72,474
Equipment Purchases	-	-	-	222,943	275,642
Future Compensation Benefits	-	-	-	-	17,500
Disaster Recovery	-	-	-	-	115,793
TOTAL FUND BALANCES	<u>\$ 19,248</u>	<u>\$ 72,474</u>	<u>\$ 1,000</u>	<u>\$ 222,943</u>	<u>\$ 932,320</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Extension Office	Veterans' Service Officer	Total
BALANCES JULY 1, 2023	\$ 15,161	\$ 57,325	\$ 6,542	\$ 5,910	\$ 25	\$ 4,366	\$ 89,329
RECEIPTS							
Taxes	-	-	1,148	-	-	-	1,148
Intergovernmental	-	-	20,413	-	-	-	20,413
Charges for Services	56,312	20,920	73,672	1,435	-	-	152,339
Miscellaneous	592	-	3,355	-	-	989	4,936
State Fees	69,733	17,494	410	-	-	-	87,637
Other Liabilities	34	587,780	161,766	715	-	-	750,295
TOTAL RECEIPTS	126,671	626,194	260,764	2,150	-	989	1,016,768
DISBURSEMENTS							
Payments to County Treasurer	58,896	18,801	87,134	1,435	-	-	166,266
Payments to State Treasurer	75,165	17,018	410	-	-	-	92,593
Petty Cash & Other Payments	592	-	3,431	-	-	1,904	5,927
Other Liabilities	34	353,483	161,830	725	-	-	516,072
TOTAL DISBURSEMENTS	134,687	389,302	252,805	2,160	-	1,904	780,858
BALANCES JUNE 30, 2024	<u>\$ 7,145</u>	<u>\$ 294,217</u>	<u>\$ 14,501</u>	<u>\$ 5,900</u>	<u>\$ 25</u>	<u>\$ 3,451</u>	<u>\$ 325,239</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 3,273	\$ 3,231	\$ 11,985	\$ 1,114	\$ -	\$ 3,451	\$ 23,054
Petty Cash	300	-	2,500	-	25	-	2,825
Due to State Treasurer	3,572	863	-	-	-	-	4,435
Due to Others	-	290,123	16	4,786	-	-	294,925
BALANCES JUNE 30, 2024	<u>\$ 7,145</u>	<u>\$ 294,217</u>	<u>\$ 14,501</u>	<u>\$ 5,900</u>	<u>\$ 25</u>	<u>\$ 3,451</u>	<u>\$ 325,239</u>

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

Item	2019	2020	2021	2022	2023
Tax Certified by Assessor					
Real Estate	\$ 14,956,668	\$ 14,754,218	\$ 15,266,415	\$ 15,610,434	\$ 15,902,299
Personal and Specials	989,643	1,007,850	1,064,907	1,234,529	1,256,573
Total	15,946,311	15,762,068	16,331,322	16,844,963	17,158,872
Corrections					
Additions	25,851	26,529	38,448	3,956	364
Deductions	(12,686)	(7,569)	(6,077)	(13,542)	(7,852)
Net Additions/ (Deductions)	13,165	18,960	32,371	(9,586)	(7,488)
Corrected Certified Tax	15,959,476	15,781,028	16,363,693	16,835,377	17,151,384
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2020	9,873,258	-	-	-	-
June 30, 2021	6,047,504	10,205,773	-	-	-
June 30, 2022	9,295	5,539,704	11,148,944	-	-
June 30, 2023	26,356	28,961	5,200,781	11,477,763	-
June 30, 2024	395	1,914	7,140	5,339,374	11,427,817
Total Net Collections	15,956,808	15,776,352	16,356,865	16,817,137	11,427,817
Total Uncollected Tax	\$ 2,668	\$ 4,676	\$ 6,828	\$ 18,240	\$ 5,723,567
Percentage Uncollected Tax	0.02%	0.03%	0.04%	0.11%	33.37%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

NEMAHA 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
Nemaha 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 Nemaha 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 24, 2025. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Nemaha County Hospital, a component unit of Nemaha County.

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 Nemaha 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 Nemaha County in a separate letter dated March 24, 2025.

Nemaha County's Response to Findings

Nemaha 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.



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

March 24, 2025



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

March 24, 2025

Board of Commissioners
Nemaha County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Nemaha County (County) for the fiscal year ended June 30, 2024, and have issued our report thereon dated March 24, 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 BOARD

Bidding Procedures

On August 30, 2023, the County Sheriff presented two quotes from two separate vendors for the repair of doors at the County Jail. The bid was awarded to Southern Folger Contracting for \$144,636; however, the formal bidding procedures outlined in State statute were not followed, as a public notice of bidding was not published.

Neb. Rev. Stat. § 23-3108(1) (Cum. Supp. 2024) of the County Purchasing Act, which is set out at Neb. Rev. Stat. §§ 23-3101 to 23-3115 (Reissue 2022, Cum. Supp. 2024), states the following, in relevant part:

Except as provided in section 23-3109, purchases of personal property or services by the county board or purchasing agent shall be made:

(a) Through the competitive sealed bidding process prescribed in section 23-3111 if the estimated value of the purchase is:

(i) Before January 1, 2025, fifty thousand dollars or more[.]

Neb. Rev. Stat. § 23-3111 (Cum. Supp. 2024) states the following, in relevant part:

When competitive sealed bidding is required by section 23-3108:

(1) Sealed bids shall be solicited by public notice in a legal newspaper of general circulation in the county at least once a week for two consecutive weeks before the final date of submitting bids;

(2) In addition to subdivision (1) of this section, sealed bids may also be solicited by sending requests by United States mail or electronic mail to prospective suppliers and by posting notice on a public bulletin board;

(3) The notice shall contain: (a) A general description of the proposed purchase; (b) an invitation for sealed bids; (c) the name of the county official in charge of receiving the bids; (d) the date, time, and place the bids received shall be opened; and (e) whether alternative items will be considered;

Good internal controls require procedures to ensure that applicable statutory bidding requirements are followed for all County purchases.

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

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

We recommend the County implement procedures to ensure applicable statutory bidding requirements are followed to for all County purchases.

Prepayment for Purchase of Personal Property

On June 19, 2024, the County Board approved claim #24062299 to Gene Steffy Auto Group, totaling \$88,405, for the purchase of two 2024 Dodge Durango Sheriff vehicles. This check was dated June 19, 2024; however, the check did not clear the bank account until September 13, 2024. Upon review of the titles for these vehicles, the purchase date was September 12, 2024. Per discussion with the County Clerk, the County Board wanted the vehicle purchase to be accounted for in the 2023-2024 budget year; however, the County Board understood that the vehicles would not be delivered until fiscal year 2025. The County received the vehicles in September 2024. Further, the check was issued to the vendor, who held onto it until the vehicles were delivered.

The County Board did not approve a resolution that specifically authorized this prepayment.

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

(1) All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed, except that . . . (b) payment may be approved as provided in subsection (2) of this section

(2) A county board may by resolution, which resolution constitutes a claim pursuant to subsection (1) of section 23-1303, approve the payment for a particular piece of personal property prior to the receipt of such property by the county.

Good internal controls and sound business practices require procedures to ensure that all payments are made in accordance with State statute.

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

We recommend the County Board implement procedures to ensure that all payments are made in accordance with State statute.

Mileage Reimbursement Issues

While testing mileage reimbursements, we noted two reimbursements, totaling \$3,796, that were either incorrectly calculated or lacked sufficient documentation to allow for a determination as to whether the reimbursement was reasonable and necessary. The following information details the issues noted during our testing:

- One mileage reimbursement claim paid to a County employee lacked adequate supporting documentation, including addresses of beginning and ending locations for the trips recorded on the mileage log. The mileage log showed beginning and ending odometer readings; however, we could not verify that the mileage traveled was reasonable. Based on addresses provided by the County Clerk after further inquiry, we were able to calculate a total of 652 miles traveled, while this employee was reimbursed for 775 miles, a variance of 123 miles. This resulted in the employee being reimbursed \$81 that could not be supported.

- One mileage reimbursement claim paid to another County employee was approved by the County Board on May 8, 2024, and included mileage from November 2, 2023, through April 23, 2024. This employee was reimbursed for 4,907 miles traveled, of which 1,587 miles were traveled in 2023. These miles traveled in 2023 were incorrectly reimbursed at the 2024 mileage rate of \$0.67, resulting in an overpayment of \$24. Additionally, the reimbursement claim was not submitted to the County Clerk within 90 days of the original travel, as required by State statute.

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

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

The “Travel Expenses” section of the County’s “Employee Handbook” (October 25, 2023) states the following, in relevant part:

Reimbursement will be made for only those reasonable travel expenses strictly essential to the transaction of County business. Personal vehicle use, the mileage will be paid at the rate established by the State of Nebraska Department of Administrative Services pursuant to current rates.

Mileage will be reimbursed at the shorted route to and from the destination as provided by Map Quest, and if Map Quest is not available another online mapping source will be used. A copy of the Map Quest or another online mapping source must be attached to the claim for reimbursement.

Good internal controls and sound business practices require procedures to ensure that all travel-related expenditures are reasonable, necessary, adequately documented, and calculated correctly.

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

We recommend the County implement procedures to ensure that all travel-related expenditures are reasonable, necessary, adequately documented, and calculated correctly. Such procedures should include a detailed review of all expense reimbursement requests, which should be completed prior to reimbursement being made.

Incorrect Leave Balances

While testing employee paid leave accruals, we noted that the sick leave balance for one employee tested was not recorded accurately. Per this employee’s timesheets, the sick leave balance as of June 14, 2024, was 832 hours; however, this balance was reduced to 232 hours as of June 15, 2024, a reduction of 600 hours. Further, the timesheets did not indicate that any sick leave was used by this employee. Per discussion with the County Sheriff, this was due to an error in typing the leave balances on the new timesheet. This error was not caught until after our inquiry. If this employee had terminated employment before this error was caught, the employee's final payout would have been shorted by \$5,027.

The “Sick Leave” section of the County’s “Employee Handbook” (October 25, 2023) states the following, in relevant part:

Sick pay benefits may be accumulated by employees up to a maximum of nine hundred sixty (960) hours per calendar year.

All sick leave expires on the date of separation, except twenty-five percent (25%) or up to a maximum of two hundred sixty-four (264) hours of accrued sick leave will be paid out to the employee at the employee’s current wage.

Good internal controls require procedures to ensure that leave balances are recorded and tracked accurately, in accordance with the County’s Employee Handbook.

Without such procedures, there is an increased risk that employee leave accruals will not be calculated correctly, resulting in potential loss or misuse of County funds.

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

We recommend the County implement procedures to ensure that leave balances are reviewed and tracked accurately, in accordance with the County’s Employee Handbook.

County Sheriff Response: This was an error where the “2” on the bottom of the keypad was hit looking for the “8” unfortunately confusing the keypad of the keyboard and telephone. I appreciate your catching this, and it has been corrected. While the liability remains, had the deputy left employment, the amount most likely would have been questioned. To limit the chances of this occurring in the future, the bi-annual reports to the board will be compared to see if there are major differences in leave when no leave was taken.

COUNTY ASSESSOR

Lack of Review Over Personal Property Returns

For two of six personal property tax returns tested, the tax district listed on the return did not appear correct based on the location of the personal property. For one of the returns, a tax correction was completed to change the tax district; however, the corrected tax district still appeared incorrect.

The following table summarizes the total taxes underpaid for these tax returns:

Original Tax District	Original Levy	Original Taxes Assessed	Property Situs Tax District	Situs Levy	Calculated Tax Amount	Variance
80	1.005209	\$ 7,407	10	1.490855	\$ 10,985	\$ 3,578
95	1.020856	15,712	90	1.026233	15,795	83
Total Taxes Underpaid						\$ 3,661

Good internal controls require procedures to ensure that the tax districts listed on personal property tax returns are correct.

Without such procedures, there is an increased risk that the correct amount of personal property taxes will not be collected and distributed to various political subdivisions.

We recommend the County Assessor implement procedures to ensure that the tax districts listed on personal property tax returns are correct.

COUNTY ATTORNEY

Unknown Trust Balance

As of June 30, 2024, the County Attorney had a trust balance of \$4,786, but he could not identify the recipient(s) of those funds. Although the amount has decreased slightly over the years, this issue has been noted in the prior 14 audit reports.

Neb. Rev. Stat. § 23-1207 (Reissue 2022) states the following:

(1) It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts, one of which shall be filed by such person with the county clerk.

(2) Whenever any such money is received by the county attorney, he or she shall carefully manage it and may, when the money cannot immediately be paid out to its rightful owner, deposit the money in interest-bearing accounts in insured banking or savings institutions. Any interest accrued from such deposit shall be paid over to the county treasurer to be credited to the county general fund, except that when the funds so deposited belonged to a deceased person whose personal representative has not yet been appointed by a court of competent jurisdiction, then the interest accruing on such money shall be paid to the estate of such person after the appointment of a personal representative and upon order of the court.

(3) Any property other than money which is received by the county attorney shall be held by him or her in safekeeping until claimed by the rightful owner or, if there is a dispute as to the ownership of such property, until ordered by a court of competent jurisdiction to give possession of the property to some person.

(Emphasis added.) Additionally, Neb. Rev. Stat. § 84-1213(1) (Reissue 2024) states the following, in relevant part:

All records made or received by or under the authority of or coming into the custody, control, or possession of state or local agencies in the course of their public duties are the property of the state or local agency concerned

Thus, an elected official receives and assumes responsibility for properly managing any records or other property, including trust balances, held by the office at the time he or she undertakes his or her official duties. It is important, therefore, that the proper documentation be created – through the issuance of duplicate receipts, per 23-1207(1) – and maintained to allow for the proper identification of the beneficiaries for any trust funds held by the County Attorney.

Furthermore, because they have been held for more than three years, the trust funds at issue must be presumed abandoned property under the Uniform Disposition of Unclaimed Property Act (Act), as set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2018, Cum. Supp. 2024), and remitted to the State Treasurer.

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

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

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2024) provides, in relevant part, the following:

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

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. Any person holding intangible property presumed abandoned due to be reported with a cumulative value of fifty dollars or less in a single reporting year shall not be required to report the property in that year but shall report the property in any year when the property value or total report value exceeds fifty dollars.

(Emphasis added.) Good internal controls require procedures to ensure that proper documentation is created – through the issuance of duplicate receipts, per § 23-1207(1) – and maintained to allow for the accurate identification of the beneficiaries for all money held in trust by the County Attorney’s office. Those same procedures should ensure also that any such funds presumed abandoned are remitted timely to the State Treasurer, as required by statute.

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

We recommend the implementation of procedures to ensure the following: 1) proper documentation is created – through the issuance of duplicate receipts, per § 23-1207(1) – and maintained to allow for the accurate identification of the beneficiaries for all trust funds held by the County Attorney’s office; and 2) any such money presumed abandoned is remitted timely to the State Treasurer, as required by statute.

COUNTY SHERIFF

Inmate Accounting Records

All inmate funds are maintained in cash and do not go through a bank account. During review, we noted that the County Sheriff lacked procedures to ensure that the accounting records were correctly updated each time inmate funds were released. As a result, the inmate transaction listing provided by the County Sheriff’s office did not accurately reflect all disbursements during the fiscal year. During the fiscal year ending June 30, 2024, we noted 26 instances where the release of inmate funds were not properly recorded in the accounting records, resulting in total disbursements being understated by \$3,869.

Good internal controls require procedures to ensure all financial transactions, especially those involving cash, are accurately recorded and tracked.

Without such procedures, there is an increased risk of not only inaccurate financial reporting but also loss, misuse, or theft of inmate funds.

We recommend the County Sheriff implement procedures to ensure all financial transactions, especially those involving cash, are accurately recorded and tracked.

County Sheriff Response: These past records have been corrected. Additional training has been given to remind jailers that the link relating to funds needs to be utilized with each release. It should be noted that inmates did receive their cash upon release, the transaction was just not recorded in the jail management software, as it should have been. An alternative fix to this issue, is to deposit cash that inmates have on them when they are booked and return the funds in the form of a check when they are released; however, if someone is passing through with a sum of cash, they are arrested on an outstanding warrant, they post bond in a short period of time and their cash is converted to a check, I would be more concerned that liquid cash, let’s say on a Friday evening before Memorial or Labor Day weekend, is converted to a check that is of no real use until banks re-open three days later.

COUNTY CLERK OF THE DISTRICT COURT

Overdue Case Balances

During the audit, we tested five balances listed on the Overdue Case Account Report (Report). As of January 31, 2025, overdue case balances, excluding restitution judgments, totaled \$30,999. Of the cases included in the Report, 18 were flagged with a current warrant or suspension.

During testing of those five cases with overdue balances, we noted that, for two cases with combined overdue balances, totaling \$1,686, the District Court failed to take subsequent action, such as the issuance of warrants and/or suspensions or the designation of the balances as uncollectible, to ensure their timely collection and/or resolution.

Further details regarding the two overdue case balances at issue are provided below:

- For one case with \$1,086 owed, the last activity in the system was from March 29, 2023. Per the County Clerk of the District Court on February 25, 2025, the individual could not be located. However, no recent follow-up was documented in the system. Additionally, rather than pursue other potential courses of action for follow-up that could include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a designation of certain balances as being uncollectible, the County Clerk of the District Court simply changed the due date for these costs to December 31, 2999, which removed the amount from the February 28, 2025, Report.
- For the other case, the defendant still owes \$600 after being ordered to pay \$900 in probation fees. On March 6, 2023, the defendant had paid \$300 of the probation fees owed, leaving the \$600 balance. As of February 24, 2025, no subsequent follow-up was noted in the case. The next day, the County Clerk of the District Court said that she would find out if the individual was still on probation or had been released. On February 25, 2025, the County Clerk of the District Court stated the individual was still on probation until June 8, 2025, and that they will work on the collection of these overdue amounts.

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

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

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

COUNTY VETERANS' SERVICE OFFICER

Office Procedures

We noted the following issues with the accounting procedures in the Office of the County Veterans' Service Officer (Office):

- The book balance of \$3,061.54 in the check register was inaccurate due to the following errors:
 - Two bank deposits, totaling \$239, were not recorded in the check register.
 - Two other minor errors, totaling \$0.11, were not resolved.
- All receipts during fiscal year 2024, totaling \$989, were not remitted to the County Treasurer. As a result, the Office's receipts and disbursements are not reflected in the County's financial records.
- For all disbursements made during fiscal year 2024, totaling \$1,904, the Office was unable to provide documentation to support that the individual receiving assistance was a veteran, a resident of the County, and in need of aid.

- The Office was holding \$150 of fuel gift cards as of June 30, 2024. The Office provides gift cards to veterans to assist with fuel purchases. Per discussion with the Deputy County Veterans' Service Officer, these gift cards are given to veterans upon request. The Office lacked procedures to track the purchase and distribution of these gift cards.
- Two checks were voided during fiscal year 2024; however, one was discarded by the Office and was not maintained on file for subsequent review.

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

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

Neb. Rev. Stat. § 80-102(1) (Reissue 2024) states the following:

(a) The county veterans service committee shall meet at least once each year or on call of the chairperson or of any three members of the committee. It shall determine the amount it considers necessary for providing aid, including food, shelter, fuel, wearing apparel, medical or surgical aid, or funeral expenses, for the purposes identified in subdivisions (b) and (c) of this subsection. The county veterans service committee shall certify the amount so determined to the county board, which amount shall be reviewed and considered by the county board in making a levy for an aid fund.

(b) The county veterans service committee shall determine the amount of aid described in subdivision (a) of this subsection for persons who are in need of the aid and who:

(i) Served in the armed forces of the United States;

(ii) Were discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) or died while in service or as a direct result of that service; and

(iii) Have legal residence in the State of Nebraska for a period of not less than one year and in the county in which application is made for a period of not less than six months.

(c) The county veterans service committee shall determine the amount of aid described in subdivision (a) of this subsection for:

(i) Husbands and wives, surviving spouses, and minor children under eighteen years of age of veterans described in subdivision (b) of this subsection; and

(ii) Payment of expenses of last illness and burial when a veteran described in subdivision (b) of this subsection or a surviving spouse described in subdivision (c)(i) of this subsection passes away leaving no next of kin.

(Emphasis added.) Good internal controls require procedures to ensure the following: 1) an accurate book balance is maintained for all bank accounts; 2) all County funds received are remitted to the County Treasurer; 3) each disbursement of aid includes adequate documentation to support the payment and ensure it is in compliance with State law; 4) a log is maintained to track all gift cards purchased and disbursed; and 5) all voided checks are maintained on file for subsequent review.

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

We recommend the County Veterans' Service Office implement procedures to ensure the following: 1) an accurate book balance is maintained for all bank accounts; 2) all funds received are remitted to the County Treasurer; 3) each disbursement of aid includes adequate documentation to support the payment and ensure it is in compliance with State law; 4) a log is maintained to track all gift cards purchased and disbursed; and 5) all voided checks are maintained on file for subsequent review.

COUNTY OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

* * * * *

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

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



Dakota Christensen, CPA, CISA, CFE
Audit Manager