AUDIT REPORT
OF
DIXON COUNTY

JULY 1, 2025, THROUGH JUNE 30, 2026

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Issued on October 21, 2026

*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

Rachel Wittler, CPA, CFE – Audit Manager
Emily Parker – Audit Manager
Haylee Miller – Auditor-In-Charge
Kyla Schleusener – Auditor
Conor Gilreath – Audit Intern

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

Additionally, you may request them by contacting us at:

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DIXON COUNTY

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DIXON COUNTY
302 3rd Street
Ponca, NE 68770

LIST OF COUNTY OFFICIALS
At June 30, 2026

Title	Name	Term Expires
Board of Supervisors	Donald Andersen	Jan. 2027
	Deric Anderson	Jan. 2029
	Neil Blohm	Jan. 2029
	Steven Hassler	Jan. 2027
	Lisa Lunz	Jan. 2027
	Terry Nicholson	Jan. 2029
	Roger Peterson	Jan. 2027
Assessor	Amy Watchorn	Jan. 2027
Attorney	Leland Miner	Jan. 2027
Clerk Election Commissioner Register of Deeds	Cathy Stilwell	Jan. 2027
Clerk of the District Court	Quin Rohan	Jan. 2027
Sheriff	Tom Decker	Jan. 2027
Treasurer	JoAnn Brennan	Jan. 2027
Surveyor	Michael Skroch	Appointed
Veterans' Service Officer	Nicholas Nieman	Appointed
Weed Superintendent	Mike Elton	Appointed
Highway Superintendent	Brian McDonald	Appointed
911 Director	Sara Kumm	Appointed
Emergency Manager	Shea Scollard	Appointed

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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DIXON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Dixon County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dixon County, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dixon County as of June 30, 2026, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-34, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2026, on our consideration of Dixon 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 Dixon County's internal control over financial reporting and compliance.

Rachel Wittler

October 9, 2026

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

DIXON COUNTY

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2026

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	$	8,380,829
Investments (Note 1.D)		5,196,789
TOTAL ASSETS	$	13,577,618
NET POSITION		
Restricted for:		
Visitor Promotion	$	189,730
911 Emergency Services		133,428
Drug Education/Enforcement		14,007
Law Enforcement		48,800
Preservation of Records		13,592
Road and Bridge Maintenance		646,687
Child Support Services		2,341
Miscellaneous Projects		69,375
Health Insurance		3,720,076
Unrestricted		8,739,582
TOTAL NET POSITION	$	13,577,618

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

DIXON COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2026

Functions:	Cash Disbursements	Program Cash Receipts: Fees, Fines, and Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Position
Governmental Activities:				
General Government	$ (3,396,775)	$ 337,548	$ 29,043	$ (3,030,184)
Public Safety	(2,258,782)	521,807	157,526	(1,579,449)
Public Works	(2,551,187)	117,948	1,782,309	(650,930)
Public Assistance	(30,065)	-	-	(30,065)
Culture and Recreation	(57,451)	-	-	(57,451)
Debt Payments	(101,350)	-	-	(101,350)
Total Governmental Activities	$ (8,395,610)	$ 977,303	$ 1,968,878	(5,449,429)

General Receipts:	
Taxes:	
Property	5,556,467
Motor Vehicle	312,867
Inheritance	475,335
Lodging	59,404
Nameplate Capacity	337,431
E911 Payments	65,523
Other	24,976
Grants and Contributions Not Restricted to Specific Programs	9,944
Investment Income	428,723
Insurance Reimbursements	497,623
Miscellaneous	424,763
Total General Receipts	8,193,056
Change in Net Position	2,743,627
Net Position - Beginning of year	10,833,991
Net Position - End of year	$ 13,577,618

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

DIXON COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES

GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Road & Bridge Fund	Inheritance Fund	County Health Insurance Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	$ 1,684,978	$ 836,265	$ 2,174,858	$ 2,296,242	$ 1,388,486	$ 8,380,829
Investments (Note 1.D)	1,044,807	518,545	1,348,567	1,423,834	861,036	5,196,789
TOTAL ASSETS	$ 2,729,785	$ 1,354,810	$ 3,523,425	$ 3,720,076	$ 2,249,522	$ 13,577,618
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	189,730	189,730
911 Emergency Services	-	-	-	-	133,428	133,428
Drug Education/Enforcement	-	-	-	-	14,007	14,007
Law Enforcement	-	-	-	-	48,800	48,800
Preservation of Records	-	-	-	-	13,592	13,592
Road and Bridge Maintenance	-	-	-	-	646,687	646,687
Child Support Services	-	-	-	-	2,341	2,341
Miscellaneous Projects	-	-	-	-	69,375	69,375
Health Insurance	-	-	-	3,720,076	-	3,720,076
Committed to:						
Law Enforcement	-	-	-	-	18,443	18,443
Road Maintenance	-	1,354,810	-	-	-	1,354,810
Aid and Assistance	-	-	-	-	5,271	5,271
Property Reappraisal	-	-	-	-	4,957	4,957
Weed Control	-	-	-	-	102,891	102,891
Road Projects	-	-	-	-	1,000,000	1,000,000
Assigned to:						
Other Purposes	-	-	3,523,425	-	-	3,523,425
Unassigned	2,729,785	-	-	-	-	2,729,785
TOTAL CASH BASIS FUND BALANCES	$ 2,729,785	$ 1,354,810	$ 3,523,425	$ 3,720,076	$ 2,249,522	$ 13,577,618

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

DIXON COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2026

	General Fund	Road & Bridge Fund	Inheritance Fund	County Health Insurance Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes:						
Property	$5,556,467	$ -	$ -	$ -	$ -	$ 5,556,467
Motor Vehicle	312,867	-	-	-	-	312,867
Inheritance	-	-	475,335	-	-	475,335
Lodging	-	-	-	-	59,404	59,404
Nameplate Capacity	337,431	-	-	-	-	337,431
E911 Payments	-	-	-	-	65,523	65,523
Other	24,851	125	-	-	-	24,976
Investment Income	428,618	-	-	-	105	428,723
Intergovernmental	193,851	1,543,986	-	-	240,985	1,978,822
Charges for Services	855,169	58,251	-	-	63,883	977,303
Miscellaneous	71,104	345,944	-	474,945	30,393	922,386
TOTAL RECEIPTS	7,780,358	1,948,306	475,335	474,945	460,293	11,139,237
DISBURSEMENTS						
General Government	1,960,824	-	61,656	1,358,663	15,632	3,396,775
Public Safety	1,916,229	-	-	-	342,553	2,258,782
Public Works	8,189	2,424,664	-	-	118,334	2,551,187
Public Assistance	30,065	-	-	-	-	30,065
Culture and Recreation	-	-	-	-	57,451	57,451
Debt Service:						
Principal Payments	-	-	-	-	100,200	100,200
Interest and Fiscal Charges	-	-	-	-	1,150	1,150
TOTAL DISBURSEMENTS	3,915,307	2,424,664	61,656	1,358,663	635,320	8,395,610
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	3,865,051	(476,358)	413,679	(883,718)	(175,027)	2,743,627
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,972,240	-	1,457,943	664,962	4,095,145
Transfers out	(3,146,190)	(400,116)	(500,000)	-	(48,839)	(4,095,145)
TOTAL OTHER FINANCING SOURCES (USES)	(3,146,190)	1,572,124	(500,000)	1,457,943	616,123	-
Net Change in Fund Balances	718,861	1,095,766	(86,321)	574,225	441,096	2,743,627
CASH BASIS FUND BALANCES - BEGINNING	2,010,924	259,044	3,609,746	3,145,851	1,808,426	10,833,991
CASH BASIS FUND BALANCES - ENDING	$2,729,785	$ 1,354,810	$ 3,523,425	$ 3,720,076	$ 2,249,522	$ 13,577,618

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

DIXON COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS

June 30, 2026

		Custodial Funds
ASSETS		
Cash and Cash Equivalents	$	654,734
NET POSITION		
Restricted for:		
State - Collected by County Treasurer		138,708
State - Collected by Other Offices		17,624
Schools		347,344
Educational Service Units		8,872
Technical College		24,748
Natural Resource Districts		15,732
Fire Districts		17,326
Municipalities		29,972
Agricultural Society		1,276
Townships		27,594
Others - Collected by County Treasurer		23,137
Others - Collected by Other Offices		2,401
TOTAL NET POSITION	$	654,734

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

DIXON COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS

For the Year Ended June 30, 2026

	Custodial Funds
ADDITIONS	
Collections for Other Governments	$ 22,445,842
Miscellaneous Collections	139,844
TOTAL ADDITIONS	22,585,686
DEDUCTIONS	
Payments to Other Governments	22,185,753
Other Miscellaneous Items Paid To Individuals	210,107
TOTAL DEDUCTIONS	22,395,860
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	189,826
NET POSITION - BEGINNING OF YEAR	464,908
NET POSITION - END OF YEAR	$ 654,734

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Dixon 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 County utilizes the cash basis of accounting, but considers the criteria established by the Governmental Accounting Standards Board (GASB) when 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.

These financial statements present the County (the primary government). No component units were identified based on the criteria established by the GASB.

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed $17,886 toward the operation of the Region during fiscal year 2026. 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 Northeast Nebraska 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; 2026 Neb. Laws, L.B. 203, §§ 1-4).

1. Summary of Significant Accounting Policies (Continued)

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2026. 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) (2026 Neb. Laws, L.B. 829, § 1). Financial information for the Department is available in that report.

B. Basis of Presentation

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

> **Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources as they are needed.
>
> **Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. The fund financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than GAAP. Accordingly, certain recognition, measurement, presentation, and fund classification principles differ from those required by GAAP. Under GAAP, separate statements are presented 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 fund balances to specific purposes. When resources for a specific purpose

1. Summary of Significant Accounting Policies (Continued)

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. Since the financial statements are prepared on the cash basis of accounting, the major governmental funds presented are based on the County's accounting and reporting structure, which considers all funds established by the County individually when determining major funds. This differs from GAAP, which may require certain special revenue funds, as defined below, to be reported in the General Fund when the proceeds of specific revenue sources do not meet the criteria to be reported in a special revenue fund, as defined by GAAP. 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 & Bridge 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.

County Health Insurance Fund. This fund is used to account for the costs of insurance premiums and claims, and it is funded primarily by County and employee contributions, rebates, and reimbursements.

In addition to the General Fund, the County reports the following governmental fund types:

Special Revenue Funds. These funds account for resources maintained separately for specific County activities or purposes that are not accounted for in another governmental fund type. This differs from GAAP, which requires special revenue funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund. The Highway Bridge Buyback Program Fund accounts for the costs associated with the repair and maintenance of roads and bridges in the County, and the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County reports the following fiduciary fund types:

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.

1. Summary of Significant Accounting Policies (Continued)

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

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

C. Measurement Focus, Basis of Accounting

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

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

D. Assets and Net Position

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

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

1. Summary of Significant Accounting Policies (Concluded)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $4,838,036 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 $8,380,829 for Governmental funds and $654,734 for Fiduciary funds. The bank balances for all funds totaled $8,954,983. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2026, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

2. Deposits and Investments (Concluded)

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of $5,196,713 deposited in Nebraska Federal Investment Trust (NFIT) and of $76 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. NFIT is a public entity investment pool. 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 NFIT are not held in the County's name.

3. Taxes

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

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

The levy set in October 2025, for the 2025 taxes, which will be materially collected in May and September 2026, was set at $.241748/$100 of assessed valuation. The levy set in October 2024, for the 2024 taxes, which were materially collected in May and September 2025, was set at $.266495/$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, the County is subject to the limitations established by the Property Tax Growth Limitation Act found in Neb. Rev. Stat. §§ 13-3401 to 13-3408 (Cum. Supp. 2024; Supp. 2025; 2026 Neb. Laws, L.B. 803, § 13), which prescribes the calculation used to determine the County's Property Tax Request Authority.

Property Tax Request Authority represents the maximum amount of property taxes that can be requested by the County each year. Generally, the annual Property Tax Request Authority is limited to the prior year's property tax request amount, adjusted for allowable growth and inflation. The County may also increase its Property Tax Request Authority by an amount approved by a majority of the legal voters voting on the issue at a regularly scheduled election or a special election. If the County does not utilize its full Property Tax Request Authority in a given year, the unused authority may be carried forward for use in future years, subject to a maximum carryover equal to five percent of the County's total Property Tax Request Authority in the prior year.

The allowable annual increase for growth is based primarily on increases in property valuation resulting from new construction and improvements to existing real property, as determined by the County Assessor. The allowable annual increase for inflation is based on the percentage change in the State and Local Consumption Expenditures and Gross Investment index for the twelve-month period ending on December 31 of the prior year, as reported by March 31 of the current year by the U.S. Bureau of Economic Analysis.

3. Taxes (Concluded)

Property taxes budgeted for certain items may be excluded from this limit. Exceptions include property taxes budgeted for: 1) approved bonds; 2) responding to an emergency declared in the prior year; 3) public safety services; 4) County Attorneys and Public Defenders; 5) services related to an imminent and significant threat to public safety; and 6) interlocal agreements related to public safety.

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, Supp. 2025) 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 Systems.

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. Employees contribute 2% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2026, 59 employees contributed $149,020, and the County contributed $216,431. Contributions included $709,791 in cash contributions towards the supplemental law enforcement plan for 10 law enforcement employees. Lastly, the County paid $1,449 directly to 15 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 116 counties and local governments throughout Nebraska.

5. Risk Management (Concluded)

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

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

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

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

The County self-insures for employee health and dental insurance and has contracted with Point C to administer the County's self-insured plan through June 30, 2026. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions, rebates, and reimbursements. The activity of the plan is reflected in the County's financial statements under the County Health Insurance Fund. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained stop-loss coverage to limit the County's total exposure to $30,000 per enrolled member, per year, except for one member for whom the County's total exposure was limited to $165,000 per year.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2026, consisted of the following:

	Transfers from				
Transfers to	General Fund	Road & Bridge Fund	Inheritance Fund	Nonmajor Funds	Total
Road & Bridge Fund	$ 1,472,240	$ -	$ 500,000	$ -	$ 1,972,240
County Health Insurance Fund	1,428,473	116	-	29,354	1,457,943
Nonmajor Funds	245,477	400,000	-	19,485	664,962
Total	$ 3,146,190	$ 400,116	$ 500,000	$ 48,839	$ 4,095,145

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.

6. Interfund Transfers (Concluded)

In the year ended June 30, 2026, the County made a one-time transfer of $400,000 from the Road & Bridge Fund to the Special Road Fund to set aside funds for future road projects. Additionally, the County made transfers, totaling $29,342, from the Emergency Services Fund, $116 from the Road & Bridge Fund, and $12 from the Noxious Weed Fund to the County Health Insurance Fund to pay for the cost of health insurance for employees. Lastly, the County made one transfer, totaling $19,485, from the Canine Fund to the Opioid Recovery Fund to transfer settlement funds for opioid-related treatment and prevention.

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:

	JD Motor Grader
Balance July 1, 2025	$ 111,693
Purchases	-
Payments	11,693
Balance June 30, 2026	$ -
Carrying Value of the Related Fixed Asset	$ 344,000

Bonds

Highway Allocation Bonds. The County issued bonds on July 14, 2017, in the amount of $910,000 for the purpose of paying the costs of the improvements of certain bridges, drainage structures, streets, highways, and roads within the County. The bond payable balance, as of June 30, 2026, was $100,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway buyback program funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2027	$ 100,000	$ 2,300	$ 102,300
Total Payments	$ 100,000	$ 2,300	$ 102,300

Limited Tax Building Bonds. The County approved a resolution authorizing the issuance of bonds on May 12, 2026, in the amount of $12,500,000 for the purpose of acquiring a site and constructing and improving a county building. As of June 30, 2026, no bonds had been issued, and there was no bond payable balance. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds once issued.

8. Noxious Weed Board

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

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS			
Taxes	$ 6,161,537	$ 6,231,616	$ 70,079
Investment Income	153,600	428,618	275,018
Intergovernmental	193,000	193,851	851
Charges for Services	805,891	855,169	49,278
Miscellaneous	-	71,104	71,104
TOTAL RECEIPTS	7,314,028	7,780,358	466,330
DISBURSEMENTS			
General Government			
County Board	174,470	170,880	3,590
County Clerk	228,570	214,813	13,757
County Treasurer	205,658	188,593	17,065
County Assessor	182,143	182,143	-
Election Commissioner	56,500	28,080	28,420
Clerk of the District Court	139,583	132,599	6,984
County Court System	13,342	8,462	4,880
District Judge	2,600	1,762	838
Public Defender	184,100	109,690	74,410
Building and Grounds	218,800	163,251	55,549
Reappraisal	68,390	61,142	7,248
Agricultural Extension Agent	96,644	86,392	10,252
Miscellaneous	743,340	613,017	130,323
Public Safety			
County Sheriff	760,176	700,126	60,050
County Attorney	165,528	160,621	4,907
County Jail	545,559	443,417	102,142
Emergency Management	145,641	107,479	38,162
Law Enforcement - Wakefield	359,227	350,526	8,701
Co Atty - Child Support Agrmt	37,660	37,238	422
Law Enforcement Grants	55,000	32,326	22,674
Wakefield SRO Fund	96,854	84,496	12,358
Public Works			
County Surveyor	13,000	8,189	4,811
Public Assistance			
Veterans' Service Officer	27,253	25,265	1,988
County Relief & Assistance	11,600	4,800	6,800
TOTAL DISBURSEMENTS	4,531,638	3,915,307	616,331

(Continued)

DIXON COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,782,390	3,865,051	1,082,661
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(3,641,314)	(3,146,190)	495,124
TOTAL OTHER FINANCING SOURCES (USES)	(3,641,314)	(3,146,190)	495,124
Net Change in Fund Balance	(858,924)	718,861	1,577,785
FUND BALANCE - BEGINNING	2,010,924	2,010,924	-
FUND BALANCE - ENDING	$ 1,152,000	$ 2,729,785	$ 1,577,785

(Concluded)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND			
RECEIPTS			
Taxes	$ 125	$ 125	$ -
Intergovernmental	1,437,141	1,543,986	106,845
Charges for Services	59,750	58,251	(1,499)
Miscellaneous	92,300	345,944	253,644
TOTAL RECEIPTS	1,589,316	1,948,306	358,990
DISBURSEMENTS	4,320,600	2,424,664	1,895,936
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,731,284)	(476,358)	2,254,926
OTHER FINANCING SOURCES (USES)			
Transfers in	2,472,240	1,972,240	(500,000)
Transfers out	-	(400,116)	(400,116)
TOTAL OTHER FINANCING SOURCES (USES)	2,472,240	1,572,124	(900,116)
Net Change in Fund Balance	(259,044)	1,095,766	1,354,810
FUND BALANCE - BEGINNING	259,044	259,044	-
FUND BALANCE - ENDING	$ -	$ 1,354,810	$ 1,354,810
INHERITANCE FUND			
RECEIPTS			
Taxes	$ 250,000	$ 475,335	$ 225,335
TOTAL RECEIPTS	250,000	475,335	225,335
DISBURSEMENTS	3,359,746	61,656	3,298,090
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,109,746)	413,679	3,523,425
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(500,000)	(500,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(500,000)	-
Net Change in Fund Balance	(3,609,746)	(86,321)	3,523,425
FUND BALANCE - BEGINNING	3,609,746	3,609,746	-
FUND BALANCE - ENDING	$ -	$ 3,523,425	$ 3,523,425

(Continued)

DIXON COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

MAJOR FUNDS

For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY HEALTH INSURANCE FUND			
RECEIPTS			
Miscellaneous	$ -	$ 474,945	$ 474,945
TOTAL RECEIPTS	-	474,945	474,945
DISBURSEMENTS	4,103,158	1,358,663	2,744,495
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,103,158)	(883,718)	3,219,440
OTHER FINANCING SOURCES (USES)			
Transfers in	1,457,307	1,457,943	636
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,457,307	1,457,943	636
Net Change in Fund Balance	(2,645,851)	574,225	3,220,076
FUND BALANCE - BEGINNING	2,845,851	3,145,851	300,000
FUND BALANCE - ENDING	$ 200,000	$ 3,720,076	$ 3,520,076

(Concluded)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK PROGRAM FUND			
Receipts	$ 238,430	$ 238,430	$ -
Disbursements	(748,037)	(101,350)	646,687
Net Change in Fund Balance	(509,607)	137,080	646,687
Fund Balance - Beginning	509,607	509,607	-
Fund Balance - Ending	$ -	$ 646,687	$ 646,687
JUVENILE DIVERSION GRANT FUND			
Receipts	$ -	$ -	$ -
Disbursements	(6,336)	-	6,336
Net Change in Fund Balance	(6,336)	-	6,336
Fund Balance - Beginning	6,336	6,336	-
Fund Balance - Ending	$ -	$ 6,336	$ 6,336
SPECIAL ROAD FUND			
Receipts	$ -	$ -	$ -
Disbursements	(600,000)	-	600,000
Transfers in	-	400,000	400,000
Transfers out	-	-	-
Net Change in Fund Balance	(600,000)	400,000	1,000,000
Fund Balance - Beginning	600,000	600,000	-
Fund Balance - Ending	$ -	$ 1,000,000	$ 1,000,000
CHILD SUPPORT INCENTIVE FUND			
Receipts	$ 1,700	$ 2,558	$ 858
Disbursements	(10,385)	(8,902)	1,483
Net Change in Fund Balance	(8,685)	(6,344)	2,341
Fund Balance - Beginning	8,685	8,685	-
Fund Balance - Ending	$ -	$ 2,341	$ 2,341
VISITORS PROMOTION FUND			
Receipts	$ 29,000	$ 29,702	$ 702
Disbursements	(71,619)	(30,728)	40,891
Net Change in Fund Balance	(42,619)	(1,026)	41,593
Fund Balance - Beginning	42,619	42,619	-
Fund Balance - Ending	$ -	$ 41,593	$ 41,593

(Continued)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS IMPROVEMENT FUND			
Receipts	$ 29,000	$ 29,702	$ 702
Disbursements	(174,158)	(26,723)	147,435
Net Change in Fund Balance	(145,158)	2,979	148,137
Fund Balance - Beginning	145,158	145,158	-
Fund Balance - Ending	$ -	$ 148,137	$ 148,137
REAPPRAISAL FUND			
Receipts	$ -	$ -	$ -
Disbursements	(14,577)	(14,000)	577
Transfers in	-	4,380	4,380
Transfers out	-	-	-
Net Change in Fund Balance	(14,577)	(9,620)	4,957
Fund Balance - Beginning	14,577	14,577	-
Fund Balance - Ending	$ -	$ 4,957	$ 4,957
PRESERVATION AND MODERNIZATION FUND			
Receipts	$ 4,000	$ 4,098	$ 98
Disbursements	(15,126)	(1,632)	13,494
Net Change in Fund Balance	(11,126)	2,466	13,592
Fund Balance - Beginning	11,126	11,126	-
Fund Balance - Ending	$ -	$ 13,592	$ 13,592
VETERANS' AID FUND			
Receipts	$ -	$ 105	$ 105
Disbursements	(5,166)	-	5,166
Net Change in Fund Balance	(5,166)	105	5,271
Fund Balance - Beginning	5,166	5,166	-
Fund Balance - Ending	$ -	$ 5,271	$ 5,271
OPIOID RECOVERY FUND			
Receipts	$ 11,436	$ 4,027	$ (7,409)
Disbursements	(30,921)	(11,005)	19,916
Transfers in	19,485	19,485	-
Transfers out	-	-	-
Net Change in Fund Balance	-	12,507	12,507
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ 12,507	$ 12,507

(Continued)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG LAW ENFORCEMENT FUND			
Receipts	$ -	$ -	$ -
Disbursements	(1,500)	-	1,500
Net Change in Fund Balance	(1,500)	-	1,500
Fund Balance - Beginning	1,500	1,500	-
Fund Balance - Ending	$ -	$ 1,500	$ 1,500
INTOXILIZER FUND			
Receipts	$ 500	$ -	$ (500)
Disbursements	(4,781)	(373)	4,408
Net Change in Fund Balance	(4,281)	(373)	3,908
Fund Balance - Beginning	4,281	4,281	-
Fund Balance - Ending	$ -	$ 3,908	$ 3,908
CANINE FUND			
Receipts	$ 19,000	$ 22,671	$ 3,671
Disbursements	(55,410)	(13,929)	41,481
Transfers in	-	-	-
Transfers out	(19,485)	(19,485)	-
Net Change in Fund Balance	(55,895)	(10,743)	45,152
Fund Balance - Beginning	55,895	55,895	-
Fund Balance - Ending	$ -	$ 45,152	$ 45,152
FEDERAL GRANT FUND			
Receipts	$ 75,000	$ -	$ (75,000)
Disbursements	(75,000)	-	75,000
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -
ATTORNEY FEDERAL GRANT FUND			
Receipts	$ -	$ -	$ -
Disbursements	(3,648)	-	3,648
Net Change in Fund Balance	(3,648)	-	3,648
Fund Balance - Beginning	3,648	3,648	-
Fund Balance - Ending	$ -	$ 3,648	$ 3,648

(Continued)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL GRANT HOMELAND SECURITY FUND			
Receipts	$ 100,000	$ -	$ (100,000)
Disbursements	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -
LOCAL ASSIST. & TRIBAL CONSISTENCY FUND			
Receipts	$ -	$ -	$ -
Disbursements	(69,375)	-	69,375
Net Change in Fund Balance	(69,375)	-	69,375
Fund Balance - Beginning	69,375	69,375	-
Fund Balance - Ending	$ -	$ 69,375	$ 69,375
EMERGENCY SERVICES FUND			
Receipts	$ 16,000	$ 18,175	$ 2,175
Disbursements	(281,963)	(257,238)	24,725
Transfers in	169,656	169,656	-
Transfers out	(29,330)	(29,342)	(12)
Net Change in Fund Balance	(125,637)	(98,749)	26,888
Fund Balance - Beginning	125,637	125,637	-
Fund Balance - Ending	$ -	$ 26,888	$ 26,888
E911 WIRELESS SERVICE FUND			
Receipts	$ 51,040	$ 51,040	$ -
Disbursements	(66,723)	(47,192)	19,531
Net Change in Fund Balance	(15,683)	3,848	19,531
Fund Balance - Beginning	15,683	15,683	-
Fund Balance - Ending	$ -	$ 19,531	$ 19,531
E911 WIRELESS SERVICE HOLDING FUND			
Receipts	$ -	$ -	$ -
Disbursements	(88,008)	(999)	87,009
Net Change in Fund Balance	(88,008)	(999)	87,009
Fund Balance - Beginning	88,008	88,008	-
Fund Balance - Ending	$ -	$ 87,009	$ 87,009

(Continued)

DIXON COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMISSARY FUND			
Receipts	$ -	$ 88	$ 88
Disbursements	(11,026)	(2,915)	8,111
Net Change in Fund Balance	(11,026)	(2,827)	8,199
Fund Balance - Beginning	11,026	11,026	-
Fund Balance - Ending	$ -	$ 8,199	$ 8,199
NOXIOUS WEED FUND			
Receipts	$ 37,000	$ 59,697	$ 22,697
Disbursements	(198,540)	(118,334)	80,206
Transfers in	71,441	71,441	-
Transfers out	-	(12)	(12)
Net Change in Fund Balance	(90,099)	12,792	102,891
Fund Balance - Beginning	90,099	90,099	-
Fund Balance - Ending	$ -	$ 102,891	$ 102,891

(Concluded)

DIXON COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Highway Bridge Buyback Program Fund	Juvenile Diversion Grant Fund	Special Road Fund	Child Support Incentive Fund	Visitors Promotion Fund
RECEIPTS					
Taxes:					
Lodging	$ -	$ -	$ -	$ -	$ 29,702
E911 Payments	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	238,430	-	-	2,555	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	3	-
TOTAL RECEIPTS	238,430	-	-	2,558	29,702
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	8,902	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	30,728
Debt Service:					
Principal Payments	100,200	-	-	-	-
Interest and Fiscal Charges	1,150	-	-	-	-
TOTAL DISBURSEMENTS	101,350	-	-	8,902	30,728
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	137,080	-	-	(6,344)	(1,026)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	400,000	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	400,000	-	-
Net Change in Fund Balances	137,080	-	400,000	(6,344)	(1,026)
FUND BALANCES - BEGINNING	509,607	6,336	600,000	8,685	42,619
FUND BALANCES - ENDING	$ 646,687	$ 6,336	$ 1,000,000	$ 2,341	$ 41,593
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	41,593
911 Emergency Services	-	-	-	-	-
Drug Education/Enforcement	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road and Bridge Maintenance	646,687	-	-	-	-
Child Support Services	-	-	-	2,341	-
Miscellaneous Projects	-	-	-	-	-
Committed to:					
Law Enforcement	-	6,336	-	-	-
Aid and Assistance	-	-	-	-	-
Property Reappraisal	-	-	-	-	-
Weed Control	-	-	-	-	-
Road Projects	-	-	1,000,000	-	-
TOTAL FUND BALANCES	$ 646,687	$ 6,336	$ 1,000,000	$ 2,341	$ 41,593

(Continued)

DIXON COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Visitors Improvement Fund	Reappraisal Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Opioid Recovery Fund	Drug Law Enforcement Fund
RECEIPTS						
Taxes:						
Lodging	$ 29,702	$ -	$ -	$ -	$ -	$ -
E911 Payments	-	-	-	-	-	-
Investment Income	-	-	-	105	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	4,098	-	-	-
Miscellaneous	-	-	-	-	4,027	-
TOTAL RECEIPTS	29,702	-	4,098	105	4,027	-
DISBURSEMENTS						
General Government	-	14,000	1,632	-	-	-
Public Safety	-	-	-	-	11,005	-
Public Works	-	-	-	-	-	-
Culture and Recreation	26,723	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	26,723	14,000	1,632	-	11,005	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,979	(14,000)	2,466	105	(6,978)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	4,380	-	-	19,485	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	4,380	-	-	19,485	-
Net Change in Fund Balances	2,979	(9,620)	2,466	105	12,507	-
FUND BALANCES - BEGINNING	145,158	14,577	11,126	5,166	-	1,500
FUND BALANCES - ENDING	$ 148,137	$ 4,957	$ 13,592	$ 5,271	$ 12,507	$ 1,500
FUND BALANCES:						
Restricted for:						
Visitor Promotion	148,137	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education/Enforcement	-	-	-	-	12,507	1,500
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	13,592	-	-	-
Road and Bridge Maintenance	-	-	-	-	-	-
Child Support Services	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	-	5,271	-	-
Property Reappraisal	-	4,957	-	-	-	-
Weed Control	-	-	-	-	-	-
Road Projects	-	-	-	-	-	-
TOTAL FUND BALANCES	$ 148,137	$ 4,957	$ 13,592	$ 5,271	$ 12,507	$ 1,500

(Continued)

DIXON COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Intoxilizer Fund	Canine Fund	Attorney Federal Grant Fund	Local Assist. & Tribal Consistency Fund	Emergency Services Fund
RECEIPTS					
Taxes:					
Lodging	$ -	$ -	$ -	$ -	$ -
E911 Payments	-	-	-	-	14,483
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	22,671	-	-	3,692
TOTAL RECEIPTS	-	22,671	-	-	18,175
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	373	13,929	-	-	257,238
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	373	13,929	-	-	257,238
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(373)	8,742	-	-	(239,063)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	169,656
Transfers out	-	(19,485)	-	-	(29,342)
TOTAL OTHER FINANCING SOURCES (USES)	-	(19,485)	-	-	140,314
Net Change in Fund Balances	(373)	(10,743)	-	-	(98,749)
FUND BALANCES - BEGINNING	4,281	55,895	3,648	69,375	125,637
FUND BALANCES - ENDING	$ 3,908	$ 45,152	$ 3,648	$ 69,375	$ 26,888
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	26,888
Drug Education/Enforcement	-	-	-	-	-
Law Enforcement	-	45,152	3,648	-	-
Preservation of Records	-		-	-	-
Road and Bridge Maintenance	-	-	-	-	-
Child Support Services	-	-	-	-	-
Miscellaneous Projects	-	-	-	69,375	-
Committed to:					
Law Enforcement	3,908	-	-	-	-
Aid and Assistance	-	-	-	-	-
Property Reappraisal	-	-	-	-	-
Weed Control	-	-	-	-	-
Road Projects	-	-	-	-	-
TOTAL FUND BALANCES	$ 3,908	$ 45,152	$ 3,648	$ 69,375	$ 26,888

(Continued)

DIXON COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	E911 Wireless Service Fund	E911 Wireless Service Holding Fund	Commissary Fund	Noxious Weed Fund	Total Nonmajor Funds
RECEIPTS					
Taxes:					
Lodging	$ -	$ -	$ -	$ -	$ 59,404
E911 Payments	51,040	-	-	-	65,523
Investment Income	-	-	-	-	105
Intergovernmental	-	-	-	-	240,985
Charges for Services	-	-	88	59,697	63,883
Miscellaneous	-	-	-	-	30,393
TOTAL RECEIPTS	51,040	-	88	59,697	460,293
DISBURSEMENTS					
General Government	-	-	-	-	15,632
Public Safety	47,192	999	2,915	-	342,553
Public Works	-	-	-	118,334	118,334
Culture and Recreation	-	-	-	-	57,451
Debt Service:					
Principal Payments	-	-	-	-	100,200
Interest and Fiscal Charges	-	-	-	-	1,150
TOTAL DISBURSEMENTS	47,192	999	2,915	118,334	635,320
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	3,848	(999)	(2,827)	(58,637)	(175,027)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	71,441	664,962
Transfers out	-	-	-	(12)	(48,839)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	71,429	616,123
Net Change in Fund Balances	3,848	(999)	(2,827)	12,792	441,096
FUND BALANCES - BEGINNING	15,683	88,008	11,026	90,099	1,808,426
FUND BALANCES - ENDING	$ 19,531	$ 87,009	$ 8,199	$ 102,891	$ 2,249,522
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	189,730
911 Emergency Services	19,531	87,009	-	-	133,428
Drug Education/Enforcement	-	-	-	-	14,007
Law Enforcement	-	-	-	-	48,800
Preservation of Records	-	-	-	-	13,592
Road and Bridge Maintenance	-	-	-	-	646,687
Child Support Services	-	-	-	-	2,341
Miscellaneous Projects	-	-	-	-	69,375
Committed to:					
Law Enforcement	-	-	8,199	-	18,443
Aid and Assistance	-	-	-	-	5,271
Property Reappraisal	-	-	-	-	4,957
Weed Control	-	-	-	102,891	102,891
Road Projects	-	-	-	-	1,000,000
TOTAL FUND BALANCES	$ 19,531	$ 87,009	$ 8,199	$ 102,891	$ 2,249,522

(Concluded)

DIXON COUNTY

SCHEDULE OF OFFICE ACTIVITIES

For the Year Ended June 30, 2026

	County Clerk	Clerk of the District Court	County Sheriff	Weed Superintendent	Veterans' Service Officer	County Health Insurance Account	Total
BALANCES - BEGINNING OF YEAR	$ 5,956	$ 15,365	$ 5,249	$ -	$ 2,273	$ 300,000	$ 328,843
RECEIPTS							
Charges for Services	58,032	6,312	522,281	59,697	-	-	646,322
Miscellaneous	-	-	21,778	-	1,096	1,420,038	1,442,912
State Fees	94,609	5,391	-	-	-	-	100,000
Other Liabilities	-	9,447	1,675	-	-	-	11,122
TOTAL RECEIPTS	152,641	21,150	545,734	59,697	1,096	1,420,038	2,200,356
DISBURSEMENTS							
Payments to County Treasurer	52,959	4,202	544,450	59,697	-	-	661,308
Payments to State Treasurer	81,342	4,652	-	-	-	-	85,994
Petty Cash & Other Payments	-	-	96	-	1,869	1,420,038	1,422,003
Other Liabilities	-	21,144	1,745	-	-	-	22,889
TOTAL DISBURSEMENTS	134,301	29,998	546,291	59,697	1,869	1,420,038	2,192,194
BALANCES - END OF YEAR	$ 24,296	$ 6,517	$ 4,692	$ -	$ 1,500	$ 300,000	$ 337,005
BALANCES CONSIST OF:							
Due to County Treasurer	$ 8,220	$ 2,568	$ 2,492	$ -	$ -	$ -	$ 13,280
Petty Cash	-	-	2,200	-	1,500	300,000	303,700
Due to State Treasurer	16,076	1,548	-	-	-	-	17,624
Due to Others	-	2,401	-	-	-	-	2,401
BALANCES - END OF YEAR	$ 24,296	$ 6,517	$ 4,692	$ -	$ 1,500	$ 300,000	$ 337,005

DIXON COUNTY

SCHEDULE OF TAXES CERTIFIED AND COLLECTED

FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY

June 30, 2026

Item	2021	2022	2023	2024	2025
Tax Certified by Assessor					
Real Estate	$ 17,327,573	$ 17,978,306	$ 18,876,813	$ 16,105,813	$ 16,227,236
Personal and Specials	929,585	1,085,192	1,122,068	1,185,954	1,214,078
Total	18,257,158	19,063,498	19,998,881	17,291,767	17,441,314
Corrections					
Additions	182	15,832	1,448	4,590	162
Deductions	(2,384)	(7,593)	(371)	(58,593)	(200)
Net Additions/ (Deductions)	(2,202)	8,239	1,077	(54,003)	(38)
Corrected Certified Tax	18,254,956	19,071,737	19,999,958	17,237,764	17,441,276
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2022	12,638,737	-	-	-	-
June 30, 2023	5,611,684	13,601,141	-	-	-
June 30, 2024	3,507	5,454,155	14,046,166	-	-
June 30, 2025	391	7,347	5,947,242	11,977,944	-
June 30, 2026	-	8,929	6,417	5,254,422	12,210,278
Total Net Collections	18,254,319	19,071,572	19,999,825	17,232,366	12,210,278
Total Uncollected Tax	$ 637	$ 165	$ 133	$ 5,398	$ 5,230,998
Percentage Uncollected Tax	0.00%	0.00%	0.00%	0.03%	29.99%

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

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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DIXON COUNTY

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

Board of Supervisors
Dixon 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 Dixon County, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 9, 2026. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Dixon 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 a certain matter that we reported to the management of Dixon County in a separate letter dated October 9, 2026.

Dixon County's Response to Findings
Dixon 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.

Rachel Wittler

October 9, 2026

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 9, 2026

Board of Supervisors
Dixon County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Dixon County (County) for the fiscal year ended June 30, 2026, and have issued our report thereon dated October 9, 2026. 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 OVERALL

Balancing Procedures

We noted the following issues with the County's balancing procedures during the fiscal year:

- A monthly asset-to-liability reconciliation was not performed for the County Sheriff's General Fund account, resulting in an unknown long of $98 on June 30, 2026. The County Sheriff's office could not identify the proper recipients(s) of the balance.

Assets		
Reconciled Bank Balance	$	3,888
Cash on Hand		50
Accounts Receivable		352
Total Assets	**$**	**4,290**
Liabilities		
Due to County Treasurer	$	1,992
Petty Cash		2,200
Total Liabilities	**$**	**4,192**
Unknown Long	**$**	**98**

- A check was written from the County Sheriff's General Fund account, dated December 4, 2024, totaling $36, which was subsequently voided; however, the County Sheriff's office failed to adjust the check register balance for the voided check. As a result, the book balance as of June 30, 2026, for the County Sheriff's General Fund account was understated by $36.

- A monthly asset-to-liability reconciliation was not performed for the County Clerk's Fee account, resulting in an unknown long of $10 on June 30, 2026. The County Clerk's office could not identify the proper recipients(s) of the balance.

Assets		
Reconciled Bank Balance	$	23,390
Cash on Hand		844
Accounts Receivable		47
Total Assets	**$**	**24,281**
Liabilities		
Due to County Treasurer	$	8,219
Due to the State		16,052
Total Liabilities	**$**	**24,271**
Unknown Long	**$**	**10**

- The Veterans' Service Officer did not reconcile the office's petty cash fund to the amount authorized by the County Board, totaling $1,500. As of June 30, 2026, the petty cash fund balance totaled $404.

- The Veterans' Service Officer did not submit a claim to the County Clerk to replenish the petty cash fund within 90 days for two disbursements paid during fiscal year 2026, totaling $1,869, as required by State statute. As of June 30, 2026, these claims had not been submitted to the County Board for reimbursement.

Check #	Check Date	Filing Deadline	Amount
1048	9/26/2025	12/25/2025	$ 911
1050	4/22/2026	7/21/2026	958
		Total	**$ 1,869**

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

> *(1) The county board shall manage the county funds and county business except as otherwise specifically provided.*
>
> *(2) The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) provides 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[.]*

A proper system of internal control requires procedures to ensure the following: 1) office assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand and accounts payable) on, at least, a monthly basis, and all variances noted are investigated and corrected in a timely manner; 2) petty cash funds are reconciled to the County Board authorized amount; and 3) all claims against the County are filed within 90 days, as required by State statute.

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

> We recommend the County implement procedures to ensure the following: 1) office assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand and accounts payable), and all variances noted are investigated and corrected in a timely manner; 2) petty cash funds are reconciled to the County Board authorized amount; and 3) all claims against the County are filed within 90 days, as required by State statute.

County Sheriff Response: For the first bullet point, the Sheriff's Office has not previously performed a monthly asset-to-liability reconciliation and is not familiar with this process. During the audit, we were provided with a suggested form "Appendix 6" that could potentially be used moving forward. For the second bullet point, the Sheriff's Office, was in a period of transition as job responsibilities were being reassigned. During this transition, the $36 check was properly voided; however, the subsequent step of removing the check from the check register was not completed, and the check remained outstanding in the register, although the account itself continued to balance. This issue has since been identified and corrected, and the $36 check has been properly accounted for.

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,

Rachel Wittler

Rachel Wittler, CPA, CFE
Audit Manager