

**ATTESTATION REPORT
OF THE
MORRILL COUNTY ASSESSOR**

JULY 1, 2023, THROUGH OCTOBER 31, 2025

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on March 9, 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 Examination

Dakota Christensen, CPA, CFE, CISA – Audit Manager

Derek Baumfalk – Auditor-In-Charge

Kevin Wulf – Auditor

Andrew Schmitz – Audit Intern

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

MORRILL COUNTY ASSESSOR

TABLE OF CONTENTS

	<u>Page</u>
Background Information Section	
Background	1
Key Officials and County Contact Information	2
Comments Section	
Summary of Comments	3 - 4
Comments and Recommendations	5 - 25
Financial Section	
Independent Accountant's Report	26 - 27
Schedule of Taxes Certified for All Political Subdivisions in the County	28
Schedule of County Assessor Disbursements	29
Notes to the Schedules	30 - 31

MORRILL COUNTY ASSESSOR

BACKGROUND

Morrill County (County) is a political subdivision established under and governed by the laws of the State of Nebraska. The County Board of Commissioners (Board) is the governmental body responsible for exercising financial accountability and control over activities relevant to the operations of the County. Board members are elected by the public and have broad decision-making authority, including the power to levy taxes, the ability to exert significant influence over all County operations, and the primary responsibility for related fiscal matters.

The County Assessor is elected by the public and is responsible for supervising and directing the assessment of all property within the County. The County Assessor is required to maintain an active county assessor certificate, as issued by the Nebraska Property Tax Administrator, pursuant to Neb. Rev. Stat. § 23-3202 (Reissue 2022) and Neb. Rev. Stat. § 77-422 (Reissue 2018).

On November 8, 2022, Rose Nelson was reelected as the County Assessor. On July 10, 2025, a recall petition was created and, on August 13, 2025, was returned to the County Clerk's office for verification of signatures. On August 26, 2025, the petition was approved by the County Board, and the date of the recall election was set for November 4, 2025. At this election, the recall was approved by the voters and Ms. Nelson was removed as the Morrill County Assessor. Per the County Clerk on December 3, 2025, the total cost to the County for this recall election was about \$8,495.

Following the recall election, the County Board requested a formal review of the County Assessor's office from the Auditor of Public Accounts (APA), citing multiple concerns, including allegations that Ms. Nelson may have used County resources to benefit her campaign against the recall effort.

Our office also received a concern that Ms. Nelson and her Deputy County Assessor may have improperly changed property records related to a personal land dispute between Ms. Nelson's LLC and a neighbor. On January 18, 2022, a land dispute complaint was filed in the District Court of Morrill County by this neighbor (plaintiff). A trial for this case was held on October 4, 2023, and, on March 11, 2024, the court ruled in favor of the plaintiff.

After the conclusion of this case, it was alleged that the Deputy County Assessor, possibly under the direction of Ms. Nelson, made a change to the County Assessor's mapping system to show the disputed land as being owned by Ms. Nelson's LLC personal business. During their meeting on November 10, 2025, the County Board questioned the Deputy County Assessor regarding this change to the mapping system. The Deputy County Assessor stated that the County Assessor's Office had received a survey, which prompted the change to the mapping system, and this change did not affect the valuations of either property. Following this discussion, the Deputy County Assessor was placed on paid leave of absence pending investigation and was later terminated on February 2, 2026.

The complaints noted above have also been sent to other applicable State agencies for further investigation.

On November 10, 2025, the County Board assumed management of the County Assessor's office, with assistance from the Property Assessment Division of the Nebraska Department of Revenue (Division). On November 21, 2025, the County Board formally approved a contract with the Division for reimbursement of expenses, and as documented in the Board approved Resolution No. 2025-40, the County Board appointed Allison Rauch as the Interim County Assessor through January 13, 2026. On January 13, 2026, this contract with the Division was extended through January 30, 2026. On January 27, 2026, the County Board appointed John Erickson as the County Assessor, effective February 1, 2026.

On February 9, 2026, Ms. Nelson was arrested on one count of perjury in relation to her personal land dispute civil trial. As of the date of this attestation report, this court case is currently ongoing.

Additionally, on September 9, 2025, the County Clerk, Kathy Brandt, submitted her resignation to the County Board, effective December 31, 2025. On October 14, 2025, the County Board appointed Candace Panas as County Clerk, effective January 1, 2026.

MORRILL COUNTY ASSESSOR

KEY OFFICIALS AND COUNTY CONTACT INFORMATION

**Morrill County Key Officials and Board Contact Information
As of October 31, 2025**

<u>Name</u>	<u>Title</u>	<u>Term Ending</u>
Rose Nelson	County Assessor	Recalled on November 4, 2025
Jeff Metz	County Board Chairperson	January 2027
Susanna Batterman	County Commissioner	January 2027
Joshua Schmidt	County Commissioner	January 2029
Kathy Brandt	County Clerk	Retired on December 31, 2025

Morrill County
606 L Street
Bridgeport, NE 69336
www.morrillcountyne.gov

MORRILL COUNTY ASSESSOR

SUMMARY OF COMMENTS

During our examination of the Morrill County (County) Assessor, we noted certain deficiencies and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards*: Comment #3 (“Segregation of Duties – Control Environment”), which is considered to be a significant deficiency.

By using qualifying words – such as “alleged,” “allegedly,” “apparent,” or “apparently” – in comments to describe certain incidents or activities, the Auditor of Public Accounts seeks to avoid the possibility that a report comment might be mistaken as containing an imputation of criminality. However, utilization of such modifying terms is not meant to indicate a lack of supporting documentation for the report comment or any insufficiency or other shortcoming relating thereto.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Apparent Personal Use of County Resources:*** The former Morrill County Assessor (Rose Nelson), during her tenure as the County Assessor, appears to have made personal use of County resources, including a County-owned computer, leased printer/copier, and County email address, for her recall election campaign to remain the County Assessor.
2. ***Tax List Correction Errors:*** In August 2025, the former County Assessor (Ms. Nelson) completed two tax list corrections that included valuation errors, resulting in the property owners being overtaxed by a total of \$171.
3. ***Segregation of Duties – Control Environment:*** The County Assessor’s office lacked an adequate segregation of duties, as one individual could handle all aspects of processing a record or transaction from beginning to end without a secondary review by an independent person. Other control environment issues were noted over payroll and claims.
4. ***Possibly Excessive Mileage Reimbursements:*** In May 2024, the former County Assessor (Ms. Nelson) received an improper mileage reimbursement of \$54 for travel to a meeting held in Bridgeport, Nebraska. Additionally, she appears to have overstated mileage traveled for 10 additional claims, resulting in an apparent overpayment totaling \$170.
5. ***Payroll Issues:*** Several issues were noted with payroll in the County Assessor’s office during the attestation period, including the following: retroactive pay raises, totaling \$2,582; incorrect calculation of overtime hours; unclear policies regarding unpaid lunch breaks; and inadequate payroll records.
6. ***Vacation and Sick Leave Issues:*** The County Assessor failed to follow County policies regarding the accrual and usage of leave balances, resulting in several errors noted. Due to the balance issues noted, one employee appears to have been underpaid \$485 for her leave payout when she retired in December 2024.
7. ***Lack of Adequate Supporting Documentation:*** Several claims submitted by the County Assessor’s office did not include adequate documentation to support that the amount paid was accurate and necessary for the County. The total amount tested was \$19,015.
8. ***Lack of Formal Policies:*** The County Assessor and County Board lacked formal, written policies for governing purchasing cards, staff uniforms, and inventory.
9. ***Duplicate Payment:*** In November 2023, the County Assessor’s office paid \$107 for a hotel room with a County credit card. A duplicate \$107 charge on the credit card occurred a few days later. Additionally, another duplicate \$107 payment was made by check for the same hotel stay in December 2023. The County received only one refund for both overpayments, leaving the other duplicate \$107 payment unaddressed.

MORRILL COUNTY ASSESSOR

SUMMARY OF COMMENTS

(Concluded)

- 10. *Possible Unnecessary Use of County Resources:*** In January 2024, an employee of the County Assessor's office was reimbursed \$194 for mileage to deliver hardcopy records to a vendor, when the County could have potentially provided records electronically via email, secure file transfer, or other electronic means.
- 11. *Lack of Controls Over County Fuel Pump:*** The County lacked procedures to ensure that usage of its fuel pump was adequately accounted for, tracked, and billed.
- 12. *Other Items Noted:*** Issues were noted with other County offices, including improper use of County credit cards, as well as inadequate documentation for such use, a lack of procedures by the County Sheriff for reviewing fuel usage, and a lack of procedures for tracking rebates earned on Menards purchases.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observation of any strengths of the County Assessor.

Draft copies of this report were furnished to the County Board of Commissioners and the County Assessor to provide them with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized as appropriate in 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 examination.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

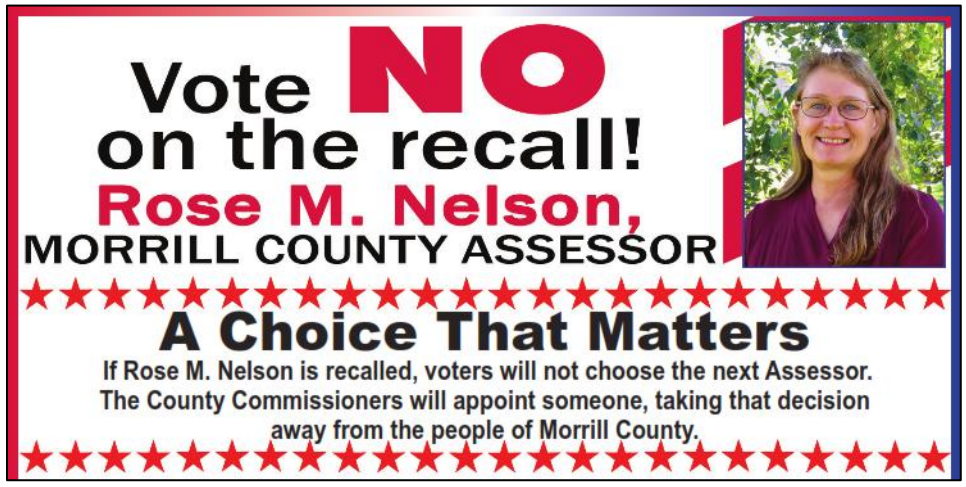
1. Apparent Personal Use of County Resources

The Auditor of Public Accounts (APA) received allegations that the former Morrill County Assessor (Rose Nelson), during her tenure as the County Assessor, was using County resources for her recall campaign to remain the County Assessor. As a result, the APA began looking into these concerns to see if they could be substantiated. Based on our review, we noted apparent personal use of county resources, including computer, email, and copies, as described below.

As noted in the Background Section of this attestation report, a recall petition was created and started on July 10, 2025. On August 13, 2025, the recall petition was returned to the County Clerk’s office for verification of signatures. On August 26, 2025, the Morrill County Board approved the petition and set the recall election on November 4, 2025, and the voters of Morrill County voted to recall Ms. Nelson as the County Assessor at that election.

From the County’s information technology contractor, the APA was provided, on November 18, 2025, with the following: 1) a copy of backup files on the County-owned computer used by Ms. Nelson; 2) a backup of Ms. Nelson’s County email account; 3) a backup of Ms. Nelson’s Deputy County Assessor’s email account; and 4) a log showing the files sent to the printer in the County Assessor’s office between October 7, 2025, and October 27, 2025.

While reviewing the files saved to Ms. Nelson’s County-owned computer, we noted 45 different files that appear to be related to the recall election. Such files include draft letters to the editor of the local newspaper, campaign flyers and advertisements, and invoices for printing costs associated with the campaign. It is important to note that, while such invoices were saved to Ms. Nelson’s County-owned computer, County funds do not appear to have been used to pay for any of these costs. As an example, the following is an excerpt from a file located in the “Downloads” folder on Ms. Nelson’s County-owned computer:



In addition to the 45 files that appear to be related to the recall election, we noted over 100 files, dating back to 2014, that appear unrelated to the recall effort but still personal in nature.

Further, we noted that, between October 7, 2025, and October 27, 2025, seven files that appear to be related to the recall election were sent to the printer in the County Assessor’s office, with a total of 12 pages printed. As an example, one copy of the file shown above was printed on October 27, 2025.

Finally, while reviewing the County email accounts for Ms. Nelson and the Deputy County Assessor, we noted several emails that appear related to the recall election. Of particular note, we observed emails between Ms. Nelson and other Nebraska county assessors regarding the recall election. Specifically, the Banner County Assessor helped Ms. Nelson determine the wording to be included on the recall petition, and the Kimball County Assessor helped Ms. Nelson create, proofread, and revise a campaign flyer.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Apparent Personal Use of County Resources** (Concluded)

During a phone call with Ms. Nelson on February 4, 2026, she admitted to limited use of her County-owned computer and County email address while fighting the recall election. Additionally, she stated that neither County printers nor copiers were used for large-scale production of anti-recall documents.

The Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024, Supp. 2025), places strict parameters upon the use of public resources by public officials and employees.

Specifically, Neb. Rev. Stat. § 49-14,101.01 (Reissue 2021) provides the following, in relevant part:

(2) A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

* * * *

(7) Except as provided in section 23-3113, any person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.

(Emphasis added.) Further, Neb. Rev. Stat. § 49-14,101.02 (Reissue 2021) provides the following, in relevant part:

(1) For purposes of this section, public resources means personnel, property, resources, or funds under the official care and control of a public official or public employee.

(2) Except as otherwise provided in this section, a public official or public employee shall not use or authorize the use of public resources for the purpose of campaigning for or against the nomination or election of a candidate or the qualification, passage, or defeat of a ballot question.

(Emphasis added.) Thus, the misuse of municipal equipment, personnel, and resources for personal gain or campaign purposes is strictly prohibited under State law.

The County's "Employee Handbook" (effective April 28, 2020) includes a policy for "Use of County Equipment and Services," which states the following, in relevant part:

The County provides email, voice mail, Internet access, telephone service, and computer equipment for use in conducting County business. All such equipment and systems are County property and should be used primarily for business purposes. They may be used for appropriate personal reasons on an occasional basis only during non-working time and as long as such use does not result in added expense to the County, unless otherwise permitted under this policy.

Good internal controls require procedures to ensure that County resources are used for formal governmental – as opposed to impermissible personal – purposes.

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

We recommend the County implement procedures to ensure that County resources are used for formal governmental – as opposed to impermissible personal – purposes. Finally, because this comment addresses possible violation of the Act, we are forwarding the information herein to the Nebraska Accountability and Disclosure Commission, Nebraska State Patrol, and Morrill County Attorney for further review.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Tax List Correction Errors

Each year, property owners have the option to protest the valuation of their property to the County Board of Equalization. During the period tested, the County Board of Equalization heard protests and subsequently reduced the valuation of several parcels that were originally set by the County Assessor. The County Assessor believed the new valuations were too low and appealed the decisions to the Nebraska Tax Equalization and Review Commission (TERC). TERC is a constitutional State agency that hears property valuation appeals and issues a final order on the valuation of property. TERC will release a decision on the final valuation for each parcel that is appealed, and the County is required to make a tax list correction to agree to the final valuation unless the decision is appealed to the Nebraska Court of Appeals within 30 days of the TERC order date.

During testing, we noted two tax list corrections for tax year 2023 made by the County Assessor on August 10, 2025, where the corrected valuation exceeded the valuation set by the final TERC order. These variances resulted in the County overtaxing these parcels by a total of \$171. The following table details the variances in the 2023 valuations and the total tax due for each of these parcels:

Parcel	Corrected Valuation	TERC Valuation	Variance	Tax Levy	Amount Overtaxed
200057157	\$ 412,975	\$ 405,120	\$ 7,855	1.566518	\$ 123
200071090	345,340	342,340	3,000	1.610985	48
Total Amount Overtaxed					\$ 171

On December 8, 2025, the Interim County Assessor informed us that she was unable to explain why the valuations on these tax list corrections, created by the former County Assessor (Ms. Nelson), did not agree to the final TERC order.

Neb. Rev. Stat. § 77-5018(1) (Cum. Supp. 2024) states the following, in relevant part:

Any decision rendered by the commission shall be certified to the county treasurer and to the officer charged with the duty of preparing the tax list, and if and when such decision becomes final, such officers shall correct their records accordingly and the tax list pursuant to section 77-1613.02.

Neb. Rev. Stat. § 77-1613.02 (Cum. Supp. 2024) states the following, in relevant part:

The county assessor or county clerk shall correct the assessment and tax rolls after action of the county board of equalization or final order of an applicable administrative body or court. . . . The county treasurer shall thereupon correct the tax roll to conform to the correction copy and all changes shall be made in red ink, drawing a line through the original or erroneous figures, but not erasing the same. No county assessor shall reduce or increase the valuation of any property, real or personal, without the approval of the county board of equalization or an applicable administrative body or court, as provided for in this section. Any county assessor who shall willfully reduce or increase the valuation of any property, without the approval of the county board of equalization or an applicable administrative body or court, as provided in this section, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not less than twenty dollars nor more than one hundred dollars.

(Emphasis added.) Good internal controls require procedures to ensure tax list corrections agree to the valuations set by the County Board of Equalization or an applicable administrative body, such as TERC.

Without such procedures, there is an increased risk for not only noncompliance with State statute but also the incorrect assessment of taxes.

We recommend the County Assessor and County Board implement procedures to ensure tax list corrections agree to the valuations set by the County Board of Equalization or an applicable administrative body, such as TERC.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Segregation of Duties – Control Environment

We noted that the Morrill County Assessor's Office (Office) lacked a segregation of duties, as one person could handle all aspects of processing a record or transaction from beginning to end. The County Assessor is responsible for valuing all real and personal property in the County, the base for property taxes, which adds to the importance of proper controls. 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.

Specifically, the Office utilizes two significant systems: MIPS and ArcGIS. ArcGIS is a mapping system that can create, split, or merge parcels. As of November 18, 2025, the ArcGIS system was restricted to only two County Assessor employees. MIPS is a system that tracks valuation and levies by parcel, and access to MIPS is assigned by user ID. However, each employee in the Office had access to MIPS. As a result, any individual in the Office with an ID could change a parcel's valuation and/or levy.

Additionally, the APA identified the following control environment issues throughout the County and Office:

- The County Assessor reviews employee timesheets and calculates employee gross pay, which is compiled on a payroll summary sheet that is provided to the County Clerk for payroll processing. No secondary review of the County Assessor's payroll calculations is performed.
- The County Assessor submits claims, including claims for reimbursement of mileage, to the County Clerk; however, no secondary review of mileage claims is performed to ensure the amount of the claim is calculated properly. While the County Board reviewed and approved claims throughout the attestation period, we noted multiple issues with claims – as described in the other Comments and Recommendations herein.

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. In particular, a satisfactory 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. Proper internal control also requires policies to govern the operations of the Office, providing guidance on such matters as completing changes to valuations and/or levies and disbursement procedures.

The lack of a good internal control plan increases the risk of loss or misuse of public funds.

We recommend the County Assessor and County Board review this situation and consider the need for a proper segregation of duties. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties. We also recommend the County Assessor and County Board strengthen control procedures by implementing policies for the proper governance of its operations, including completing changes to valuations and/or levies and disbursement procedures.

4. Possibly Excessive Mileage Reimbursements

Between July 1, 2023, and October 31, 2025, Ms. Nelson received 19 reimbursements, totaling \$3,404, for mileage traveled using her personal vehicle. While reviewing these reimbursements, we noted the following issues:

- Claim #24050068, approved by the County Board on May 13, 2024, reimbursed Ms. Nelson \$54 for mileage to a meeting of the Panhandle Association of County Assessors in Gering, Nebraska, on March 27, 2024. However, this meeting was actually held in Bridgeport, Nebraska, just a few blocks from the Morrill County Courthouse; consequently, the APA questions the full amount of this reimbursement. During a telephone call with the APA on February 6, 2026, Ms. Nelson stated that this claim was most likely submitted in error, claiming that it was not her intent to submit an erroneous reimbursement request.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Possibly Excessive Mileage Reimbursements** (Continued)

- For 10 claims, the mileage paid exceeded the reimbursement amount calculated by the APA, resulting in what appears to have been frequent overpayments to Ms. Nelson, totaling \$170. These claims are summarized in the following table:

Claim #	Claim Date	Locations	APA Calculated Miles	APA Calculated Reimbursement	Actual Reimbursement	Apparent Overpayment
23120142	12/26/2023	Kearney, NE Gering, NE	533	\$ 349	\$ 401	\$ 52
24020173	2/27/2024	Gering, NE	64	43	54	11
24040164	4/23/2024	Gering, NE	64	43	54	11
24050171	5/28/2024	Gering, NE	64	43	54	11
24060036	6/11/2024	Gering, NE (3 trips)	192	129	153	24
24100159	10/22/2024	Ogallala, NE Gering, NE	234	157	174	17
24120044	12/11/2024	Gering, NE	64	43	54	11
25010069	1/14/2025	Gering, NE	64	43	54	11
25020053	2/11/2025	Gering, NE	64	45	56	11
25040153	4/22/2025	Gering, NE	64	45	56	11
Totals				\$ 940	\$ 1,110	\$ 170

Neb. Rev. Stat. § 23-1112 (Reissue 2022) states the following, in relevant part:

When it is necessary for any county officer or his or her deputy or assistants, except any county sheriff or his or her deputy, to travel on business of the county, he or she shall be allowed mileage at the rate per mile allowed by section 81-1176 for travel by personal automobile upon the presentation of his or her bill for the same accompanied by a proper voucher to the county board of his or her county in like manner as is provided for all other claims against the county

Neb. Rev. Stat. § 81-1176(1) (Reissue 2024) states the following, in relevant part:

If a trip or trips included in a request for payment or reimbursement filed under sections 81-1174 and 81-1175 are made by personal automobile or otherwise, only one mileage request shall be allowed for each mile actually and necessarily traveled in each calendar month by the most direct route regardless of the fact that one or more persons are transported in the same motor vehicle. . . .

(Emphasis added.) Additionally, the County’s “Employee Handbook” (Effective April 28, 2020), “Travel Expenses” section, states the following, in relevant part:

County Officials and Employees shall be reimbursed or all “reasonable” travel expenses. These expenses include, but are not limited to: mileage reimbursement at the rate designated by the Internal Revenue Service (IRS) on the date of travel

Although it is the policy of Morrill County to reimburse all reasonable and necessary travel expenses as defined herein, Morrill County encourages both County Officials and employees to adhere to the following guidelines with regard to travel expense reimbursements. . . .

1. **MILEAGE**: Mileage shall be at the IRS rate and shall be paid to and from the event only. County officials and employees shall travel the most direct route possible to and from the event. If questions arise as to mileage to and from an event, the mileage set forth between the Morrill County Courthouse and the physical address of the event location as set forth by www.mapquest.com shall be the official calculation for purposes of mileage reimbursement.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

4. Possibly Excessive Mileage Reimbursements (Concluded)

(Emphasis added.) Good internal controls and sound business practices require procedures to ensure that mileage reimbursements are legitimate, reasonable, and calculated correctly in accordance with State statute and County policy.

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

We recommend the County Assessor and County Board implement procedures to ensure that mileage reimbursements are legitimate, reasonable, and calculated correctly in accordance with State statute and County policy.

5. Payroll Issues

While reviewing the payroll records of the County Assessor’s office between July 1, 2023, and October 31, 2025, we noted the following issues:

- Two hourly employees received a pay raise with an effective date of October 8, 2023. This pay raise was reflected properly on the paychecks dated November 3, 2023; however, these paychecks also included an additional payment, totaling \$508, for a retroactive pay raise for all hours worked from July 1, 2023, through October 7, 2023.

The same two employees received another pay raise with an effective date of September 23, 2024. This pay raise was reflected properly on the paychecks dated October 18, 2024; however, these paychecks also included an additional payment, totaling \$2,074, for a retroactive pay raise for all hours worked from July 1, 2024, through September 22, 2024.

The following table details the amounts paid to each employee for these retroactive pay raises:

	11/3/2023 Paycheck	10/18/2024 Paycheck	Totals
Employee 2	\$ 282	\$ 526	\$ 808
Employee 3	226	1,548	1,774
Totals	\$ 508	\$ 2,074	\$ 2,582

These retroactive pay raises for work already completed constitute, in effect, impermissible bonus payments, which are prohibited under the Nebraska Constitution.

- For five paychecks tested, we noted that overtime hours were not calculated correctly, as described below.
 - For three paychecks tested, the employee was paid for overtime hours worked during a week that included paid holiday, vacation, or sick leave. These additional overtime hours resulted in a total overpayment in gross pay of \$124, as summarized in the following table:

Employee	Paycheck Date	APA Calculated Overtime Hours	Actual Overtime Hours Paid	Variance	Total Overpayment
Employee 2	12/1/2023	4.50	9.00	4.50	\$ 43
Employee 1	7/26/2024	4.75	8.50	3.75	46
Employee 2	10/18/2024	5.50	9.00	3.50	35
Totals		14.75	26.50	11.75	\$ 124

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **Payroll Issues** (Continued)

- For the paycheck dated April 4, 2025, Employee 1 was paid for 27 hours of overtime; however, the employee's timesheet shows that 27.5 hours of overtime was worked for the pay period. As a result, Employee 1's gross pay was underpaid by \$19 on this paycheck.
- For the paycheck dated October 18, 2024, Employee 3 was paid for 0.5 hours of overtime; however, the employee should have been paid for 1.5 hours of overtime. The employee's timesheet shows that 39 hours were worked in the first week of the pay period, and 41.5 hours were worked in the second week of the pay period. As overtime is required to be calculated on a weekly basis, Employee 3's gross pay was underpaid by \$10 on this paycheck.
- For six paychecks tested, we noted a total of 35 days during which the employees worked a full day without recording an unpaid lunch break.
- For the paycheck dated April 4, 2025, Employee 1's timesheet included a note stating that 9.5 hours were worked on a Saturday; however, we were unable to determine if the employee was actually paid for these hours worked on that paycheck or the next few paychecks.

Article III, § 19, of the Nebraska Constitution says, in part, the following:

The Legislature shall never grant any extra compensation to any public officer, agent, or servant after the services have been rendered nor to any contractor after the contract has been entered into, except that retirement benefits of retired public officers and employees may be adjusted to reflect changes in the cost of living and wage levels that have occurred subsequent to the date of retirement.

(Emphasis added.) According to the Nebraska Supreme Court (Court), “[T]he prohibition contained in Article III, section 19, Constitution of Nebraska, applies to the state and to all political subdivisions thereof.” *Retired City Civilian Employees Club of City of Omaha v. City of Omaha Employees’ Retirement System et al.*, 199 Neb. 507, 512, 260 N.W.2d 472, 475 (1977).

Addressing the above constitutional provision, the Nebraska Supreme Court (Court) has explained, “A payment of compensation to a public servant constitutes extra compensation whenever there is no legal obligation to pay such compensation.” *Myers v. Nebraska Equal Opportunity Com’n*, 255 Neb. 156, 163, 582 N.W.2d 362, 367 (1998) (quoting *Matter of Mullane v. McKenzie*, 269 N.Y. 369, 377, 199 N.E. 624, 627 (1936)).

The Nebraska Attorney General has shed additional light on the prohibition in Article III, § 19, as follows:

[T]he purpose of state constitutional provisions such as Art. III, § 19 which prohibit extra compensation to public employees after services are rendered is to prevent payments in the nature of gratuities for past services.

Att’y Gen. No. 95063 (Aug. 9, 1995). In determining whether a violation of Article III, § 19, has occurred, the Court has emphasized the importance of timing in the decision to pay the compensation at issue:

*We have said that when the “services” for which compensation is granted are rendered prior to the date on which the terms of compensation are determined, the “benefits awarded are not compensation but are a gratuity.” See *Wilson v. Marsh*, 162 Neb. 237, 252, 75 N.W.2d 723, 732 (1956). It follows that when the “services” for which compensation is paid are rendered after the date on which the terms of compensation are established, the benefits awarded are not a gratuity.*

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **Payroll Issues** (Concluded)

City of Omaha v. City of Elkhorn, 276 Neb. 70, 83, 752 N.W.2d 137, 147 (2008). Per 29 USC § 207 of the Fair Labor Standards Act (December 29, 2022), overtime compensation must generally be paid to nonexempt employees who work more than 40 hours in any workweek.

Additionally, the County’s “Employee Handbook” (Effective April 28, 2020), “Overtime” section, says, in part, the following:

Employees who are deemed nonexempt under the Fair Labor Standards Act (FLSA) and who work in excess of forty (40) hours per week will receive overtime pay or compensatory time at a rate of time and one-half (1 1/2) for all hours worked over forty (40) in a work week.

* * * *

Days off (with or without pay), such as vacation, sick leave, and holidays, MAY not be included in the accumulation of hours worked for purposes of computing overtime.

The “Work Hours” section of the same handbook states the following, which is unclear regarding whether an unpaid lunch break is required:

Most County employees normally work Monday through Friday from 8 a.m. to 5 p.m. Employees are normally given a one-hour unpaid lunch period. At the department head's discretion, employees may be given a one-half (1/2) hour unpaid lunch period and two (2) fifteen-minute paid break periods during each work day. Due to the nature of our organization and in order to meet the needs of our citizens, it may be necessary to work at times or on days other than those listed above.

Good internal controls require procedures to ensure the following: 1) pay raises are not applied retroactively as additional compensation for services already provided; 2) overtime calculations do not include hours for time off, such as holiday, vacation, or sick leave; 3) overtime hours paid agree to individual employee timesheets; 4) overtime calculations are based on time worked in excess of 40 hours each week; 5) County policies are clarified to specify whether unpaid lunch breaks are required and, if so, such breaks are recorded properly; and 6) all hours worked, including on weekends, are paid correctly.

Without such procedures, there is an increased risk of not only incorrect payments to employees but also noncompliance with both County policy and the Nebraska Constitution. Additionally, there is an increased risk of loss, misuse, or theft of public funds.

We recommend the County Assessor and County Board implement procedures to ensure the following: 1) pay raises are not applied retroactively as additional compensation for services already provided; 2) overtime calculations do not include hours for time off, such as holiday, vacation, and sick leave; 3) overtime hours paid agree to individual employee timesheets; 4) overtime calculations are based on time worked in excess of 40 hours each week; 5) County policies are clarified to specify whether unpaid lunch breaks are required and, if so, such unpaid breaks are recorded properly; and 6) all hours worked, including time worked on the weekends, are paid correctly.

6. **Vacation and Sick Leave Issues**

While reviewing the vacation and sick leave records of the County Assessor’s office between July 1, 2023, and October 31, 2025, we noted the following issues:

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

6. Vacation and Sick Leave Issues (Continued)

- For all County Assessor employees, vacation and sick leave was accrued once per year during the first pay period in January or, if hired during the year, at the beginning of employment with the County. The County’s policy requires leave to be accrued on a monthly basis. Further, for new employees, leave accrual should not begin until the first day of the second month following the date of hire.
- While leave should be accrued monthly, the APA compared the annual leave accrual to the total annual amount that would be accrued per the County’s policy. In January 2024, the vacation leave accrued by all three County Assessor employees was less than the annual accrual specified in the County’s policy. Additionally, the sick leave accrued by one employee was less than the annual accrual specified in the County’s policy. The following table details these incorrect leave accruals in hours:

Employee	Type of Leave	2024 Accrual Per Policy	2024 Actual Accrual	Variance
Employee 1	Vacation	112.5	107.5	5.0
Employee 2	Vacation	112.5	97.5	15.0
Employee 3	Vacation	75.0	74.5	0.5
Employee 3	Sick	135.0	128.5	6.5
Totals		435.0	408.0	27.0

In January 2025, the vacation and sick leave accrued by two employees was less than the annual accrual specified in the County’s policy. The following table details these incorrect leave accruals in hours:

Employee	Type of Leave	2025 Accrual Per Policy	2025 Actual Accrual	Variance
Employee 1	Vacation	112.5	96.50	16.00
Employee 1	Sick	135.0	94.25	40.75
Employee 3	Vacation	75.0	39.50	35.50
Employee 3	Sick	135.0	134.50	0.50
Totals		457.5	364.75	92.75

- The vacation leave balance for two employees exceeded the maximum limit of 187.5 hours (25 days at 7.5 hours per day) outlined in the County’s policy for a total of 54 pay periods. It should be noted that County Assessor employees typically work 7.5 hours per day, or 35 hours per week. The following table details the pay periods for which the maximum limit was exceeded:

Employee	Date Range Over Limit	Number of Pay Periods	Largest Balance	Hours In Excess of Limit
Employee 1	1/1/2024 – 9/8/2024	18	256.5	69
Employee 3	1/1/2024 – 4/7/2024	7	195.5	8
Employee 1	1/1/2025 – 10/31/2025	22	271.5	84
Employee 3	1/1/2025 – 4/6/2025	7	210.5	23
Total		54		

- Per the County’s policy, new employees accrue vacation leave at an annual rate of 10 days per year; however, Employee 4, who was hired on March 1, 2025, accrued 18 days of vacation on his first day of employment.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS
(Continued)

6. Vacation and Sick Leave Issues (Continued)

- During calendar year 2025, we noted several unexplained changes to employee vacation and sick leave balances. The following table details these unexplained changes in hours:

Employee	Type of Leave	Pay Period	Beginning Balance	Leave Used	Ending Balance	Unexplained Change
Employee 1	Vacation	1/13/2025 – 1/26/2025	271.50	-	256.50	(15.00)
Employee 1	Sick	1/13/2025 – 1/26/2025	296.25	-	311.25	15.00
Employee 3	Vacation	1/13/2025 – 1/26/2025	210.50	-	195.50	(15.00)
Employee 3	Sick	1/13/2025 – 1/26/2025	201.00	(2.00)	214.00	15.00
Employee 3	Vacation	7/28/2025 – 8/10/2025	(27.00)	-	225.85	252.85
Employee 3	Vacation	8/11/2025 – 8/24/2025	225.85	-	116.50	(109.35)
Employee 3	Sick	4/7/2025 – 4/20/2025	4.50	-	(170.46)	(174.96)
Employee 3	Sick	4/21/2025 – 5/4/2025	(170.46)	-	83.50	253.96
Employee 3	Sick	7/28/2025 – 8/10/2025	83.50	-	270.92	187.42
Employee 3	Sick	8/11/2025 – 8/24/2025	270.92	-	7.50	(263.42)

Additionally, Employee 4 showed a balance of 135 hours of vacation leave as of April 20, 2025. No vacation leave was used between this date and October 31, 2025; however, the employee’s vacation leave balance changed each pay period – dropping as low as a negative balance of 7.69 hours. As of October 31, 2025, Employee 4 showed a vacation leave balance of 8.46 hours.

Similarly, Employee 4 showed a balance of 130.5 hours of sick leave as of April 20, 2025. Only five hours of sick leave was used between this date and October 31, 2025; however, the employee’s sick leave balance changed each pay period – dropping as low as a negative balance of 14.46 hours. As of October 31, 2025, Employee 4 showed a sick leave balance of 5.73 hours.

- On two different occasions, an employee used sick leave during the pay period when the annual accrual was added; however, the sick leave used was not deducted from the employee’s sick leave balance. The following table details these occasions in hours:

Employee	Pay Period	Beginning Balance	Actual Accrual	Sick Leave Used	APA Calculated Balance	Actual Ending Balance	Variance
Employee 2	1/1/2024 – 1/14/2024	116.5	135.0	(29.0)	222.5	251.5	29.0
Employee 3	12/30/2024 – 1/12/2025	66.5	134.5	(20.5)	180.5	201.0	20.5

- Employee 2 retired on December 31, 2024, and this employee’s final timesheet showed a vacation leave balance of 71 hours. However, Employee 2 was paid out for only 46.75 hours of vacation leave on January 24, 2025 – a variance of 24.25 hours, which results in a possible underpayment of \$485. The APA was unable to determine the cause of this variance.

The County’s “Employee Handbook” (Effective April 28, 2020), “Vacation” section, states the following, in relevant part:

Regular full-time and part-time employees begin earning vacation leave beginning with the first day of the second month following date of hire. Employees shall be credited with vacation leave on a monthly basis at the rate of one-twelfth (1/12th) of the total vacation allotted for the year. . . .

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

6. Vacation and Sick Leave Issues (Concluded)

Step	Years of Continuous Service	Vacation Days
1)	1 to 5	10 working days
2)	6 to 6	11 working days
3)	7 to 7	12 working days
4)	8 to 8	13 working days
5)	9 to 9	14 working days
6)	10 to 15	15 working days

* * * *

In order to encourage the use of vacation time, employees may only accumulate a maximum of Twenty-Five (25) days of vacation. If the maximum is reached, there will be no additional accruals of vacation until the employee's balance drops below the maximum. Employees also may not take time off before it is earned.

* * * *

Employees who leave employment with the County for any reason will be paid for any earned but unused vacation.

(Emphasis added.) The "Sick Leave" section of the same handbook states the following, in relevant part:

Full-time employees will accrue sick pay benefits at a rate of One and One-Half (1.5) working days for each month of service after completing One (1) month of service. Sick pay benefits may be accumulated by employees up to a maximum of One-Hundred-Twenty (120) sick days.

(Emphasis added.) Good internal controls require procedures to ensure the following: 1) leave is accrued on a monthly basis, as outlined in the County's policy; 2) leave accrued agrees to the County's policy; 3) leave balances do not exceed the maximum balance allowed; 4) leave balances are adequately maintained and documented, and any adjustments thereto are appropriate and properly explained; 5) all leave used is properly deducted from the employee's balance; and 6) leave balance payout upon termination is calculated correctly and adequately documented.

Without such procedures, there is an increased risk for not only noncompliance with County policies but also inaccurate employee leave balances and loss of public funds.

We recommend the County Assessor and County Board implement procedures to ensure the following: 1) leave is accrued on a monthly basis, as outlined in the County's policy; 2) leave accrued agrees to the County's policy; 3) leave balances do not exceed the maximum balance allowed; 4) leave balances are adequately maintained and documented, and any adjustments to balances are appropriate and properly explained; 5) all leave used is properly deducted from the employee's balance; and 6) leave balance payout upon termination is calculated correctly and adequately documented.

7. Lack of Adequate Supporting Documentation

While reviewing claims, totaling \$19,015, paid by the County Assessor's office between July 1, 2023, and October 31, 2025, we noted that several claims lacked adequate documentation to support that the amount paid was accurate and necessary for the County. Specifically, we noted the following:

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

7. **Lack of Adequate Supporting Documentation** (Continued)

- Between May 15, 2025, and June 17, 2025, two individuals performed work for the County Assessor's office and were paid a total of \$5,880 for contract labor. Handwritten timesheets were submitted for these two individuals; however, no contract or other documentation was on file to support the hourly rates paid to them. Further, no documentation was on file to support that the County Assessor determined whether these individuals met the contract labor criteria for Federal tax purposes. Without such documentation and analysis, these individuals may be considered County employees for tax purposes and should have been paid as such.

Additionally, for one of the individuals paid for contract labor, the total hours paid did not agree to her timesheet, as she rounded time up to the nearest quarter of an hour. In total, this individual appears to have been paid for almost one hour of time not actually worked.

- Eleven mileage reimbursements, totaling \$2,312, paid to the former County Assessor (Ms. Nelson) lacked adequate supporting documentation for the purpose, date, or location of travel. The APA was able to determine that the claims were reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claims reviewed and approved by the Board.
- Three mileage reimbursements, totaling \$701, paid to an employee of the County Assessor's office lacked adequate supporting documentation for the purpose, date, or location of travel. The APA was able to determine that the claims were reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claims reviewed and approved by the Board.
- The vehicle usage log maintained by the County Assessor's office did not reflect adequately the usage of the County Assessor's vehicle. Specifically, we noted the following:
 - The beginning and ending locations noted did not include addresses or specific parcels of land visited. On several occasions, the destination was noted as "rural" or "County."
 - Total miles traveled were not calculated for each trip.
 - On three occasions, the beginning odometer reading for a trip did not agree to the ending odometer reading of the previous trip, and the reasons for the variances were not documented.
- Eight credit card claims included purchases made outside of the County, totaling \$932; however, the purpose of travel was not adequately documented within the claim. The APA was able to determine that the claims were reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claims reviewed and approved by the Board.
- Claim #23110162, approved November 28, 2023, was for the purchase of a meal, totaling \$25, at a conference for the Nebraska Association of County Assessors; however, adequate documentation was not attached to the claim to support whom the meal was for, if the meal was separate from the registration fees previously paid by the County, and why such purchase was necessary. The APA was able to determine that the claim was reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claim reviewed and approved by the Board.
- Claim #23100161, approved October 24, 2023, for a credit card payment did not include documentation, such as an itemized receipt, to support three purchases, totaling \$26, made by the County Assessor at the United States Postal Service.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

7. **Lack of Adequate Supporting Documentation** (Continued)

- Eight claims paid to hotels, totaling \$4,604, lacked adequate supporting documentation for the purpose of travel. Without such documentation, such as a conference agenda, the County Board would be unable to determine if the hotel stays were reasonable and necessary for the County Assessor. The APA was able to determine that the claims were reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claims reviewed and approved by the Board.
- Eight claims paid to hotels, totaling \$4,535, lacked documentation needed to support that not only a comparison of various hotel prices was performed to ensure the County paid the lowest possible nightly rate but also the necessity of that rate, which exceeded County policy or the United States General Services Administration (GSA) rate. The following table details the total amount paid in excess of the rate set by GSA:

Claim #	Nights Stayed	Nightly Rate	GSA Rate	Variance	Total Paid in Excess of GSA Rate
23090045	6	\$ 115	\$ 98	\$ 17	\$ 102
23110146	2	122	107	15	30
24010015	3	120	107	13	39
24090029	8	150	107	43	344
24110042	2	124	110	14	28
25010035	6	140	110	30	180
25060117	1	145	110	35	35
25100040	6	135	110	25	150
Total					\$ 908

Subsequent to the attestation period, the former County Assessor (Ms. Nelson) was paid a mileage reimbursement, totaling \$399, on November 10, 2025. This claim lacked adequate supporting documentation for the purpose, date, or location of travel. The APA was able to determine that the claim was reasonable after further documentation was obtained; however, this was not clear based on the documentation attached to the original claim reviewed and approved by the Board.

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) provides the following requirement for a purchasing card program:

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

The County’s “Employee Handbook” (Effective April 28, 2020), “Travel Expenses” section, says the following, in relevant part:

Reimbursement will be made for only those reasonable travel expenses strictly essential to the transaction of County business. . . .

* * * *

County Officials and Employees shall be reimbursed for all “reasonable” travel expenses. These expenses include, but are not limited to: mileage reimbursement at the rate designated by the Internal Revenue Service (IRS) on the date of travel; reasonable meal expenses incurred during necessary travel; parking, lodging, or other necessary expenses incurred as a result of attendance at the event.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

7. **Lack of Adequate Supporting Documentation** (Concluded)

Although it is the policy of Morrill County to reimburse all reasonable and necessary travel expenses as defined herein, Morrill County encourages both County Officials and employees to adhere to the following guidelines with regard to travel expense reimbursements. . . .

* * * *

3. LODGING: Morrill County encourages county officials and employees to undertake diligent search for the lowest available price when securing lodging for an event. . . .

(Emphasis added.) Good internal controls require procedures to ensure that all claims are accompanied by supporting documentation sufficient to permit the County Board to verify that the claim amount is accurate, reasonable, and necessary.

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

We recommend the County Assessor and County Board implement procedures to ensure all claims are accompanied by supporting documentation sufficient to permit the County Board to verify that the claim amount is accurate, reasonable, and necessary.

8. **Lack of Formal Policies**

Neither the County Assessor nor the County Board has adopted formal policies for the following items:

Purchasing Card Program

Despite utilizing purchasing cards for official business, the County Assessor and County Board lacked specific policies and procedures for the proper use of those cards – including the type of purchasing cards, the individuals authorized to use them, and the kinds of purchases permitted, as required by Neb. Rev. Stat. § 13-610 (Reissue 2022).

Section 13-610 provides the following, in relevant part (emphasis added below):

(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card. Under the direction of its governing body, any political subdivision may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks capable of operating the purchasing card program on behalf of the political subdivision. . . .

* * * *

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

* * * *

(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS
(Continued)

8. **Lack of Formal Policies** (Continued)

Staff Uniform Policy

In 2025, the County paid two claims, totaling \$1,136, for embroidered clothing for office staff of the County Assessor. The following table details these claims:

Claim #	Claim Date	Vendor/Payee	Description	Amount
25040123	4/22/2025	Bobbin Heads	12 polo shirts, 5 jackets, 1 coat	\$ 914
25060132	6/24/2025	Logoz LLC	12 polo shirts	222
Total				\$ 1,136

As shown above, the County Assessor’s office purchased a total of 24 polo shirts, 5 jackets, and a coat in a two-month span for only four employees in the office. Additionally, only one of these employees was hired during 2025, while the other three employees would already have clothing with the office logo. As such, the APA questions the necessity of purchasing this amount of clothing items.

Per discussion with employees in the County Assessor’s office, staff members are expected to wear shirts with the office logo each day; however, no formal, written policy specifies this requirement. Additionally, no formal, written policy specifies the total number of clothing items that will be provided by the County.

Further, clothing and uniforms provided by the County may be considered a taxable fringe benefit, and a formal, written uniform policy would help support whether such uniform benefits would be considered taxable.

Inventory Policy

The County lacked a formal, written policy regarding the inventory of County personal property, including the dollar value threshold for including items on inventory statements, procedures for disposing of surplus property, and reporting such disposal to the County Board. As a result, we noted the following regarding the 2024 and 2025 inventory listings filed by the County Assessor:

- The removal of 15 items from the 2024 inventory listing, with a total original value of \$8,902, was not declared by the County Board to be surplus inventory, nor was the disposal of such items reported to the County Board.
- A copy machine was included on the 2024 inventory listing with a note that it was moved to the inventory of the County Veterans’ Service office. However, this item was not included on the 2025 inventory listing for the County Assessor or the County Veterans’ Service office.
- The 2024 inventory listing included four vehicle door signs with a note showing that one was lost on the road. The 2025 inventory listing included only three such signs; however, the sign that was noted on the 2024 listing as being lost on the road appears to be included on the 2025 listing.

Neb. Rev. Stat. § 23-3107 (Cum. Supp. 2024) states the following, in relevant part:

The county board or purchasing agent, subject to the approval of the county board, shall: . . . (4) provide for the transfer to and between county departments and agencies of personal property which is surplus with one department or agency but which may be needed by another or others; (5) pursuant to section 23-3115, dispose of personal property which has been declared by the county board to be surplus and which is obsolete or not usable by the county . . .

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

8. **Lack of Formal Policies** (Concluded)

(Emphasis added.) Additionally, Neb. Rev. Stat. § 23-3115 (Cum. Supp. 2024) states the following, in relevant part:

(1)(a) The county board or the purchasing agent, with the approval of the county board, may authorize a county official or employee to sell surplus personal property, other than mobile equipment, which is obsolete or not usable by the county and which has a value of:

(i) Before January 1, 2025, less than two thousand five hundred dollars;

(ii) Beginning January 1, 2025, and before January 1, 2029, less than three thousand five hundred dollars;

* * * *

(b) In making such authorization, the county board or purchasing agent may place any restriction on the type or value of property to be sold, restrict such authority to a single transaction or to a period of time, or make any other appropriate restrictions or conditions. Surplus personal property which is obsolete or not usable by the county and which has a value exceeding the applicable amount described in subdivision (1)(a) of this section shall be sold through competitive bidding or at auction.

* * * *

(3) Any county official or employee granted the authority to sell surplus personal property which is obsolete or not usable by the county as prescribed in subsection (1) or (2) of this section shall make a written report to the county board within thirty days after the end of the fiscal year reflecting, for each transaction, the item sold, the name and address of the purchaser, the price paid by the purchaser for each item, and the total amount paid by the purchaser.

(Emphasis added.) Good internal controls require procedures to ensure the adoption of formal, written policies governing purchasing cards, staff uniforms, and the County's personal property inventories.

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

We recommend the County Assessor and County Board implement procedures to ensure the adoption of formal, written policies governing purchasing cards, staff uniforms, and the County's personal property inventories.

9. **Duplicate Payment**

On November 15, 2023, an employee of the County Assessor's office stayed at the Fairfield Inn and Suites in North Platte, Nebraska, the night before taking the certified county assessor examination. The cost of the hotel room, totaling \$107, was originally paid with a County purchasing card, which was paid with claim #23120160. However, a separate claim #23110147, approved by the County Board on November 28, 2023, was issued to pay for this hotel stay, which resulted in a duplicate payment.

Per discussion with the County Clerk and County Assessor's office on December 19, 2025, the County was not aware of the duplicate payment. After inquiry by the APA, the County contacted the hotel and was informed that the amount of the duplicate payment was refunded to the credit card after the payment by check was received.

However, it appears that the County's credit card was charged twice for this stay and was only refunded once. The following is an excerpt from the County's credit card statement for this period:

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

9. **Duplicate Payment** (Concluded)

Post Date	Tran Date	Reference Number	Transaction Description	Amount
11-20	11-17	24137463322001609773853	USPS PO 3012301234 BRIDGEPORT NE	8.80
11-20	11-15	2469216332110775300768	FAIRFIELD INN & SUITES NORTH PLATTE NE M32292 ARRIVAL: 11-15-23	122.79
11-22	11-21	74692163325100559522917	FAIRFIELD INN & SUITES NORTH PLATTE NE M32645 ARRIVAL: 11-21-23	15.79CR
11-22	11-20	24692163325100559522839	FAIRFIELD INN & SUITES NORTH PLATTE NE M32646 ARRIVAL: 11-20-23	107.00
12-06	12-05	74692163339102753678044	FAIRFIELD INN & SUITES NORTH PLATTE NE M34034 ARRIVAL: 12-05-23	107.00CR

This statement shows that the credit card was originally charged \$122.79 on November 15, 2023, when the employee checked into the hotel. On November 21, 2023, the hotel refunded the State sales tax, totaling \$15.79, after receiving documentation from the County showing its tax-exempt status. However, the County was charged an additional \$107 on November 20, 2023. After the check payment was received on December 5, 2023, one room charge was refunded; nevertheless, the credit card was still charged a total of \$107. The County was unable to provide documentation to show that this charge, or the payment by check, was later refunded.

Good internal controls require procedures to ensure that duplicate payments are avoided and, if they are discovered, the County obtains either a credit or refund in a timely manner.

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

We recommend the County Assessor and County Board implement procedures to ensure duplicate payments are avoided and, if they are discovered, the County obtains either a credit or refund in a timely manner.

10. **Possible Unnecessary Use of County Resources**

On January 22, 2024, the former County Assessor (Ms. Nelson) asked one of her employees to drive to North Platte, Nebraska, to deliver printed copies of property records to an appraisal vendor. In addition to being paid her hourly rate, this employee was reimbursed \$194 for mileage on this trip. The APA questions the necessity of this trip and the amount spent for the mileage reimbursement, as described below.

Per discussion with an employee of the County Assessor’s office, the property records are maintained electronically in the County’s assessment system. These records are typically printed for use during on-site assessment reviews; however, any changes to the property records are entered into the assessment system after these reviews. In January 2024, the County Assessor was working with an external appraisal vendor to help with a large assessment project. Rather than provide the vendor with electronic records, the County Assessor elected to print over a thousand copies of property records and deliver them to the vendor. While the electronic files may have been too large to send via email, there are several additional options for securely transferring large files electronically.

Additionally, per discussion with the appraisal vendor, electronic records are not typically utilized and hardcopy records are preferred. Rather than require the vendor to accept electronic records in an effort to reduce the expense to the County, the County Assessor acquiesced and spent time and County resources in order to provide hardcopy records to the vendor.

Good internal controls and sound business practices require procedures to ensure that County funds and resources are used sparingly and only when necessary to complete County business.

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

We recommend the County Assessor and County Board implement procedures to ensure that County funds and resources are used sparingly and only when necessary to complete County business.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

11. Lack of Controls Over County Fuel Pump

Between July 1, 2023, and October 31, 2025, the County Assessor's office submitted 13 claims, totaling \$1,188, for payment to the County Highway Department for fuel usage from the County's fuel pump. While testing these claims, we noted the following:

- Per discussion with the County Highway Superintendent, the fuel pump does not track the amount of fuel used or the dates and times it is used. To monitor fuel usage, a fuel log located near the pump is to be completed each time the pump is used, documenting the individual using the pump, the date, and the amount of fuel used. Additionally, the number of gallons used is always rounded up to the nearest whole number. Based on current procedures, there is no way for the County Highway Superintendent to verify that the fuel log is accurate and complete.
- The County Assessor's office maintains a vehicle log for trips taken in the County vehicle. While comparing the miles traveled per this log to the gallons of fuel used at each refueling, we noted that, for six fuel claims, the miles per gallon, as calculated by the APA, did not appear reasonable based on the type of vehicle. As the APA could not verify the accuracy of the fuel invoices received by the County Assessor's office, however, we were unable to determine the cause of these variances.
- The vehicle log maintained by the County Assessor's office shows that the County vehicle was refueled at the County's fuel pump on May 14, 2025; however, the County Assessor's office was not billed for this fuel usage.

Good internal controls require procedures to ensure the following: 1) usage of the County's fuel pump is tracked and monitored adequately; 2) logs detailing the usage of the County's fuel pump document adequately the date, time, and name of the individual user; and 3) a periodic reconciliation is performed between the County's fuel logs and invoices for the purchase of fuel to verify that all fuel usage is accounted for, tracked and billed, and used for allowable purposes.

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

We recommend the County implement procedures to ensure the following: 1) usage of the County's fuel pump is tracked and monitored adequately; 2) logs detailing the usage of the County's fuel pump document adequately the date, time, and name of the individual user; and 3) a periodic reconciliation is performed between the County's fuel logs and invoices for the purchase of fuel to verify that all fuel usage is accounted for, tracked and billed, and used for allowable purposes.

12. Other Items Noted

The APA received concerns regarding the usage of County credit cards for personal purchases, particularly the credit card issued to the County Treasurer. Additionally, as a result of our planning procedures, we identified certain high-risk areas outside of the County Assessor's office, including procedures over fuel purchases and rebates earned. As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation of the County or other County offices would be warranted. Based on the outcome of this preliminary planning work, the APA has determined that a separate financial audit or attestation by the APA of the County or other County offices is unnecessary at this time.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

12. **Other Items Noted** (Continued)

Nevertheless, during the course of the preliminary planning work, the APA noted certain issues that merit corrective action.

In addition to the issues addressed already herein, the APA noted the following:

Credit Card Issues

While reviewing other credit card purchases made by the County between July 1, 2023, and October 31, 2025, aside from those made by the County Assessor, we noted the following:

- On August 29, 2025, the County Treasurer used her County-issued credit card to make personal purchases, totaling \$71, at three different retail stores. The County Treasurer reimbursed the County on September 4, 2025, after realizing this mistake. No other personal purchases were noted during our review.
- Fifteen claims did not include adequate documentation to support fully all purchases made, totaling \$4,698. These included purchases made by the following departments: County Clerk, County Information Technology, County Veterans' Service Officer, County Sheriff, County Fair Board, County Treasurer, and County Highway Superintendent. For some claims, an itemized receipt would be required by State law; however, no itemized receipt was attached to the original claim document reviewed and approved by the County Board for these few expenditures.
- Seven claims included the payment of Nebraska sales taxes, totaling \$548. These were for purchases made by the following departments: County Clerk, County Information Technology, County Sheriff, County Fair Board, County Highway Superintendent, and County Extension.
 - One such claim, paid by the County Information Technology Department, included the payment of \$428 in sales taxes. The employee that made the purchase was instructed to request a refund of the sales taxes; however, no refund was requested.
- One claim, paid by the County Clerk, included the purchase of decorations, totaling \$86, for a Christmas party and flowers, totaling \$85, for an individual who was retiring.
- One claim, paid by the County Fair Board, included the purchase of alcoholic beverages, totaling \$81. The County was reimbursed by a County employee after realizing this mistake.

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) provides the following requirement for a purchasing card program:

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

Further, according to Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024), purchases by the State or its political subdivisions are exempt from sales tax, as follows:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county . . .

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Continued)

12. **Other Items Noted** (Continued)

Neb. Rev. Stat. § 13-2203 (Reissue 2022) enumerates various allowable miscellaneous expenditures by governing bodies of local governments. Decorations and purchases of flowers – whether for holiday parties, retirements, or other personal occasions – are not found among that select statutory list of permissible expenditures. As a result, such disbursements must be considered disallowed by law.

Additionally, the purchase of alcohol with public funds is not authorized by § 13-2203(2), which permits the governing body of a local government to purchase, among other things, only nonalcoholic beverages.

Good internal controls require procedures to ensure the following: 1) County-issued credit cards are not used for personal purchases; 2) adequate supporting documentation accompanies any claim submitted for the County Board’s approval, showing that the amount paid was accurate, reasonable, and necessary; 3) the County does not pay Nebraska sales taxes; and 4) all purchases are allowable and made in accordance with State statute.

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

We recommend the County Board implement procedures to ensure the following: 1) County-issued credit cards are not used for personal purchases; 2) adequate supporting documentation accompanies any claim submitted for the County Board’s approval, showing that the amount paid was accurate, reasonable, and necessary; 3) the County does not pay Nebraska sales taxes; and 4) all purchases are allowable and made in accordance with State statute.

Lack of Review Procedures Over County Sheriff Fuel Purchases

Between July 1, 2023, and October 31, 2025, the County Sheriff paid a total of \$80,013 for fuel. We reviewed logs showing the individual fuel purchases made by the County Sheriff’s office and noted the following:

- For 727 fuel purchases, totaling \$25,820, the odometer reading recorded at the time of refueling appeared inaccurate, as detailed in the following table:

Odometer Reading	Number of Occurrences	Total Fuel Cost
0	24	\$ 1,263
3	1	58
9	24	1,269
999	10	367
9999	396	11,960
99999	199	7,984
999999	73	2,919
Totals	727	\$ 25,820

- The APA identified several incidents of one fuel card being used to make multiple purchases within a short period of time. Upon inquiry, the County Sheriff was unable to explain why two such fuel purchases, totaling \$23, were made. One of these purchases did not include a reasonable odometer reading and is included in the table above.
- The APA noted two occasions in which the County purchased fuel for a vehicle that was not owned by the County. In January 2025, the County purchased fuel that was put in the vehicle of a stranded motorist. In April 2025, the County purchased fuel that was put in a patrol vehicle owned by the Nebraska State Patrol.

MORRILL COUNTY ASSESSOR

COMMENTS AND RECOMMENDATIONS

(Concluded)

12. **Other Items Noted** (Concluded)

Good internal controls require procedures to ensure the following: 1) adequate fuel logs, including accurate odometer readings, are maintained and reviewed periodically to ensure all fuel purchases are reasonable; 2) the purpose of each fuel purchase is recorded and reviewed to ensure its reasonableness and necessity for the County; and 3) County funds are used to purchase fuel only for County-owned vehicles.

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

We recommend the County Sheriff and County Board implement procedures to ensure the following: 1) adequate fuel logs, including accurate odometer readings, are maintained and reviewed periodically to ensure all fuel purchases are reasonable; 2) the purpose of each fuel purchase is recorded and reviewed to ensure its reasonableness and necessity for the County; and 3) County funds are used only to purchase fuel for County-owned vehicles.

Lack of Procedures for Adequately Tracking Menards Rebates

Between July 1, 2023, and November 13, 2025, the County Highway Superintendent paid a total of \$32,956 to Menards. While reviewing these purchases, as well as the subsequent rebates issued, we noted that the County Highway Superintendent did not maintain a log or other system for adequately tracking all rebates earned, issued, and redeemed. As a result, the County Highway Superintendent was unable to support if a rebate earned on one purchase was issued or subsequently redeemed. After further review of Menards rebates and purchases, however, all other such rebates earned appear to have been used subsequently for the benefit of the County or were still held by the office at the time of testing.

Additionally, we noted that the County Extension office earned a rebate of \$880 on a Menards purchase made in June 2025. As of testing in January 2026, this rebate had not yet been redeemed; however, this rebate was being held by the County Extension office at the time of testing.

Good internal controls require procedures to ensure that all rebates earned by the County are tracked adequately and used for the benefit of the County in a timely manner.

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

We recommend the County implement procedures to ensure that all rebates earned by the County are tracked adequately and used for the benefit of the County in a timely manner.

County Overall Response: Morrill County takes the audit findings seriously. We recognize the importance of accountability and transparency in the use of public funds, and we are committed to addressing the issues identified. In response to the findings, we are in the process of implementing changes to office policies and updating county handbook to ensure consistent procedures are followed across all offices.

We value taxpayer dollars and are taking steps to be more diligent and deliberate in how public funds are managed and spent. Additional policies and internal controls will be implemented to ensure all expenditures are allowable, properly documented, and accurately accounted for. These measures are intended to strengthen financial oversight and ensure that every dollar is tracked appropriately.

We expect these corrective actions to address the issues noted in the audit and to prevent similar errors from occurring in the future. Morrill County acknowledges the mistakes identified and is committed to correcting them and maintaining improved practices moving forward.



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

MORRILL COUNTY ASSESSOR

INDEPENDENT ACCOUNTANT'S REPORT

Morrill County Assessor
Bridgeport, Nebraska

We have examined the accompanying Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements of the Morrill County Assessor for the period July 1, 2023, through October 31, 2025. The County's management is responsible for the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements are based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements for the period July 1, 2023, through October 31, 2025, are based on the accounting system and procedures as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements; fraud that is material, either quantitatively or qualitatively, to the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements; and any other instances that warrant the attention of those charged with governance.

We performed our examination to express an opinion on whether the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards*, and the finding, along with the views of management, is described in the Comments Section of the report.

Government Auditing Standards also require us to perform limited procedures on the County's response to the findings identified in the Comments and Recommendations section of the report. The County's response was not subjected to the other procedures applied in the attestation of the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements and, accordingly, we express no opinion on the response.

The purpose of this report is to express an opinion on the Schedule of Taxes Certified for All Political Subdivisions in the County and the Schedule of County Assessor Disbursements, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

February 24, 2026



Mike Foley
Auditor of Public Accounts
Lincoln, Nebraska

MORRILL COUNTY ASSESSOR
SCHEDULE OF TAXES CERTIFIED FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
 As of October 31, 2025

Item	Tax Year	
	2023	2024
TAXES CERTIFIED BY COUNTY ASSESSOR		
Real Property	\$ 13,266,147	\$ 11,363,211
Personal Property	1,169,267	1,177,746
State Assessed Property	3,880,426	2,728,339
TOTAL TAXES CERTIFIED BY COUNTY ASSESSOR	18,315,840	15,269,296
TAX CORRECTIONS		
Additions	23,343	754
Deductions	(3,080)	(15,237)
Net Tax Additions/(Deductions)	20,263	(14,483)
CORRECTED TAXES CERTIFIED TOTAL AS OF OCTOBER 31, 2025	\$ 18,336,103	\$ 15,254,813

The accompanying notes are an integral part of the Schedule.

MORRILL COUNTY ASSESSOR
SCHEDULE OF COUNTY ASSESSOR DISBURSEMENTS
For the Period July 1, 2023, through October 31, 2025

	<u>County Assessor</u>
DISBURSEMENTS	
Personal Services	\$ 440,570
Operating Expenses	115,332
Supplies and Materials	17,510
Capital Outlay	29,052
TOTAL COUNTY ASSESSOR DISBURSEMENTS	<u>\$ 602,464</u>

The accompanying notes are an integral part of the Schedule.

MORRILL COUNTY ASSESSOR

NOTES TO THE SCHEDULES

For the Period July 1, 2023, through October 31, 2025

1. **Criteria**

The property records of the Morrill County (County) Assessor are maintained, and the Schedule of Taxes Certified for All Political Subdivisions in the County has been prepared, in accordance with the requirement set out in Neb. Rev. Stat. § 77-1616 (Reissue 2018) and § 77-1613.02 (Cum. Supp. 2024).

The following major category classifications used by the County Assessor are established pursuant to State law.

Total Taxes Certified by Assessor – is comprised of property taxes levied on the following types of property:

Real Property – accounts for the property taxes for real estate property within the County. Real estate property includes land, buildings, and improvements to such land and buildings.

Personal Property – accounts for the property taxes for personal property within the County. Personal property is all depreciable tangible personal property that has a Nebraska net book value greater than zero, except licensed motor vehicles, livestock, and certain rental equipment. Property such as irrigation equipment – such as pivots, pumps, and motors – is tangible personal property for tax assessment purposes.

State Assessed Property – accounts for property valued by the State of Nebraska, including public service entities, railroad companies, air carriers, and car line companies.

Tax Corrections – accounts for the additions to or deletions from taxes certified, as approved by the County Board or another administrative body, in accordance with Section 77-1613.02.

Corrected Taxes Certified Total – accounts for the total taxes certified by the County Assessor after adjusting for tax corrections.

The accounting records of the County Assessor are maintained, and the Schedule of County Assessor Disbursements has been prepared, on a cash basis. Under this system of accounting, disbursements are recognized when checks are written, or electronic payments are initiated.

The following major disbursement account classifications are established by the Auditor of Public Accounts pursuant to Neb. Rev. Stat. § 23-1611 (Reissue 2022) and used by the County Assessor.

Personal Services – accounts for expenses for salaries, wages, and all related employee benefits provided for County officials and employees.

Operating Expenses – accounts for normal recurring expenses of maintaining the office or program location, and of operating the program. Utility costs, insurance, equipment repair, and travel expenses are some specific examples of operating expenses. Others include those expenses which are required by the various County offices in the administration of their assigned functions.

Supplies and Materials – accounts for the various articles and commodities which are consumed or materially altered when used. Office supplies, gravel and rock, and asphalt expenses are some specific examples of supplies and material expenses.

MORRILL COUNTY ASSESSOR

NOTES TO THE SCHEDULES
(Concluded)

1. **Criteria** (Concluded)

Capital Outlay – accounts for outlays of County resources which result in the acquisition of, or the addition to, the fixed assets of the County. Road, street, and bridge construction contracts are included in the sub-object classification codes for this category of expenditure.

2. **Reporting Entity**

Per State statute, the County Assessor is an elected official. The Schedule of Taxes Certified for All Political Subdivisions in the County reflects the total taxes to be collected by the County Treasurer for tax years 2023 and 2024, including tax list corrections, as certified by the County Assessor. The Schedule of County Assessor Disbursements reflects the total expenditures by disbursement type made by the County Assessor's office, including payroll and vendor claims, approved by the County Board, during the period July 1, 2023, through October 31, 2025.

3. **Subsequent Events**

On November 4, 2025, the County Assessor, Rose Nelson, was removed from office due to a recall election. On November 10, 2025, the County Board assumed management of the County Assessor's office, with assistance from the Property Assessment Division of the Nebraska Department of Revenue. On January 27, 2026, the County Board appointed John Erickson as the County Assessor, effective February 1, 2026.