AUDIT REPORT
OF
GAGE COUNTY
JULY 1, 2024, THROUGH JUNE 30, 2025

GAGE COUNTY

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GAGE COUNTY

612 Grant St.
Beatrice, NE 68310

LIST OF COUNTY OFFICIALS
At June 30, 2025

Title	Name	Term Expires
Board of Supervisors	Eddie Dorn	Jan. 2027
	Emily Haxby	Jan. 2029
	Terry Jurgens	Jan. 2027
	Gary Lytle	Jan. 2027
	Rex Adams	Jan. 2029
	Rick Clabaugh	Jan. 2029
	Erich Tiemann	Jan. 2027
Assessor	Patricia Milligan	Jan. 2027
Attorney	Roger Harris	Jan. 2027
Clerk Election Commissioner	Dawn Hill	Jan. 2027
Register of Deeds	Donna Munoz	Jan. 2027
Clerk of the District Court	Phyllis Schoen	Jan. 2027
Sheriff	Millard Gustafson	Jan. 2027
Treasurer	Laurie Wollenburg	Jan. 2027
Surveyor	Chris Witulski	Jan. 2027
Highway Superintendent	Mark Kuhnke	Appointed
Planning and Zoning Emergency Manager	Lisa Wiegand	Appointed

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GAGE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Gage 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 Gage County, as of and for the year ended June 30, 2025, 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 Gage County as of June 30, 2025, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for 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. 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, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, page numbers as noted in the Table of Contents, 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 August 13, 2026, on our consideration of Gage 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 Gage County's internal control over financial reporting and compliance.



Seward, Nebraska
August 13, 2026

GAGE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	$ 26,524,648
Investments (Note 1.D)	-
TOTAL ASSETS	$ 26,524,648
NET POSITION	
Restricted for:	
Visitor Promotion	$ 470,130
911 Emergency Services	50,427
Drug Education & Enforcement	67,415
Preservation of Records	49,535
Self-Insurance	2,593,029
Committed to:	
Law Enforcement	59,846
Road & Bridge Maintenance	7,778,928
County Buildings	369,625
Economic Development	696,860
Unrestricted	14,388,853
TOTAL NET POSITION	$ 26,524,648

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

GAGE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
June 30, 2025

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	$ (5,006,316)	$ 46,849	$ 179,097	$ (4,780,370)
Public Safety	(4,085,030)	-	-	(4,085,030)
Public Works	(5,824,385)	7,083	3,266,062	(2,551,240)
Public Health	-	-	-	-
Public Assistance	(2,438,634)	-	-	(2,438,634)
Culture and Recreation	(3,520,406)	957,799	-	(2,562,607)
Debt Payments	-	-	-	-
Capital Outlays	(2,641,902)	-	-	(2,641,902
Total Governmental Activities	$ (23,516,673)	$ 1,011,731	$ 3,445,159	$ (19,059,783)

General Receipts:	
Taxes	13,109,842
Grants and Contributions Not Restricted to Specific Programs	2,319,334
Investment Income	1,513,386
Licenses and Permits	154,528
Health Insurance Settlements	-
Miscellaneous	1,619,327
Net Transfers	-
Total General Receipts	$ 18,716,417
Change in Net Position	(343,366)
Net Position - Beginning of year	26,868,014
Net Position - End of year	$ 26,524,648

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

GAGE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Road Fund	Road/Bridge Sinking	ROD Preservation & Modernization	Insurance	Inheritance	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents (Note 1.D)	$ 7,222,992	$ 638,473	$ 7,140,455	$ 49,535	$ 2,593,029	$ 7,165,861	$ 1,714,303	$ 26,524,648
Investments (Note 1.D)								-
TOTAL ASSETS	$ 7,222,992	$ 638,473	$ 7,140,455	$ 49,535	$ 2,593,029	$ 7,165,861	$ 1,714,303	$ 26,524,648
FUND BALANCES								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	470,130	470,130
911 Emergency Services	-	-	-	-	-	-	50,427	50,427
Drug Education & Enforcement	-	-	-	-	-	-	67,415	67,415
Preservation of Records	-	-	-	49,535	-	-	-	49,535
Self-Insurance	-	-	-	-	2,593,029	-	-	2,593,029
Federal Relief							-	-
Committed to:								
Law Enforcement	-	-	-	-	-	-	59,846	59,846
Road & Bridge Maintenance	-	638,473	7,140,455	-	-	-	-	7,778,928
County Buildings	-	-	-	-	-	-	369,625	369,625
Economic Development	-	-	-	-	-	-	696,860	696,860
Assigned to:								
Other Purposes	-	-	-	-	-	7,165,861	-	7,165,861
Unassigned	7,222,992	-	-	-	-	-	-	7,222,992
TOTAL CASH BASIS FUND BALANCES	$ 7,222,992	$ 638,473	$ 7,140,455	$ 49,535	$ 2,593,029	$ 7,165,861	$ 1,714,303	$ 26,524,648

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

GAGE COUNTY
STATEMENTOF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Road Fund	Road/Bridge Sinking	ROD Preservation & Modernization	Insurance	Inheritance	Nonmajor Funds	Total Governmental Funds
RECEIPTS								
Taxes	$ 11,155,229	$ -	$ -	$ -	$ -	$ 1,744,110	$ 210,503	$ 13,109,842
Licenses and Permits	154,528	-	-	-	-	-	-	154,528
Investment Income	1,513,386	-	-	-	-	-	-	1,513,386
Intergovernmental	1,644,921	3,531,136	588,436	-	-	-	-	5,764,493
Charges for Services	957,799	7,083	-	14,373	-	-	32,476	1,011,731
Miscellaneous	85,897	15,267	-	-	1,503,327	-	14,836	1,619,327
TOTAL RECEIPTS	15,511,760	3,553,486	588,436	14,373	1,503,327	1,744,110	257,815	23,173,307
DISBURSEMENTS								
General Government	2,448,562	-	-	3,899	2,095,298	-	458,557	5,006,316
Public Safety	3,818,347	-	-	-	-	-	266,683	4,085,030
Public Works	65,941	4,956,770	801,673	-	-	-	1	5,824,385
Public Assistance	140,427	-	-	-	-	-	2,298,207	2,438,634
Culture and Recreation	3,514,867	-	-	-	-	5,538	1	3,520,406
Capital Outlay	356,047	1,037,231	1,225,881	4,470	-	-	18,273	2,641,902
TOTAL DISBURSEMENTS	10,344,191	5,994,001	2,027,554	8,369	2,095,298	5,538	3,041,722	23,516,673
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	5,167,569	(2,440,515)	(1,439,118)	6,004	(591,971)	1,738,572	(2,783,907)	(343,366)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	2,800,000	2,451,849	-	909,135	-	1,120,747	7,281,731
Transfers out	(6,731,731)	-	-	-	-	(500,000)	(50,000)	(7,281,731)
TOTAL OTHER FINANCING SOURCES (USES)	(6,731,731)	2,800,000	2,451,849	-	909,135	(500,000)	1,070,747	-
Net Change in Fund Balances	(1,564,162)	359,485	1,012,731	6,004	317,164	1,238,572	(1,713,160)	(343,366)
CASH BASIS FUND BALANCES - BEGINNING	8,787,154	278,988	6,127,724	43,531	2,275,865	5,927,289	3,427,463	26,868,014
CASH BASIS FUND BALANCES - ENDING	$ 7,222,992	$ 638,473	$ 7,140,455	$ 49,535	$ 2,593,029	$ 7,165,861	$ 1,714,303	$ 26,524,648

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

GAGE COUNTY

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

For the Year Ended June 30, 2025

	Custodial Fund Balances July 1, 2024	Receipts	Disbursements	Custodial Fund Balances June 30, 2025
ASSETS				
Cash and Cash Equivalents	$ 1,389,774	$81,438,920	$ 81,474,438	$ 1,354,256
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	493,571	6,698,817	6,668,630	523,758
State - Collected by Other Offices	21,303	316,189	315,195	22,297
Schools	439,065	42,491,283	42,436,726	493,622
Educational Service Units	6,385	615,744	615,345	6,784
Technical College	39,757	1,733,326	1,764,008	9,075
Natural Resource Districts	15,836	1,482,351	1,481,922	16,265
Fire Districts	7,318	873,575	874,635	6,258
Municipalities	108,165	6,132,939	6,114,497	126,607
Agricultural Society	1,511	134,696	134,769	1,438
Historical Society	346	30,934	30,951	329
Townships	12,149	1,278,790	1,281,065	9,874
Airport Authority	10	136	137	9
Others - Collected by County Treasurer	60,724	16,330,570	16,326,568	64,726
Others - Collected by Other Offices	183,634	3,319,570	3,429,990	73,214
TOTAL LIABILITIES	1,389,774	81,438,920	81,474,438	1,354,256
TOTAL NET POSITION	$ -	$ -	$ -	$ -

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 Gage County.

A. Reporting Entity

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

Joint Organization

Behavioral Health Region V – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed $93,965 toward the operation of the Region during fiscal year 2025. 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 Four Corners 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).

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 2025. 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) (Cum. Supp. 2022). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

The County reports the following major governmental funds:

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

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

Road/Bridge Sinking Fund. This fund is used to account for the costs associated with the construction and maintenance of roads and bridges in the County. It is primarily funded by State receipts, and transfers from the General Fund

ROD Preservation & Modernization Fund. This fund is used to fund the services and record preservation for the office of the Register of Deeds. It is primarily funded through charges for services and transfers from the General Fund.

Insurance Fund. This fund is used to account for the costs of insurance premiums and claims and is primarily funded by the County and employee payroll deductions, and reinsurance reimbursements.

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

C. Measurement Focus, Basis of Accounting

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

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 consist of all cash on hand, demand deposit accounts, and money market accounts with immediate liquidity.

Investments (if applicable). 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) and generally include U.S. Government obligations, certificates of deposit, time deposits, and securities authorized by the Nebraska Investment Council.

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $3,230,536 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.

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).

Breakdown of Cash and Equivalents as of June 30, 2025:

Checking	$ 28,092,884
Money Market	-
Total Cash and Equivalents	$ 28,092,884
Less: Agency Held	(1,259,547)
Less: Balance Held by Other Offices	(508,689)
Health Insurance Balance Held by Clerk	200,000
Total Cash Held by County	$ 26,524,648

Custodial Credit Risk – For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2025, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investments full price.

The County invests primarily in certificates of deposit which effectively limits exposure to interest rate risk as certificates of deposit have fixed interest rates. The County's use of money market funds does expose the County to interest rate risk, but the effects of such exposure do not put the County's current operating environment at risk for failure as the County is not dependent on the performance of such funds to maintain its current operations.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. By investing primarily in certificates of deposit and money market accounts the County effectively limits exposure to credit risk. Bond ratings are not applicable to the County's portfolio of cash and investments.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have exposure to concentration of credit risk as it keeps funds in investment vehicles that were entirely insured by the FDIC or collateralized with securities held in the County's name.

The County does not have exposure to foreign currency risk.

3. Taxes

Property taxes are levied by the County Board on or before October 15 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.

As stated in Neb. Rev. Stat. § 77-3442 counties are permitted by the State Constitution to levy a tax of up to $.45/$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt plus an additional $.05/$100 for interlocal agreements. Counties may levy taxes in addition to this 50-cent limitation upon a vote of the people. The levy limit analysis of the largest possible district levy set in October 2024 was $.3756/$100 which complied with state statute.

The county general fund levy set in October 2024, for the 2024 taxes, which will be materially collected in May and September 2025, was set at $.2667/$100 of assessed valuation. The county general fund levy set in October 2023, for the 2023 taxes, which were materially collected in May and September 2024, was set at $.2934/$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

The tax receipts classification also contains collections from the assessment of inheritance taxes, 911 surcharges, and lodging taxes.

4. Retirement Systems

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) and may be amended through legislative action.

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

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

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% 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, 2025, 101 employees contributed $287,667 to the Plan and the County contributed $430,105 to the Plan.

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 106 counties and local governments throughout Nebraska.

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

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

	NIRMA Coverage	Maximum Coverage
General Liability Claim	$ 500,000	$ 5,000,000
Workers' Compensation Claim	$ 550,000	Statutory Limits
Property Damage Claim	$ 250,000	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 insurance and has contracted with Mid-American Benefits to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions, and reimbursements received from the County's secondary insurance provider. The activity of the plan is reflected in the County's financial statements under the 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 $500,000 per enrolled member, per year.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

		Transfers Out			
		MAJOR FUNDS		**NONMAJOR FUNDS**	
		100	2700	2580	
		General	Inheritance	COVID American Rescue Plan	Total
Transfers In					
MAJOR FUNDS					
300	Road	2,800,000	-	-	2,800,000
801	Road/Bridge Sinking	2,451,849	-	-	2,451,849
1275	Insurance	909,135	-	-	909,135
NONMAJOR FUNDS					
2501	Federal Grant Fund - Transportation Development	-	500,000	-	500,000
2585	Local Assistance & Tribal Consistency	-	-	50,000	50,000
2605	Community/Economic Development	150,000	-	-	150,000
2910	911 Emergency Management	207,068	-	-	207,068
4050	County Buildings	213,679	-	-	213,679
	Total	6,731,731	500,000	50,000	7,281,731

During the year ended June 30, 2025, the County made one-time transfers totaling $6,731,731 from the General Fund to the Road Fund, Road/Bridge Sinking Fund, Insurance Fund, Community/Economic Development Fund, 911 Emergency Management Fund, and County Buildings Fund to provide funding for road and bridge projects, debt service and reserve requirements, self-insurance costs, economic development initiatives, emergency management operations, and county building maintenance and capital improvement projects.

The County also transferred $500,000 from the Inheritance Fund to the Federal Grant Fund – Transportation Development to provide funding for transportation development projects and related eligible expenditures. In addition, the County transferred $50,000 from the COVID American Rescue Plan Fund to the Local Assistance & Tribal Consistency Fund to support eligible expenditures in accordance with applicable federal program requirements.

8. City of Beatrice Agreements

Ambulance Agreement

The County entered into an agreement with the City of Beatrice (City) whereby the City will provide necessary ambulance services to certain areas located outside the City limits. The County paid the City $180,000 for ambulance services during the fiscal year ended June 30, 2025.

Enhanced 911 Agreement

The County entered into an agreement with the City whereby the City will operate and maintain an Enhanced 911 system and radio dispatch system to receive and dispatch emergency calls for service from residents of Gage County. The County paid the City $245,977 for Enhanced 911 Services during the fiscal year ended June 30, 2025.

9. Subsequent Events

Subsequent events have been evaluated through August 13, 2026, which is the date the financial statements were issued. During the review of subsequent events no issues were noted that were required to be disclosed in the notes to the financial statements

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	$12,817,824	$12,817,824	$11,155,229	$ (1,662,595)
Licenses and Permits	73,000	73,000	154,528	81,528
Investment Income	100,000	100,000	1,513,386	1,413,386
Intergovernmental	277,425	277,425	1,644,921	1,367,496
Charges for Services	533,000	533,000	957,799	424,799
Miscellaneous	-	-	85,897	85,897
TOTAL RECEIPTS	13,801,249	13,801,249	15,511,760	1,710,511
DISBURSEMENTS				
General Government:				
County Board	241,000	241,000	226,614	14,386
County Clerk	278,393	278,393	254,967	23,426
County Treasurer	368,163	368,163	360,395	7,768
Register of Deeds	192,963	192,963	188,606	4,357
County Assessor	495,505	495,505	461,060	34,445
Election Commissioner	173,600	173,600	138,967	34,633
Building and Zoning	7,250	7,250	1,843	5,407
Employment Security	40,000	40,000	15,301	24,699
Clerk of the District Court	191,145	191,145	188,462	2,683
County Court System	10,100	10,100	5,598	4,502
District Judge	140,733	140,733	111,778	28,955
Public Defender	166,100	166,100	165,450	650
Building and Grounds	489,855	489,855	285,199	204,656
Extension Office	64,929	64,929	44,319	20,610
Misc. - General Government	-	-	3,514,867	(3,514,867)
County Sheriff	1,598,138	1,598,138	1,639,114	(40,976)
County Attorney	549,016	549,016	527,627	21,389
Child Support	66,849	66,849	64,309	2,540
Shop With A Cop	13,741	13,741	2,025	11,716
County Jail	1,595,500	1,595,500	1,395,197	200,303
District Probation	64,496	64,496	60,183	4,313
Emergency Management	154,884	154,884	129,893	24,991
County Surveyor	95,301	95,301	63,425	31,876
Noxious Weed Control	4,050	4,050	2,517	1,533
Relief/Medical	62,000	62,000	11,081	50,919
Veterans' Aid	2,000	2,000	2,000	-
Veterans' Service Officer	103,171	103,171	92,017	11,154
Institutions	59,000	59,000	35,330	23,670
COVID American Rescue Plan	5,627,218	5,627,218	-	5,627,218
Capital Outlay	853,600	853,600	356,047	497,553
TOTAL DISBURSEMENTS	13,708,700	13,708,700	10,344,191	3,364,509
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	92,549	92,549	5,167,569	(1,653,998)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,379,701)	(7,379,701)	(6,731,731)	647,970
TOTAL OTHER FINANCING	(7,379,701)	(7,379,701)	(6,731,731)	647,970
Net Change in Fund Balance	(7,287,152)	(7,287,152)	(1,564,162)	5,722,990
FUND BALANCE - BEGINNING	8,787,154	8,787,154	8,787,154	-
FUND BALANCE - ENDING	$ 1,500,002	$ 1,500,002	$ 7,222,992	$ 5,722,990

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

ROAD FUND	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	-	-	-	-
Intergovernmental	$ 3,529,819	$ 3,529,819	$ 3,531,136	$ 1,317
Licenses and Permits	-	-	-	-
Charges for Services	-	-	7,083	7,083
Investment Income	-	-	-	-
Miscellaneous	-	-	15,267	15,267
TOTAL RECEIPTS	3,529,819	3,529,819	3,553,486	23,667
DISBURSEMENTS	6,556,778	6,556,778	5,994,001	562,777
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,026,959)	(3,026,959)	(2,440,515)	586,444
OTHER FINANCING SOURCES (USES)				
Transfers in	3,447,970	3,447,970	2,800,000	(647,970)
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,447,970	3,447,970	2,800,000	(647,970)
Net Change in Fund Balance	421,011	421,011	359,485	(61,526)
FUND BALANCE - BEGINNING	278,988	278,988	278,988	-
FUND BALANCE - ENDING	$ 699,999	$ 699,999	$ 638,473	$ (61,526)
ROAD/BRIDGE SINKING				
RECEIPTS				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	588,436	588,436
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	-	588,436	588,436
DISBURSEMENTS	8,579,574	8,579,574	2,027,554	6,552,020
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(8,579,574)	(8,579,574)	(1,439,118)	7,140,456
OTHER FINANCING SOURCES (USES)				
Transfers in	2,451,849	2,451,849	2,451,849	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,451,849	2,451,849	2,451,849	-
Net Change in Fund Balance	(6,127,725)	(6,127,725)	1,012,731	7,140,456
FUND BALANCE - BEGINNING	6,127,724	6,127,724	6,127,724	-
FUND BALANCE - ENDING	$ (1)	$ (1)	$ 7,140,455	$ 7,140,456

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

ROD PRES & MOD	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	$ -	$ -	$ -	$ -
Charges for Services	-	-	14,373	14,373
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	-	14,373	14,373
DISBURSEMENTS	43,530	43,530	8,369	35,161
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(43,530)	(43,530)	6,004	49,534
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(43,530)	(43,530)	6,004	49,534
FUND BALANCE - BEGINNING	43,531	43,531	43,531	-
FUND BALANCE - ENDING	$ 1	$ 1	$ 49,535	$ 49,534
INSURANCE				
RECEIPTS				
Taxes	$ -	$ -	$ -	$ -
Miscellaneous	-	-	1,503,327	1,503,327
TOTAL RECEIPTS	-	-	1,503,327	1,503,327
DISBURSEMENTS	2,985,000	2,985,000	2,095,298	889,702
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,985,000)	(2,985,000)	(591,971)	2,393,029
OTHER FINANCING SOURCES (USES)				
Transfers in	909,135	909,135	909,135	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	909,135	909,135	909,135	-
Net Change in Fund Balance	(2,075,865)	(2,075,865)	317,164	2,393,029
FUND BALANCE - BEGINNING	2,075,865	2,075,865	2,275,865	200,000
FUND BALANCE - ENDING	$ -	$ -	$ 2,593,029	$ 2,593,029

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

INHERITANCE	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	$ -	$ -	$ 1,744,110	$ 1,744,110
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	-	1,744,110	1,744,110
DISBURSEMENTS	5,927,289	5,927,289	5,538	5,921,751
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(5,927,289)	(5,927,289)	1,738,572	7,665,861
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000,000	4,000,000	-	(4,000,000)
Transfers out	(4,000,000)	(4,000,000)	(500,000)	3,500,000
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(500,000)	(500,000)
Net Change in Fund Balance	(5,927,289)	(5,927,289)	1,238,572	7,165,861
FUND BALANCE - BEGINNING	5,927,289	5,927,289	5,927,289	-
FUND BALANCE - ENDING	$ -	$ -	$ 7,165,861	$ 7,165,861

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2025

VISITORS PROMOTION	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts	$ 126,114	$ 126,114	$ 94,462	$ (31,652)
Disbursements	(130,000)	(130,000)	(95,203)	34,797
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(3,886)	(3,886)	(741)	3,145
Fund Balance - Beginning	3,886	3,886	3,886	-
Fund Balance - Ending	$ -	$ -	$ 3,145	$ 3,145
VISITOR'S IMPROVEMENT FUND				
Receipts	$ -	$ -	$ 94,462	$ 94,462
Disbursements	(421,528)	(421,528)	(49,000)	372,528
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(421,528)	(421,528)	45,462	466,990
Fund Balance - Beginning	421,528	421,528	421,528	-
Fund Balance - Ending	$ -	$ -	$ 466,990	$ 466,990
OPIOID RECOVERY FUND				
Receipts	$ -	$ -	$ 14,836	$ 14,836
Disbursements	(32,550)	(32,550)	-	32,550
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(32,550)	(32,550)	14,836	47,386
Fund Balance - Beginning	32,550	32,550	32,550	-
Fund Balance - Ending	$ -	$ -	$ 47,386	$ 47,386
DIVERSION PROGRAM				
Receipts	$ 49,285	$ 49,285	$ 19,348	$ (29,937)
Disbursements	(50,000)	(50,000)	(18,663)	31,337
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(715)	(715)	685	1,400
Fund Balance - Beginning	715	715	715	-
Fund Balance - Ending	$ -	$ -	$ 1,400	$ 1,400

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

STOP PROGRAM	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts	$ -	$ -	$ 5,940	$ 5,940
Disbursements	(59,373)	(59,373)	(6,867)	52,506
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(59,373)	(59,373)	(927)	58,446
Fund Balance - Beginning	59,373	59,373	59,373	-
Fund Balance - Ending	$ -	$ -	$ 58,446	$ 58,446
DRUG LAW ENFORCEMENT				
Receipts	$ -	$ -	$ 7,189	$ 7,189
Disbursements	(12,839)	(12,839)	-	12,839
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(12,839)	(12,839)	7,189	20,028
Fund Balance - Beginning	12,839	12,839	12,839	-
Fund Balance - Ending	$ -	$ -	$ 20,028	$ 20,028
FEDERAL GRANT FUND-TRANSPORTATION FUND				
Receipts	$ 5,400,000	$ 5,400,000	$ -	$ (5,400,000)
Disbursements	(5,400,000)	(5,400,000)	(18,272)	5,381,728
Transfers in	4,000,000	4,000,000	500,000	(3,500,000)
Transfers out	(4,000,000)	(4,000,000)	-	4,000,000
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	-	-	481,728	481,728
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ 481,728	$ 481,728
COVID AMERICAN RESCUE PLAN				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(2,197,319)	(2,197,319)	(2,154,004)	43,315
Transfers in	-	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(2,247,319)	(2,247,319)	(2,204,004)	43,315
Fund Balance - Beginning	2,247,319	2,247,319	2,247,319	-
Fund Balance - Ending	$ -	$ -	$ 43,315	$ 43,315

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

LOCAL ASSISTANCE & TRIBAL CONSISTENCY	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts	$ -	$ -	$ -	$ -
Disbursements	(100,000)	(100,000)	-	100,000
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(50,000)	(50,000)	50,000	100,000
Fund Balance - Beginning	50,000	50,000	50,000	-
Fund Balance - Ending	$ -	$ -	$ 100,000	$ 100,000
COMMUNITY/ECONOMIC DEVELOPMENT				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(200,000)	(200,000)	(128,183)	71,817
Transfers in	150,000	150,000	150,000	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(50,000)	(50,000)	21,817	71,817
Fund Balance - Beginning	50,000	50,000	50,000	-
Fund Balance - Ending	$ -	$ -	$ 71,817	$ 71,817
911 EMERGENCY MANAGEMENT				
Receipts	$ -	$ -	$ 21,580	$ 21,580
Disbursements	(270,000)	(270,000)	(241,153)	28,847
Transfers in	207,068	207,068	207,068	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(62,932)	(62,932)	(12,505)	50,427
Fund Balance - Beginning	62,932	62,932	62,932	-
Fund Balance - Ending	$ -	$ -	$ 50,427	$ 50,427
COUNTY BUILDINGS				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(700,000)	(700,000)	(330,375)	369,625
Transfers in	213,679	213,679	213,679	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(486,321)	(486,321)	(116,696)	369,625
Fund Balance - Beginning	486,321	486,321	486,321	-
Fund Balance - Ending	$ -	$ -	$ 369,625	$ 369,625

GAGE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

JUDGEMENT - (BEATRICE 6)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts	$ -	$ -	$ -	$ -
Disbursements	(12,069)	(12,069)	-	12,069
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
Net Change in Fund Balance	(12,069)	(12,069)	-	12,069
Fund Balance - Beginning	12,069	12,069	-	(12,069)
Fund Balance - Ending	$ -	$ -	$ -	$ -

GAGE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2025

	Visitors Promotion	Visitor's Improvement	Opioid Recovery Fund	Diversion Program
RECEIPTS				
Taxes	$ 94,457	$ 94,462	$ -	$ -
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	19,348
Miscellaneous	-	-	14,836	-
TOTAL RECEIPTS	94,457	94,462	14,836	19,348
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	-	-	18,663
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	95,203	49,000	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL DISBURSEMENTS	95,203	49,000	-	18,663
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(746)	45,462	14,836	685
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-		-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balances	(746)	45,462	14,836	685
FUND BALANCES - BEGINNING	3,886	421,528	32,551	715
FUND BALANCES - ENDING	$ 3,140	$ 466,990	$ 47,387	$ 1,400
FUND BALANCES:				
Restricted for:				
Visitor Promotion	3,140	466,990	-	-
911 Emergency Services	-	-	-	-
Drug Education & Enforcement	-	-	47,387	-
Preservation of Records	-	-	-	-
Self-Insurance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	1,400
County Buildings	-	-	-	-
Economic Development	-	-	-	-
TOTAL FUND BALANCES	$ 3,140	$ 466,990	$ 47,387	$ 1,400

GAGE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

	STOP Program	Drug Law Enforcement	Federal Grant Fund - Transp. Develop.	COVID American Rescue Plan
RECEIPTS				
Taxes	$ -	$ -	$ -	$ -
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	5,940	7,189	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	5,940	7,189	-	-
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	6,867	-	-	-
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	2,154,004
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	18,272	-
TOTAL DISBURSEMENTS	6,867	-	18,272	2,154,004
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(927)	7,189	(18,272)	(2,154,004)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	500,000	-
Transfers out	-	-	-	(50,000)
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	500,000	(50,000)
Net Change in Fund Balances	(927)	7,189	481,728	(2,204,004)
FUND BALANCES - BEGINNING	59,373	12,839	-	2,247,319
FUND BALANCES - ENDING	$ 58,446	$ 20,028	$ 481,728	$ 43,315
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	-
Drug Education & Enforcement	-	20,028	-	-
Preservation of Records	-	-	-	-
Self-Insurance	-	-	-	-
Committed to:				
Law Enforcement	58,446	-	-	-
County Buildings	-	-	-	-
Economic Development	-	-	481,728	43,315
TOTAL FUND BALANCES	$ 58,446	$ 20,028	$ 481,728	$ 43,315

GAGE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

	Local Assistance & Tribal Consistency	Community/ Economic Development	911 Emergency Management
RECEIPTS			
Taxes	$ -	$ -	$ 21,580
Investment Income	-	-	-
Intergovernmental	-	-	-
Licenses and Permits	-	-	-
Charges for Services	-	-	-
Miscellaneous	-	-	-
TOTAL RECEIPTS	-	-	21,580
DISBURSEMENTS			
General Government	-	128,183	-
Public Safety	-	-	241,153
Public Works	-	-	-
Health and Sanitation	-	-	-
Public Assistance	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
TOTAL DISBURSEMENTS	-	128,183	241,153
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(128,183)	(219,573)
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	150,000	207,068
Transfers out	-	-	-
Proceeds from Sale of Bonds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	150,000	207,068
Net Change in Fund Balances	50,000	21,817	(12,505)
FUND BALANCES - BEGINNING	50,000	50,000	62,932
FUND BALANCES - ENDING	$ 100,000	$ 71,817	$ 50,427
FUND BALANCES:			
Restricted for:			
Visitor Promotion	-	-	-
911 Emergency Services	-	-	50,427
Drug Education & Enforcement	-	-	-
Preservation of Records	-	-	-
Self-Insurance	-	-	-
Committed to:			
Law Enforcement	-	-	-
County Buildings	-	-	-
Economic Development	100,000	71,817	-
TOTAL FUND BALANCES	$ 100,000	$ 71,817	$ 50,427

GAGE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR FUNDS
For the Year Ended June 30, 2025
(Continued)

	County Buildings	Total Nonmajor Funds
RECEIPTS		
Taxes	$ -	$ 210,499
Charges for Services	-	32,477
Miscellaneous	-	14,836
TOTAL RECEIPTS	-	257,812
DISBURSEMENTS		
General Government	330,375	458,558
Public Safety	-	266,683
Public Assistance	-	2,298,207
Capital Outlay	-	18,272
TOTAL DISBURSEMENTS	330,375	3,041,720
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(330,375)	(2,783,908)
OTHER FINANCING SOURCES (USES)		
Transfers in	213,679	1,120,747
Transfers out	-	(50,000)
Proceeds from Sale of Bonds	-	-
TOTAL OTHER FINANCING SOURCES (USES)	213,679	1,070,747
Net Change in Fund Balances	(116,696)	(1,713,161)
FUND BALANCES - BEGINNING	486,321	3,427,464
FUND BALANCES - ENDING	$ 369,625	1,714,303
FUND BALANCES:		
Restricted for:		
Visitor Promotion	-	470,130
911 Emergency Services	-	50,427
Drug Education & Enforcement	-	67,415
Committed to:		
Law Enforcement	-	59,846
County Buildings	369,625	369,625
Economic Development	-	696,860
TOTAL FUND BALANCES	$ 369,625	1,714,303

GAGE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2025

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent
BALANCES JULY 1, 2024	$ 181,190	$ 187,626	$ 15,432	$ 1,660	$ -
RECEIPTS					
Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	46,248	66,992	24,355	25,378	-
Miscellaneous	-	-	10,000	-	16,144
State Fees	4,505	60,217	-	-	-
Other Liabilities	-	972,956	314,148	21,585	-
TOTAL RECEIPTS	50,753	1,100,165	348,503	46,963	16,144
DISBURSEMENTS					
Payments to County Treasurer	45,854	56,019	31,860	25,398	16,144
Payments to State Treasurer	4,207	62,708	-	-	-
Petty Cash & Other Payments	-	-	-	22,851	-
Other Liabilities	-	1,112,251	309,025	-	-
TOTAL DISBURSEMENTS	50,061	1,230,978	340,885	48,249	16,144
BALANCES JUNE 30, 2025	$ 181,882	$ 56,813	$ 23,050	$ 374	$ -
BALANCES CONSIST OF:					
Due to County Treasurer	$ 1,139	$ 17,582	$ 4,410	$ -	$ -
Petty Cash	180,250	-	11,823	-	-
Due to State Treasurer	493	1,870	-	-	-
Due to Others	-	37,361	6,817	374	-
BALANCES JUNE 30, 2025	$ 181,882	$ 56,813	$ 23,050	$ 374	$ -

GAGE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2025
(Continued)

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Flex Spending	Register of Deeds	Total
BALANCES JUNE 30, 2024	$ 6,510	$ 200,000	$ -	$ 3,715	$ 28,246	$ 624,379
RECEIPTS						
Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	33,963	-	175,887	372,823
Miscellaneous	-	-	-	-	-	26,144
State Fees	-	-	-	-	251,467	316,189
Other Liabilities	2,031	1,964,433	-	44,417	-	3,319,570
TOTAL RECEIPTS	2,031	1,964,433	33,963	44,417	427,354	4,034,726
DISBURSEMENTS						
Payments to County Treasurer	-	-	33,963	-	173,142	382,380
Payments to State Treasurer	-	-	-	-	248,280	315,195
Petty Cash & Other Payments	-	-	-	-	-	22,851
Other Liabilities	4,300	1,964,433	-	39,981	-	3,429,990
TOTAL DISBURSEMENTS	4,300	1,964,433	33,963	39,981	421,422	4,150,416
BALANCES JUNE 30, 2025	$ 4,241	$ 200,000	$ -	$ 8,151	$ 34,178	$ 508,689
BALANCES CONSIST OF:						
Due to County Treasurer	$ 4,241	$ -	$ -		$ 14,243	41,615
Petty Cash	-	200,000	-			392,073
Due to State Treasurer	-	-	-		19,935	22,298
Due to Others	-	-	-	8,151		52,703
BALANCES JUNE 30, 2025	$ 4,241	$ 200,000	$ -	$ 8,151	$ 34,178	$ 508,689

GAGE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
For the Year Ended June 30, 2025

Item	2020	2021	2022	2023	2024
Tax Certified by Assessor					
Real Estate	$ 44,538,179	$ 45,237,430	$ 46,044,399	$ 47,455,620	$ 38,228,832
Personal and Specials	5,148,878	5,654,071	6,305,524	6,091,294	5,578,278
Total	49,687,057	50,891,501	52,349,923	53,546,914	43,807,110
Corrections					
Additions	39,430	18,814	4,823	1,338	842
Deductions	(27,078)	(11,851)	(8,689)	(2,063)	(10,778)
Net Additions/ Deductions	12,352	6,963	(3,866)	(725)	(9,936)
Corrected Certified Tax	49,699,409	50,898,464	52,346,057	53,546,189	43,797,174
Net Tax Collected by County Treasurer as of Fiscal Year Ending June 30, 2025	49,676,820	50,873,381	52,312,760	53,499,415	27,781,114
Total Net Collections	49,676,820	50,873,381	52,312,760	53,499,415	27,781,114
Total Uncollected Tax	$ 22,589	$ 25,083	$ 33,297	$ 46,775	$ 16,016,060
Percentage Uncollected Tax	0%	0%	0%	0%	37%

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

GAGE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number		Total Federal Expenditures
DEPARTMENT OF THE TREASURY				
Equitable Sharing Program				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	*	$2,154,004
Total U.S. Department of the Treasury				2,154,004
TOTAL EXPENDITURES OF FEDERAL AWARDS				$2,154,004

* Represents Major Program
See accompanying Notes to the Schedule of Expenditures of Federal Awards

GAGE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Gage County (County) under programs of the Federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Gage County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency. Gage County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
Gage County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the Gage County, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Gage County, Nebraska's major federal programs for the year ended June 30, 2025. The Gage County, Nebraska's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Opinion on Each Major Federal Program

In our opinion, Gage County, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

Our responsibility is to express an opinion on compliance for each of the Gage County, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Gage County, Nebraska and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of law, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation,

or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment make by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism though the audit.

- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purposes of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The result of our auditing procedures disclosed no instances of noncompliance, which, if applicable, are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. As discussed below, we did not identify deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be significant or material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned

costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Seward, Nebraska
August 13, 2026

GAGE COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion	
Internal control over financial reporting		
Material weakness identified?	X Yes	No
Significant deficiency identified?	Yes	X No
Noncompliance material to financial statements noted?	Yes	X No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified Opinion	
Internal control over major programs		
Material weakness identified?	Yes	X No
Significant deficiency identified?	Yes	X No
Noncompliance material to financial statements noted?	Yes	X No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold to distinguish between Type A and Type B programs:	$1,000,000	
Auditee qualified as low risk auditee	Yes	X No

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GAGE 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
Gage 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gage County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 13, 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 consider the deficiencies described in the accompanying Schedule of Findings and Responses as Findings 2025-1 to 2025-4 to be material weaknesses.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Gage 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.

Gage County's Response to Findings
Government Auditing Standards require the auditor to perform limited procedures on the County's response to the finding identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Seward, Nebraska
August 13, 2026

Finding 2025-1 Financial Statement Preparation

Criteria: Good internal control requires entities have personnel in place to produce financial statements, which includes the notes to the financial statements, in accordance with GAAP and other applicable standards.

Condition: Though management demonstrates the capability of running a governmental organization, we noted a lack of expertise and knowledge was evident in the area of financial statement preparation in accordance with cash basis and other applicable standards. Additionally, numerous material audit adjustments were brought to management's attention during the audit.

Effect: Without proper personnel, there is an increased risk the financial statements may be materially misstated.

Recommendation: We recommend the County weigh the cost benefit of providing training to current personnel in the areas of GAAP and financial statement preparation or hiring additional personnel with this expertise.

Response: *The County will consider the cost benefit of training provisions or hiring additional personnel.*

Questioned Costs: No questioned costs were identified.

Finding 2025-2 Segregation of Duties

Criteria: Good internal control over financial reporting requires entities have proper segregation of duties in the accounting function so that no one person can authorize a transaction, record the transaction in account, and be responsible for the custody of the asset resulting from the transaction.

Condition: Though management demonstrates the capability of running a governmental organization, we noted a lack of segregation of duties as one person could handle all phases of a transaction from beginning to end.

Effect: Without proper segregation of duties, there is an increased risk the financial statements may be materially misstated.

Repeat Finding: Yes

Recommendation: We recommend the County weigh the cost benefit of hiring personnel with accounting function capabilities in order to properly segregate duties.

Response: *The County's Board will consider the costs benefit of hiring additional personnel. Additionally, the Board takes an active interest in the finances of the County and provides additional oversight.*

Questioned Costs: No questioned costs were identified.

Finding 2025-3 Sheriff Office Procedures

Criteria: The County Sheriff's Office is responsible for maintaining adequate supporting documentation for receipts collected and performing timely reconciliations to ensure collections are complete, accurate, and properly remitted. Sound internal controls require that receipt documentation be retained and reconciliations be completed on a regular basis.

Condition: During audit testing, the Sheriff's Office was unable to provide adequate supporting documentation for certain receipts requested for examination. Additionally, several reconciliations were either missing or had not been completed in a timely manner.

Effect: Failure to maintain adequate receipt support and perform timely reconciliations increases the risk that errors, omissions, or misappropriation of public funds may occur and not be detected in a timely manner. Inadequate documentation also limits the County's ability to demonstrate that all collections were properly accounted for and remitted.

Repeat Finding: Yes

Recommendation: We recommend the Sheriff's Office establish procedures to ensure all receipt documentation is retained and readily available for audit. Additionally, reconciliations should be completed promptly, reviewed by appropriate personnel, and retained as part of the office's accounting records.

Response: *The Sheriff's Office will review and strengthen its procedures for retaining receipt documentation and completing timely reconciliations to ensure records are complete and available for future audits.*

Questioned Costs: No questioned costs were identified.

Finding 2025-4 Timely Federal Reporting

Criteria: Federal regulations require entities expending Federal awards to comply with the applicable reporting requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The County is responsible for monitoring its Federal award activity and ensuring required reporting is completed and submitted within the applicable deadlines. Sound internal controls require timely communication and coordination regarding Federal award activity and applicable compliance requirements.

Condition: The required Federal award reporting package was not submitted within the applicable federal deadline. The timing of communication and coordination necessary to complete the required reporting and address applicable Federal compliance requirements contributed to the delay.

Effect: Delayed submission of required Federal award reporting may result in noncompliance with federal reporting requirements and could affect the County's standing with Federal awarding agencies. In addition, untimely communication regarding Federal award activity and applicable compliance requirements may increase the risk that required procedures or reporting deadlines are not addressed timely.

Repeat Finding: No

Recommendation: Maintain timely communication and coordination throughout the reporting process to help ensure Federal award activity and applicable compliance requirements are identified and addressed timely. Establishing procedures for monitoring Federal award activity and applicable reporting deadlines may also help facilitate the timely completion and submission of required reporting.

Response: The County will review its procedures for monitoring Federal award activity and applicable compliance requirements and will work to maintain timely communication and coordination with its auditors to help ensure required reporting is completed and submitted within the applicable timeframe.

Questioned Costs: No questioned costs were identified.

GAGE COUNTY, NEBRASKA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025

Finding 2025-1 Financial Statement Preparation

Status: Ongoing

Reason for Recurrence: The County has discussed the finding but must consider the cost of professional resources to complete a set of drafted county financial statements.

Finding 2025-2 Segregation of Duties

Status: Ongoing

Reason for Recurrence: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Finding 2025-3 Sheriff Office Procedures

Status: Ongoing

Reason for Recurrence: The Sheriff's office had a delayed remittance timing to the Treasurer's office in the current year.

Finding 2025-4 Timely Federal Reporting

Status: Resolved

Corrective Action: Timely communication and coordination regarding Federal award activity and applicable compliance requirements to ensure required reporting is completed within applicable timeframe.

GAGE COUNTY, NEBRASKA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Finding 2024-1 Financial Statement Preparation

Status: Ongoing

Reason for Recurrence: The County has discussed the finding but must consider the cost of professional resources to complete a set of drafted county financial statements.

Finding 2024-2 Segregation of Duties

Status: Ongoing

Reason for Recurrence: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Finding 2024-3 Sheriff Office Procedures

Status: Ongoing

Reason for Recurrence: The Sheriff's office had a delayed remittance timing to the Treasurer's office in the current year.