MERRICK COUNTY, NEBRASKA

Independent Auditor's Report and Financial Statements

June 30, 2025

MERRICK COUNTY, NEBRASKA

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MERRICK COUNTY, NEBRASKA
1510 18th Street
Central City, NE 68826

LIST OF COUNTY OFFICIALS
At June 30, 2025

Title	Name	Term Expires
Board of Supervisors	Edward Dexter	Jan. 2027
	Russell Kreachbaum	Jan. 2029
	Carolyn Kucera	Jan. 2029
	Jan Placke	Jan. 2027
	Tom Weller	Jan. 2027
	Roger Wiegert	Jan. 2029
	Dennis Jarecke	Jan. 2027
Assessor	Jennifer Myers	Jan. 2027
Attorney	Aaron Kunz	Jan. 2027
Clerk Election Commissioner Register of Deeds	Trish Fate-Strobel	Jan. 2027
Clerk of the District Court	Theresa Good	Jan. 2027
Sheriff	John Westman	Jan. 2027
Treasurer	Sharon Gilg	Jan. 2027
Surveyor	Michael Meyer	Jan. 2027
Highway Superintendent	Brent Kunze	Appointed
Veterans' Service Officer	Tom Reimers	Appointed
Weed Superintendent	Dean Hartwig	Appointed
Planning & Zoning	Hilary Betka	Appointed
Emergency Manager	Jenna Church	Appointed

Lengemann & Associates, P.C.
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Merrick County, Nebraska

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Merrick County, Nebraska (the 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.

Summary of Opinions

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

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the cash basis financial position of the discretely presented component unit of the County as of June 30, 2025, or the changes in cash basis financial position for the year ended in accordance with the cash basis of accounting described in Note 1.

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

In our opinion, the 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 aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

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Basis for Adverse and Unmodified Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Discretely Presented Component Unit

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 accompanying combining and individual nonmajor funds financial statement, budgetary comparison information, schedule of office activities, and schedule of taxes certified and collected 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of the 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 the County's internal control over financial reporting and compliance.

Lengemann & associates, P.C.

Lengemann & Associates P.C.
Papillion, Nebraska
June 22, 2026

MERRICK COUNTY

STATEMENT OF NET POSITION – CASH BASIS

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,762,441
Investments	11,002
TOTAL ASSETS	$ 6,773,443
NET POSITION	
Restricted for:	
Visitor Promotion	$ 9,581
911 Emergency Services	38,651
Drug Education	11,573
Law Enforcement	109,720
Preservation of Records	50,804
Debt Service	247,270
Drug Court	5,573
Street and Bridge Projects	1,663,788
Federal Relief	536,797
Total Restricted	2,673,757
Unrestricted	4,099,686
TOTAL NET POSITION	$ 6,773,443

MERRICK COUNTY

STATEMENT OF ACTIVITIES – CASH BASIS

Year Ended June 30, 2025

FUNCTIONS:	Cash Disbursements	Program Cash Receipts: Fees, Fines, and Charges for Services	Program Cash Receipts: Operating Grants and Capital Contributions	Net (Disbursements) Receipts and Changes in Net Position
Governmental Activities:				
General Government	$ (3,323,172)	$ 375,075	$ 153,471	$ (2,794,626)
Public Safety	(2,012,329)	41,278	-	(1,971,051)
Public Works	(4,005,789)	28,127	2,527,518	(1,450,144)
Public Health	(13,482)	-	-	(13,482)
Public Assistance	(59,263)	-	-	(59,263)
Culture and Recreation	(127,469)	-	-	(127,469)
Debt Payments	(280,918)	-	-	(280,918)
Total Governmental Activities	$ (9,822,422)	$ 444,480	$ 2,680,989	(6,696,953)
General Receipts:				
Taxes				6,401,224
Investment Income				423,827
Miscellaneous				45,635
Transfers In				3,501,836
Transfers Out				(3,501,836)
Total General Receipts				6,870,686
Changes in Net Position				173,733
Net Position – Beginning				6,599,710
Net Position – Ending				$ 6,773,443

MERRICK COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Road Fund	Inheritance Fund	Street Bridge Buyback Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents and Investments	$ 529,632	$ 599,267	$ 2,389,854	$ 1,314,113	$ 536,797	$ 1,403,780	$ 6,773,443
TOTAL ASSETS	$ 529,632	$ 599,267	$ 2,389,854	$ 1,314,113	$ 536,797	$ 1,403,780	$ 6,773,443
FUND BALANCES							
Restricted for:							
Visitor Promotion	$ -	$ -	$ -	$ -	$ -	$ 9,581	$ 9,581
911 Emergency Services	-	-	-	-	-	38,651	38,651
Drug Education	-	-	-	-	-	11,573	11,573
Law Enforcement	-	-	-	-	-	109,720	109,720
Preservation of Records	-	-	-	-	-	50,804	50,804
Debt Service	-	-	-	-	-	247,270	247,270
Drug Court	-	-	-	-	-	5,573	5,573
Street and Bridge Projects	-	-	-	1,314,113	-	349,675	1,663,788
Federal Relief	-	-	-	-	536,797	-	536,797
Committed to:							
Law Enforcement	-	-	-	-	-	9,047	9,047
Stop Program	-	-	-	-	-	14,071	14,071
Canine	-	-	-	-	-	8,949	8,949
Commissary	-	-	-	-	-	37,445	37,445
Opioid Recovery	-	-	-	-	-	26,133	26,133
LATC	-	-	-	-	-	79,776	79,776
Special Response Team	-	-	-	-	-	354	354
Road Maintenance	-	599,267	-	-	-	-	599,267
Aid and Assistance	-	-	-	-	-	6,523	6,523
County Buildings	-	-	-	-	-	335,268	335,268
County Equipment	-	-	-	-	-	63,367	63,367
Assigned to:							
Other Purposes	-	-	2,389,854	-	-	-	2,389,854
Unassigned	529,632	-	-	-	-	-	529,632
TOTAL FUND BALANCES	$ 529,632	$ 599,267	$ 2,389,854	$ 1,314,113	$ 536,797	$ 1,403,780	$ 6,773,443

MERRICK COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSMENTS AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	General Fund	Road Fund	Inheritance Fund	Street Bridge Buyback Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS							
Taxes	$ 5,734,184	$ -	$ 434,543	$ -	$ -	$ 232,497	$ 6,401,224
Investment Income	378,056	-	-	-	-	45,771	423,827
Intergovernmental	29,805	2,160,605	-	366,913	-	123,666	2,680,989
Charges for Services	401,020	2,061	-	-	-	41,399	444,480
Miscellaneous	21,386	24,019	-	-	-	230	45,635
TOTAL RECEIPTS	6,564,451	2,186,685	434,543	366,913	-	443,563	9,996,155
DISBURSEMENTS							
General Government	3,185,266	-	-	-	-	137,906	3,323,172
Public Safety	1,966,358	-	-	-	-	45,971	2,012,329
Public Works	46,642	3,935,025	3,061	-	7,695	13,366	4,005,789
Public Health	-	-	-	-	-	13,482	13,482
Public Assistance	33,860	-	-	-	-	25,403	59,263
Culture and Recreation	-	-	-	-	-	127,469	127,469
Debt Service:							
Principal Payments	-	-	-	-	-	270,000	270,000
Interest and Fiscal Charges	-	-	-	-	-	10,918	10,918
TOTAL DISBURSEMENTS	5,232,126	3,935,025	3,061	-	7,695	644,515	9,822,422
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,332,325	(1,748,340)	431,482	366,913	(7,695)	(200,952)	173,733
OTHER FINANCING SOURCES (USES)							
Transfers in	1,050,000	2,151,863	-	-	-	300,000	3,501,863
Transfers out	(2,451,863)	-	(1,050,000)	-	-	-	(3,501,863)
TOTAL OTHER FINANCING SOURCES (USES)	(1,401,863)	2,151,863	(1,050,000)	-	-	300,000	-
Net Change in Fund Balances	(69,538)	403,523	(618,518)	366,913	(7,695)	99,048	173,733
FUND BALANCES – BEGINNING	599,170	195,744	3,008,372	947,200	544,492	1,304,732	6,599,710
FUND BALANCES – ENDING	$ 529,632	$ 599,267	$ 2,389,854	$ 1,314,113	$ 536,797	$ 1,403,780	$ 6,773,443

MERRICK COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION AND CHANGES IN FIDUCIARY NET POSITION
CASH BASIS

Year ended June 30, 2025

	Custodial Fund Balances Beginning	Receipts	Other/ Disbursements	Custodial Fund Balances Ending
ASSETS				
Cash and Cash Equivalents	$ 551,961	$ 26,671,144	$ (26,599,772)	$ 623,333
LIABILITIES				
Due to Other Governments				
State	161,711	2,503,950	(2,447,498)	218,163
Schools	187,064	18,727,969	(18,720,922)	194,111
Educational Service Units	2,263	317,871	(317,314)	2,820
Technical College	13,091	856,239	(865,450)	3,880
Natural Resource Districts	3,675	522,148	(521,127)	4,696
Fire Districts	3,403	643,765	(642,274)	4,894
Municipalities	27,106	1,904,076	(1,896,735)	34,447
Agricultural Society	832	109,857	(109,735)	954
Community Redevelopment Authority	-	197,134	(197,134)	-
Others	59,383	195,417	(206,583)	48,217
Total Due to Other Governments	458,528	25,978,426	(25,924,772)	512,182
Due to Governments, County and Others:				
State – collected by Other Offices	16,476	150,650	(148,176)	18,950
Other – collected by Other Offices	76,957	542,068	(526,824)	92,201
	93,433	692,718	(675,000)	111,151
TOTAL LIABILITIES	551,961	26,671,144	(26,599,772)	623,333
TOTAL NET POSITION	$ -	$ -	$ -	$ -

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Merrick County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

Joint Organization.

Behavioral Health Region III – 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 III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

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 $20,429 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 required the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (continued)

Joint Organization (continued).

Health Department – The County has entered into an agreement with the Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. 71-1626 to 71-1636 (Reissue 2018).

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 contributed $16,000 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) (Review 2024). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

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

The County reports the following major governmental funds:

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

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

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

Street Bridge Buyback Fund. This fund is used to account for costs associated with the construction, maintenance, and repair of public roads and public bridges, and is primarily funded by State receipts.

American Rescue Plan Act Fund. This fund is used to account for aid received from the American Rescue Plan Act and is used for aid and assistance in accordance with Federal guidelines.

The County reports the following additional nonmajor governmental fund types:

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

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

Capital Project Funds. The Courthouse Building Fund and the 4-H Building Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

Debt Service Fund. The Courthouse Bond Fund and the 4-H Building Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

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, revenues are recorded when earned, and expenses 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 the basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets and Net Position

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. 77-2315, 77-2340, and 77-2341 (Reissue 2018, Cum. Supp. 2024) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $2,673,757 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets and Net Position (continued)

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 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

NOTE 2 – DEPOSITS AND INVESTMENTS

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was $6,762,441 for County funds and $623,333 for Fiduciary funds. The bank balances for all funds totaled $7,259,514. For purposes of classifying categories of custodial 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.

The County's carrying value of investments is stated at cost, which approximates market. Investments of $11,002 are deposited in the Nebraska Public Agency Investment Trust (NPAIT). The U.S. Government Securities were held by the County or its agent in the name of the County. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at $1.00 per unit. Securities held by NPAIT are not held in the County's name.

NOTE 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.

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

The levy set in October 2024, for the 2024 taxes which will be materially collected in May and September 2025, was set at $.264934/$100 of assessed valuation. The levy set in October 2023, for the 2023 taxes, which were materially collected in May and September 2024, was set at $.215392/$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.

NOTE 4 – RETIREMENT SYSTEM

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, Supp. 2023, 2024 Neb. Laws, L.B. 198, § 4) and may be amended through legislative action.

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

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

NOTE 4 – RETIREMENT SYSTEM (Continued)

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, 71 employees contributed $158,541, and the County contributed $231,447.

NOTE 5 – RISK MANAGEMENT

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 112 counties and local governments throughout Nebraska.

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

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

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.

NOTE 6 – INTERFUND TRANSFERS

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

	Transfers from				
Transfers to	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	Total
General	$ -	$ -	$1,050,000	$ -	$ 1,050,000
Road Fund	2,151,863	-	-	-	2,151,863
Inheritance Fund	-	-	-	-	-
Nonmajor	300,000	-	-	-	300,000
Total	$2,451,863	$ -	$1,050,000	$ -	$ 3,501,863

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

NOTE 7 – LONG-TERM OBLIGATIONS

Bonds – Direct Placements

Courthouse Bonds. The County issued bonds on May 6, 2021, in the amount of $630,000 for the purpose of refunding Series 2016 Bonds issued to refinance the costs of constructing and equipping an addition to the Courthouse. The bond payable balance, as of June 30, 2025, was $110,000. Principal of $130,000 was paid during the year ended June 30, 2025. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2026	$ 110,000	$ 385	$ 110,385
Total Payments	$ 110,000	$ 385	$ 110,385

4-H Building Bonds. The County issued bonds on December 1, 2020, in the amount of $1,430,000 for the purpose of refunding Series 2015 Bonds issued to pay the costs of constructing, equipping, and making site preparations for a County building to be used as a 4-H Center. The bond payable balance, as of June 30, 2025, was $870,000. Principal of $140,000 was paid during the year ended June 30, 2025. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2026	$ 140,000	$ 8,848	$ 148,848
2027	140,000	7,763	147,763
2028	145,000	6,442	151,442
2029	145,000	4,884	149,884
2030	150,000	3,075	153,075
2031	150,000	1,050	151,050
Total Payments	$ 870,000	$ 32,062	$ 902,062

NOTE 8 – CONTINGENT LIABILITIES

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

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated all subsequent events through June 22, 2026 that may have required and adjustment to, or inclusion in, the financial statements. The County had no subsequent events for inclusion in these financial statements.

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	$ 6,105,652	$ 6,105,652	$ 5,734,184	$ (371,468)
Investment Income	253,000	253,000	378,056	125,056
Intergovernmental	510,230	510,230	29,805	(480,425)
Charges for Services	425,845	425,845	401,020	(24,825)
Miscellaneous	17,175	17,175	21,386	4,211
TOTAL RECEIPTS	7,311,902	7,311,902	6,564,451	(747,451)
DISBURSEMENTS				
General Government:				
County Board	192,573	192,573	192,573	-
County Clerk	169,444	169,444	165,209	4,235
County Treasurer	219,112	219,112	191,497	27,615
County Assessor	187,705	187,705	185,503	2,202
Election Commissioner	34,250	34,250	23,610	10,640
Building and Zoning	33,000	33,000	32,194	806
Clerk of the District Court	131,184	131,184	126,700	4,484
County Court System	9,468	9,468	7,218	2,250
Buildings and Grounds	205,030	205,030	181,887	23,143
Reappraisal	52,000	52,000	49,176	2,824
Extension Office	139,410	139,410	138,306	1,104
Miscellaneous	2,137,695	2,137,695	1,891,393	246,302
Public Safety				
County Sheriff	1,111,192	1,111,192	1,024,292	86,900
County Attorney	277,553	277,553	275,558	1,995
Communication Office	270,304	270,304	263,818	6,486
Child Support	25,000	25,000	12,498	12,502
County Jail	433,600	433,600	390,192	43,408
Other	34,000	34,000	-	34,000
Public Works				
County Surveyor	61,395	61,395	46,642	14,753
Public Assistance				
Veterans' Service Officer	35,295	35,295	33,860	1,435
TOTAL DISBURSEMENTS	5,759,210	5,759,210	5,232,136	527,084
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,552,692	1,552,692	1,332,325	(220,367)

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,050,000	1,050,000
Transfers out	(2,451,863)	(2,451,863)	(2,451,863)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,451,863)	(2,451,863)	(1,401,863)	1,050,000
Net Change in Fund Balance	(899,171)	(899,171)	(69,538)	829,633
FUND BALANCE - BEGINNING	599,170	599,170	599,170	-
FUND BALANCE - ENDING	$ (300,001)	$ (300,001)	$ 529,632	$ 829,633

(Concluded)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
OTHER MAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	$ 2,139,544	$ 2,139,544	$ 2,160,605	$ 21,061
Charges for Services	3,086	3,086	2,061	(1,025)
Miscellaneous	17,750	17,750	24,019	6,269
TOTAL RECEIPTS	2,160,380	2,160,380	2,186,685	26,305
DISBURSEMENTS	4,307,988	4,307,988	3,935,025	372,963
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSMENTS	(2,147,608)	(2,147,608)	(1,748,340)	399,268
OTHER FINANCING SOURCES				
Transfers in	2,151,863	2,151,863	2,151,863	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	2,151,863	2,151,863	2,151,863	-
Net Change in Fund Balance	4,255	4,255	403,523	399,268
FUND BALANCE – BEGINNING	195,744	195,744	195,744	-
FUND BALANCE – ENDING	$ 199,999	$ 199,999	$ 599,267	$ 399,268
INHERITANCE FUND				
RECEIPTS				
Taxes	$ -	$ -	$ 434,543	$ 434,543
TOTAL RECEIPTS	-	-	434,543	434,543
DISBURSEMENTS	2,208,372	2,208,372	3,061	2,205,311
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSMENTS	(2,208,372)	(2,208,372)	431,482	2,639,854
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(800,000)	(800,000)	(1,050,000)	(250,000)
TOTAL OTHER FINANCING SOURCES (USES)	(800,000)	(800,000)	(1,050,000)	(250,000)
Net Change in Fund Balance	(3,008,372)	(3,008,372)	(618,518)	2,389,854
FUND BALANCE – BEGINNING	3,008,372	3,008,372	3,008,372	-
FUND BALANCE – ENDING	$ -	$ -	$ 2,389,854	$ 2,389,854

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
OTHER MAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET BRIDGE BUYBACK FUND				
RECEIPTS				
Intergovernmental	$ 366,913	$ 366,913	$ 366,913	$ -
TOTAL RECEIPTS	366,913	366,913	366,913	-
DISBURSEMENTS	1,314,113	1,314,113	-	1,314,113
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSMENTS	(947,200)	(947,200)	366,913	1,314,113
Net Change in Fund Balance	(947,200)	(947,200)	366,913	1,314,113
FUND BALANCE – BEGINNING	947,200	947,200	947,200	-
FUND BALANCE – ENDING	$ -	$ -	$ 1,314,113	$ 1,314,113
AMERICAN RESCUE PLAN ACT FUND				
RECEIPTS				
Investment Income	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
TOTAL RECEIPTS	-	-	-	-
DISBURSEMENTS	544,492	544,492	7,695	536,797
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSMENTS	(544,492)	(544,492)	(7,695)	536,797
Net Change in Fund Balance	(544,492)	(544,492)	(7,695)	536,797
FUND BALANCE – BEGINNING	544,492	544,492	544,492	-
FUND BALANCE – ENDING	$ -	$ -	$ 536,797	$ 536,797

(Concluded)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
NONMAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD SINKING FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(349,675)	(349,675)	-	349,675
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(149,675)	(149,675)	200,000	349,675
Fund Balance – Beginning	149,675	149,675	149,675	-
Fund Balance – Ending	$ -	$ -	$ 349,675	$ 349,675
VISITORS PROMOTION FUND				
Receipts	$ 7,023	$ 7,023	$ 6,802	$ (221)
Disbursements	(17,006)	(17,006)	(7,204)	9,802
Net Change in Fund Balance	(9,983)	(9,983)	(402)	9,581
Fund Balance – Beginning	9,983	9,983	9,983	-
Fund Balance – Ending	$ -	$ -	$ 9,581	$ 9,581
PRESERVATION & MODERNIZATION FUND				
Receipts	$ -	$ -	$ 6,037	$ 6,037
Disbursements	(44,767)	(44,767)	-	44,767
Net Change in Fund Balance	(44,767)	(44,767)	6,037	50,804
Fund Balance – Beginning	44,767	44,767	44,767	-
Fund Balance – Ending	$ -	$ -	$ 50,804	$ 50,804
VETERANS AID FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(6,523)	(6,523)	-	6,523
Net Change in Fund Balance	(6,523)	(6,523)	-	6,523
Fund Balance – Beginning	6,523	6,523	6,523	-
Fund Balance – Ending	$ -	$ -	$ 6,523	$ 6,523
OPIOID RECOVERY FUND				
Receipts	$ -	$ -	$ 15,333	$ 15,333
Disbursements	(23,058)	(23,058)	(12,258)	10,800
Net Change in Fund Balance	(23,058)	(23,058)	3,075	26,133
Fund Balance – Beginning	23,058	23,058	23,058	-
Fund Balance – Ending	$ -	$ -	$ 26,133	$ 26,133

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
NONMAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE DIVERSION FUND				
Receipts	$ 117,825	$ 117,825	$ 81,971	$ (35,854)
Disbursements	(176,638)	(176,638)	(137,345)	39,293
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(58,813)	(58,813)	(55,374)	3,439
Fund Balance – Beginning	58,813	58,813	58,813	-
Fund Balance – Ending	$ -	$ -	$ 3,439	$ 3,439
STOP PROGRAM FUND				
Receipts	$ -	$ -	$ 1,025	$ 1,025
Disbursements	(13,046)	(13,046)	-	13,046
Net Change in Fund Balance	(13,046)	(13,046)	1,025	14,071
Fund Balance – Beginning	13,046	13,046	13,046	-
Fund Balance – Ending	$ -	$ -	$ 14,071	$ 14,071
DRUG LAW ENFORCEMENT FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(11,253)	(11,253)	-	11,253
Net Change in Fund Balance	(11,253)	(11,253)	-	11,253
Fund Balance – Beginning	11,253	11,253	11,253	-
Fund Balance – Ending	$ -	$ -	$ 11,253	$ 11,253
DRUG TESTING FUND				
Receipts	$ -	$ -	$ 80	$ 80
Disbursements	(760)	(760)	(276)	484
Net Change in Fund Balance	(760)	(760)	(196)	564
Fund Balance – Beginning	760	760	760	-
Fund Balance – Ending	$ -	$ -	$ 564	$ 564
ADULT DRUG COURT FUND				
Receipts	$ -	$ -	$ 230	$ 230
Disbursements	(5,727)	(5,727)	(948)	4,779
Net Change in Fund Balance	(5,727)	(5,727)	(718)	5,009
Fund Balance – Beginning	5,727	5,727	5,727	-
Fund Balance – Ending	$ -	$ -	$ 5,009	$ 5,009

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
NONMAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DARE FUND				
Receipts	$ -	$ -	$ 200	$ 200
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	200	200
Fund Balance – Beginning	120	120	120	-
Fund Balance – Ending	$ 120	$ 120	$ 320	$ 200
CANINE FUND				
Receipts	$ -	$ -	$ 11,323	$ 11,323
Disbursements	(16,371)	(16,371)	(18,745)	(2,374)
Net Change in Fund Balance	(16,371)	(16,371)	(7,422)	8,949
Fund Balance – Beginning	16,371	16,371	16,371	-
Fund Balance – Ending	$ -	$ -	$ 8,949	$ 8,949
JUVENILE SERVICES GRANT FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(5,508)	(5,508)	-	5,508
Net Change in Fund Balance	(5,508)	(5,508)	-	5,508
Fund Balance – Beginning	5,508	5,508	5,508	-
Fund Balance – Ending	$ -	$ -	$ 5,508	$ 5,508
LOCAL ASSIST & TRIBAL CONSISTENCY FUND				
Receipts	$ -	$ -	$ 2,304	$ 2,304
Disbursements	(102,875)	(102,875)	(25,403)	77,472
Net Change in Fund Balance	(102,875)	(102,875)	(23,099)	79,776
Fund Balance – Beginning	102,875	102,875	102,875	-
Fund Balance – Ending	$ -	$ -	$ 79,776	$ 79,776
SHERRIFF'S OFFICE SINKING FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(112,000)	(112,000)	(2,280)	109,720
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(62,000)	(62,000)	47,720	109,720
Fund Balance – Beginning	62,000	62,000	62,000	-
Fund Balance – Ending	$ -	$ -	$ 109,720	$ 109,720

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
NONMAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY MANAGEMENT FUND				
Receipts	$ -	$ -	$ 13,934	$ 13,934
Disbursements	(34,546)	(34,546)	(9,829)	24,717
Net Change in Fund Balance	(34,546)	(34,546)	4,105	38,651
Fund Balance – Beginning	34,546	34,546	34,546	-
Fund Balance – Ending	$ -	$ -	$ 38,651	$ 38,651
LAW ENFORCEMENT FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(100)	(100)	-	100
Net Change in Fund Balance	(100)	(100)	-	100
Fund Balance – Beginning	100	100	100	-
Fund Balance – Ending	$ -	$ -	$ 100	$ 100
SPECIAL RESPONSE TEAM FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	-	-	(1,751)	(1,751)
Net Change in Fund Balance	-	-	(1,751)	(1,751)
Fund Balance – Beginning	4,373	4,373	2,105	(2,268)
Fund Balance – Ending	$ 4,373	$ 4,373	$ 354	$ (4,019)
COMMISSARY FUND				
Receipts	$ -	$ -	$ 2,761	$ 2,761
Disbursements	(35,245)	(35,245)	(561)	34,684
Net Change in Fund Balance	(35,245)	(35,245)	2,200	37,445
Fund Balance – Beginning	35,245	35,245	35,245	-
Fund Balance – Ending	$ -	$ -	$ 37,445	$ 37,445
COURTHOUSE P & I BOND FUND				
Receipts	$ 88,292	$ 88,292	$ 77,933	$ (10,359)
Disbursements	(262,160)	(262,160)	(131,160)	131,000
Net Change in Fund Balance	(173,868)	(173,868)	(53,227)	120,641
Fund Balance – Beginning	173,868	173,868	173,868	-
Fund Balance – Ending	$ -	$ -	$ 120,641	$ 120,641

(Continued)

MERRICK COUNTY

BUDGETARY COMPARISON SCHEDULE
NONMAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY 4-H BUILDING P&I FUND				
Receipts	$ 161,634	$ 161,634	$ 148,263	$ (13,371)
Disbursements	(289,758)	(289,758)	(149,758)	140,000
Net Change in Fund Balance	(128,124)	(128,124)	(1,495)	126,629
Fund Balance – Beginning	128,124	128,124	128,124	-
Fund Balance – Ending	$ -	$ -	$ 126,629	$ 126,629
COUNTY DRAINAGE DISTRICT				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(2,177)	(2,177)	-	2,177
Net Change in Fund Balance	(2,177)	(2,177)	-	2,177
Fund Balance – Beginning	2,177	2,177	-	(2,177)
Fund Balance – Ending	$ -	$ -	$ -	$ -
COURTHOUSE BUILDING FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(183,812)	(183,812)	-	183,812
Net Change in Fund Balance	(183,812)	(183,812)	-	183,812
Fund Balance – Beginning	183,812	183,812	183,812	-
Fund Balance – Ending	$ -	$ -	$ 183,812	$ 183,812
COUNTY 4-H BUILDING FUND				
Receipts	$ -	$ -	$ 75,367	$ 75,367
Disbursements	(196,354)	(196,354)	(120,265)	76,089
Net Change in Fund Balance	(196,354)	(196,354)	(44,898)	151,456
Fund Balance – Beginning	196,354	196,354	196,354	-
Fund Balance – Ending	$ -	$ -	$ 151,456	$ 151,456
COUNTY SINKING FUND				
Receipts	$ -	$ -	$ -	$ -
Disbursements	(90,099)	(90,099)	(26,732)	63,367
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(40,099)	(40,099)	23,268	63,367
Fund Balance – Beginning	40,099	40,099	40,099	-
Fund Balance – Ending	$ -	$ -	$ 63,367	$ 63,367

(Concluded)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	Road Sinking Fund	Visitors Promotion Fund	Preservation & Modernization Fund	Veterans Aid Fund	Opioid Recovery Fund
RECEIPTS					
Taxes	$ -	$ 6,802	$ -	$ -	$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	6,037	-	15,333
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	6,802	6,037	-	15,333
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Health	-	-	-	-	12,258
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	7,204	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	-	7,204	-	-	12,258
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(402)	6,037	-	3,075
OTHER FINANCING SOURCES					
Transfers in	200,000	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	200,000	-	-	-	-
Net Change in Fund Balances	200,000	(402)	6,037	-	3,075
FUND BALANCES – BEGINNING	149,675	9,983	44,767	6,523	23,058
FUND BALANCES – ENDING	$ 349,675	$ 9,581	$ 50,804	$ 6,523	$ 26,133

(Continued)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	Juvenile Diversion Fund	Stop Program Fund	Drug Law Enforcement Fund	Drug Testing Fund	Adult Drug Court Fund
RECEIPTS					
Taxes	$ -	$ -	$ -	$ -	$ -
Investment Income	-	-	-	-	-
Intergovernmental	79,701	-	-	-	-
Charges for Services	2,270	1,025	-	80	-
Miscellaneous	-	-	-	-	230
TOTAL RECEIPTS	81,971	1,025	-	80	230
DISBURSEMENTS					
General Government	137,345	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	276	948
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	137,345	-	-	276	948
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(55,374)	1,025	-	(196)	(718)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
Net Change in Fund Balances	(55,374)	1,025	-	(196)	(718)
FUND BALANCES – BEGINNING	58,813	13,046	11,253	760	5,727
FUND BALANCES – ENDING	$ 3,439	$ 14,071	$ 11,253	$ 564	$ 5,009

(Continued)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	DARE Fund	Canine Fund	Juvenile Services Grant Fund	Local Assist & Tribal Consistency Fund	Sherriff's Office Sinking Fund
RECEIPTS					
Taxes	$ -	$ -	$ -	$ -	$ -
Investment Income	200	-	-	2,304	-
Intergovernmental	-	11,323	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	200	11,323	-	2,304	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	18,745	-	-	2,280
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Public Assistance	-	-	-	25,403	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	-	18,745	-	25,403	2,280
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	200	(7,422)	-	(23,099)	(2,280)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	50,000
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	50,000
Net Change in Fund Balances	200	(7,422)	-	(23,099)	47,720
FUND BALANCES – BEGINNING	120	16,371	5,508	102,875	62,000
FUND BALANCES – ENDING	$ 320	$ 8,949	$ 5,508	$ 79,776	$ 109,720

(Continued)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	E911 Emergency Management Fund	Law Enforcement Fund	Special Response Team Fund	Commissary Fund	Courthouse Bond P & I Fund
RECEIPTS					
Taxes	$ -	$ -	$ -	$ -	$ 77,766
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	181
Charges for Services	13,934	-	-	2,761	(14)
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	13,934	-	-	2,761	77,933
DISBURSEMENTS					
General Government	-	-	-	561	-
Public Safety	9,829	-	1,751	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	130,000
Interest and Fiscal Charges	-	-	-	-	1,160
TOTAL DISBURSEMENTS	9,829	-	1,751	561	131,160
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	4,105	-	(1,751)	2,200	(53,227)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
Net Change in Fund Balances	4,105	-	(1,751)	2,200	(53,227)
FUND BALANCES – BEGINNING	34,546	100	2,105	35,245	173,868
FUND BALANCES – ENDING	$ 38,651	$ 100	$ 354	$ 37,445	$ 120,641

(Continued)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	County 4H Building P&I Fund	County Drainage Fund	Courthouse Building Fund	County 4H Building Fund	County Sinking Fund
RECEIPTS					
Taxes	$ 147,929	$ -	$ -	$ -	$ -
Investment Income	-	-	-	43,267	-
Intergovernmental	361	-	-	32,100	-
Charges for Services	(27)	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	148,263	-	-	75,367	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	13,366
Public Works	-	-	-	-	13,366
Public Health	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	120,265	-
Debt Service:					
Principal Payments	140,000	-	-	-	-
Interest and Fiscal Charges	9,758	-	-	-	-
TOTAL DISBURSEMENTS	149,758	-	-	120,265	26,732
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,495)	-	-	(44,898)	(26,732)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	50,000
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	50,000
Net Change in Fund Balances	(1,495)	-	-	(44,898)	23,268
FUND BALANCES – BEGINNING	128,124	-	183,812	196,354	40,099
FUND BALANCES – ENDING	$ 126,629	$ -	$ 183,812	$ 151,456	$ 63,367

(Continued)

MERRICK COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES NONMAJOR FUNDS

Year Ended June 30, 2025

	Total Nonmajor Funds
RECEIPTS	
Taxes	$ 232,497
Investment Income	45,771
Intergovernmental	123,666
Charges for Services	41,399
Miscellaneous	230
TOTAL RECEIPTS	443,563
DISBURSEMENTS	
General Government	137,906
Public Safety	45,971
Public Works	13,366
Public Health	13,482
Public Assistance	25,403
Culture and Recreation	127,469
Debt Service	
Principal Payments	270,000
Interest and Fiscal Charges	10,918
TOTAL DISBURSEMENTS	644,515
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(200,952)
OTHER FINANCING SOURCES	
Transfers in	300,000
Transfers out	-
TOTAL OTHER FINANCING SOURCES	300,000
Net Change in Fund Balances	99,048
FUND BALANCES – BEGINNING	1,304,732
FUND BALANCES – ENDING	$ 1,403,780

(Concluded)

MERRICK COUNTY

SCHEDULE OF OFFICE ACTIVITIES

Year Ended June 30, 2025

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Veterans Service Officer
BALANCES, BEGINNING	$ 26,607	$ 63,914	$ 5,915	$ 10	$ 1,006
RECEIPTS					
Charges for Services	87,290	36,671	24,256	-	-
State Fees	130,358	20,292	-	-	-
Miscellaneous	-	-	-	1,796	-
Other Liabilities	-	482,238	-	-	-
TOTAL RECEIPTS	217,648	539,201	24,256	1,796	-
DISBURSEMENTS					
Payments to County Treasurer	87,290	36,572	21,499	-	-
Payments to State Treasurer	130,358	17,818	-	-	-
Petty Cash & Other Payments	-	-	-	1,796	-
Other Liabilities	5,890	477,790	-	-	-
TOTAL DISBURSEMENTS	223,538	532,180	21,499	1,796	-
BALANCES, ENDING	$ 20,717	$ 70,935	$ 8,672	$ 10	$ 1,006
BALANCES CONSIST OF:					
Due to County Treasurer	$ 9,144	$ 99	$ 8,672	$ -	$ -
Due to State Treasurer	11,528	7,422	-	-	-
Petty Cash	-	-	-	10	-
Due to Others	45	63,414	-	-	1,006
BALANCES, ENDING	$ 20,717	$ 70,935	$ 8,672	$ 10	$ 1,006

(Continued)

MERRICK COUNTY

SCHEDULE OF OFFICE ACTIVITIES

Year Ended June 30, 2025

	4-H Building Extension	Total
BALANCES, BEGINNING	$ 11,051	$ 108,503
RECEIPTS		
Charges for Services	-	148,217
State Fees	-	150,650
Miscellaneous	-	1,796
Other Liabilities	41,904	524,142
TOTAL RECEIPTS	41,904	824,805
DISBURSEMENTS		
Payments to County Treasurer	-	145,361
Payments to State Treasurer	-	148,176
Petty Cash & Other Payments	-	1,796
Other Liabilities	43,144	526,824
TOTAL DISBURSEMENTS	43,144	822,157
BALANCES, ENDING	$ 9,811	$ 111,151
BALANCES CONSIST OF:		
Due to County Treasurer	$ -	$ 17,915
Due to State Treasurer	-	18,950
Petty Cash	-	10
Due to Others	9,811	74,276
BALANCES, ENDING	$ 9,811	$ 111,151

(Concluded)

MERRICK COUNTY

SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR ALL POLITICAL SUBDIVSIONS IN THE COUNTY

Year Ended June 30, 2025

Item	2020	2021	2022	2023	2024
Tax Certified by Assessor	$ 21,973,621	$ 22,394,507	$ 22,866,851	$ 22,440,128	$ 18,979,652
Corrections:					
Net Additions/(Deductions)	6	(175)	5,499	-	(12)
Corrected Certified Tax	21,973,627	22,394,332	22,872,350	22,440,128	18,979,640
Net Tax Collected by					
County Treasurer during					
Fiscal Year Ending:					
June 30, 2021	13,678,127	-	-	-	-
June 30, 2022	8,289,729	14,317,731	-	-	-
June 30, 2023	5,428	8,075,046	14,720,296	-	-
June 30, 2024	343	1,555	8,151,740	14,314,167	-
June 30, 2025	-	-	87	8,124,303	11,943,595
Total Net Collections	21,973,627	22,394,332	22,872,123	22,438,470	11,943,595
Total Uncollected Tax	$ 0	$ 0	$ 227	$ 1,658	$ 7,036,045
Percentage Uncollected Tax	0.00%	0.00%	0.00%	0.00%	37.07%

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

Lengemann & Associates, P.C.
Certified Public Accountants
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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
Merrick 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 Merrick County, Nebraska (the 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 June 22, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be a significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. 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.

Lengemann & associates, P.C.

Lengemann & Associates
Papillion, Nebraska
June 22, 2026

MERRICK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2025

Reference Number	Significant Deficiency
2025-001	Financial Statement Preparation

Criteria or Specific Requirement

Internal Controls should be in place to provide for preparation of the financial statements and notes in accordance with the cash basis of accounting.

Condition

The Board of Supervisors has engaged an outside audit firm to prepare the financial statements and notes in accordance with the cash basis of accounting.

Effect

The entity is not able to prepare the financial statements and notes in accordance with the cash basis of accounting.

Cause

The entity does not have an internal control system designed to prepare the financial statements and notes in accordance with the cash basis of accounting.

Recommendation

We recommend the Board of Supervisors and Officers stay involved in the process to ensure oversight over the non-audit service of the preparation of the financial statements by the outside audit firm.

Response

The Board of Supervisors has designated competent individuals to oversee the preparation of the financial reports. The Board will oversee and monitor the transactions being reported and will accept responsibility for the financial reports.

MERRICK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2025

Reference Number	Significant Deficiency
2025-002	Lack of Segregation of Duties

Criteria or Specific Requirement

The entity maintains an internal control system designed to provide for the adequate segregation of duties.

Condition

Due to the size of the County staff, there is limited segregation of duties over bookkeeping functions.

Effect

When one or even two individuals are responsible for all accounting functions on a day-to-day basis, without adequate oversight:

- Intentional or unintentional errors could be made and not detected.
- Transactions could be coded in the wrong accounts or classes.
- Entries could be made to cover up fraud (fraudulent financial reporting or misappropriation of assets).

Cause

The County has limited staff size.

Recommendation

We highly recommend the Board of Supervisors and Officers continue to review, implement and monitor their financial policies and procedures to segregate duties to the extent possible and to implement additional oversight, including maximizing the Board involvement in oversight, questioning transactions and reviewing the monthly financial reports.

Views of Responsible Officials and Planned Corrective Action

The Board of Supervisors and Officers indicated that they recognize that the concentration of these accounting procedures is weak from the standpoint of effective internal control. However, they informed us that they will continue to update, implement and monitor their financial policies, but in view of the limited number of accounting department personnel and cost considerations, adding personnel would not be practical

MERRICK COUNTY, NEBRASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

Reference Number	Prior Audit Findings and Status
2024-001	Financial Statement Preparation - Same as 2025-001.
2024-002	Lack of Segregation of Duties - Same as 2025-002.