OTOE COUNTY, NEBRASKA

Audited Financial Statements for the Year Ended
June 30, 2025
With Independent Auditor's Report

OTOE COUNTY

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OTOE COUNTY
1021 Central Avenue
Nebraska City, NE 68410

LIST OF COUNTY OFFICIALS
At June 30, 2025

Title	Name	Term Expires
Board of Commissioners	Dan Crownover	Jan. 2029
	Richard Freshman	Jan. 2027
	James Parsons	Jan. 2029
	Jerad Sornson	Jan. 2027
	Charles Cole	Jan. 2027
Assessor	Christina Smallfoot	Jan. 2027
Attorney	Jenniffer Panko-Rahe	Jan. 2027
Clerk Election Commissioner	Jennifer Bassinger	Jan. 2027
Clerk of the District Court	Janis Riege	Jan. 2027
Public Defender	Michael Ziskey	Jan. 2027
Register of Deeds	Ruth Ann Weddle	Jan. 2027
Sheriff	Colin Caudill	Jan. 2027
Treasurer	Nicki Kreifels	Jan. 2027
Surveyor/ Planning & Zoning	Dan Thomson	Jan. 2027/ Appointed
Veterans' Service Officer	Chad Miller	Appointed
Weed Superintendent	Jeff Walters	Appointed
Highway Superintendent	Brian Briley	Appointed
Emergency Manager	Gregg Goebel	Appointed

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

Board of Commissioners
Otoe County, Nebraska

Report on the Audit of the Financial Statements

Opinions

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

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 the aggregate remaining fund information of Otoe County, Nebraska, 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.

Basis for 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 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.

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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 fund financial statement, budgetary comparison information, schedule of office activity, schedule of taxes

certified and collected, and 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*, as listed 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the cash basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 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
March 30, 2026

OTOE COUNTY

STATEMENT OF NET POSITION – CASH BASIS

June 30, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 6,768,242
Cash and Cash Equivalents, restricted	296,838
Investments	3,199,944
TOTAL ASSETS	$10,265,024
NET POSITION	
Restricted for:	
Visitor Promotion	$ 46,991
911 Emergency Services	296,768
Drug Education	35,171
Law Enforcement	634,966
Preservation of Records	25,647
Coronavirus Relief and Assistance	296,838
Road and Bridge Maintenance	1,861,137
Veterans Aid	30,345
Emergency Management	(6,165)
Total Restricted	3,221,698
Unrestricted	7,043,326
TOTAL NET POSITION	$10,265,024

See accompanying notes to financial statements

OTOE 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 Contributions	Net (Disbursement) Receipts and Changes in Net Position
Governmental Activities:				
General Government	$ (5,281,141)	$ 774,535	$ -	$ (4,506,606)
Public Safety	(3,883,361)	1,826	29,456	(3,852,079)
Public Works	(4,344,920)	-	330,686	(4,014,234)
Public Health and Social Services	(130,727)	-	-	(130,727)
Culture and Recreation	(296,567)	-	-	(296,567)
Debt Payments	(610,653)	-	-	(610,653)
Capital Outlay	(3,294,436)	-	-	(3,294,436)
Total Governmental Activities	$ (17,841,805)	$ 776,361	$ 360,142	(16,705,302)
General Receipts:				
Taxes				9,851,479
Licenses and Permits				62,732
Intergovernmental-State				4,858,078
Intergovernmental-Other				128,515
Investment Income				337,055
Miscellaneous				449,108
Total General Receipts				15,686,967
Change in Net Position				(1,018,335)
Net Position – Beginning				11,283,359
Net Position – End				$ 10,265,024

See accompanying notes to financial statements

OTOE COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Fund	Highway Bridge Buyback Program Fund	Equipment Sinking Fund	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash, Cash Equivalents and Investments	$ 1,807,600	$ 1,000,830	$ 3,430,062	$ -	$ 1,861,137	$ 120,549	$ 1,748,008	$ 9,968,186
Cash and Cash Equivalents, Restricted	-	-	-	296,838	-	-	-	296,838
TOTAL ASSETS	$ 1,807,600	$ 1,000,830	$ 3,430,062	$ 296,838	$ 1,861,137	$ 120,549	$ 1,748,008	$ 10,265,024
FUND BALANCES								
Restricted for:								
Visitor Promotion	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,991	$ 46,991
911 Emergency Services	-	-	-	-	-	-	296,768	296,768
Drug Education	-	-	-	-	-	-	35,171	35,171
Law Enforcement	-	-	-	-	-	-	634,966	634,966
Preservation of Records	-	-	-	-	-	-	25,647	25,647
Coronavirus Relief and Assistance	-	-	-	296,838	-	-	-	296,838
Road and Bridge Maintenance	-	-	-	-	1,861,137	-	-	1,861,137
Veterans Aid	-	-	-	-	-	-	30,345	30,345
Emergency Management	-	-	-	-	-	-	(6,165)	(6,165)
Committed to:								
Law Enforcement	-	-	-	-	-	-	42,862	42,862
Road Maintenance	-	1,000,830	-	-	-	-	238,879	1,239,709
Equipment	-	-	-	-	-	-	8,380	8,380
Community Betterment	-	-	-	-	-	-	317,196	317,196
Landfill Closures	-	-	-	-	-	-	76,968	76,968
Equipment Sinking	-	-	-	-	-	120,549	-	120,549
Assigned to:								
Other Purposes	-	-	3,430,062	-	-	-	-	3,430,062
Unassigned	1,807,600	-	-	-	-	-	-	1,807,600
TOTAL FUND BALANCES	$ 1,807,600	$ 1,000,830	$ 3,430,062	$ 296,838	$ 1,861,137	$ 120,549	$ 1,748,008	$ 10,265,024

See accompanying notes to financial statements

OTOE COUNTY

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

Year Ended June 30, 2025

	General Fund	Road Fund	Inheritance Fund	COVID American Rescue Plan Fund	Highway Bridge Buyback Program Fund	Equipment Sinking Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS								
Taxes	$ 8,972,891	$ -	$ 600,520	$ -	$ -	$ -	$ 278,068	$ 9,851,479
Licenses and Permits	55,907	6,825	-	-	-	-	-	62,732
Investment Income	323,094	-	-	9,483	-	-	4,478	337,055
Intergovernmental	1,337,659	2,887,825	-	-	808,716	-	312,535	5,346,735
Charges for Services	721,123	4,242	-	-	-	-	50,997	776,362
Miscellaneous	136,966	126,545	15,312	-	5,916	-	164,368	449,107
TOTAL RECEIPTS	11,547,640	3,025,437	615,832	9,483	814,632	-	810,446	16,823,470
DISBURSEMENTS								
General Government	5,251,135	-	-	-	-	-	29,582	5,280,717
Public Safety	3,482,637	-	-	-	-	-	400,724	3,883,361
Public Works	51,747	4,293,173	-	-	-	-	-	4,344,920
Public Health and Social Services	130,489	-	-	-	-	-	238	130,727
Culture and Recreation	6,811	-	-	-	-	-	289,756	296,567
Capital Outlay	253,224	457,238	247,840	852,561	631,893	15,850	836,254	3,294,860
Debt Service:								
Principal and Interest Payments	-	610,653	-	-	-	-	-	610,653
TOTAL DISBURSEMENTS	9,176,043	5,361,064	247,840	852,561	631,893	15,850	1,556,554	17,841,805
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,371,597	(2,335,627)	367,992	(843,078)	182,739	(15,850)	(746,108)	(1,018,335)
OTHER FINANCING SOURCES (USES)								
Transfers in	3,200	2,554,682	-	-	-	89,200	191,733	2,838,815
Transfers out	(2,643,882)	-	(179,999)	-	-	-	(14,934)	2,838,815)
TOTAL OTHER FINANCING SOURCES (USES)	(2,640,682)	2,554,682	(179,999)	-	-	89,200	176,799	-
Net Change in Fund Balance	(269,085)	219,055	187,993	(843,078)	182,739	73,350	(569,309)	(1,018,335)
FUND BALANCES – BEGINNING	2,076,685	781,775	3,242,069	1,139,916	1,678,398	47,199	2,317,317	11,283,359
FUND BALANCES – ENDING	$ 1,807,600	$ 1,000,830	$ 3,430,062	$ 296,838	$ 1,861,137	$ 120,549	$ 1,748,008	$10,265,024

See accompanying notes to financial statements

OTOE COUNTY

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

Year Ended June 30, 2025

	Custodial Fund Balances, Beginning	Receipts	Disbursements	Custodial Fund Balances, Ending
ASSETS				
Cash and Cash Equivalents	$ 1,429,871	$ 47,706,391	$ 47,665,431	$ 1,470,831
LIABILITIES				
Due to Other Governments				
State – Collected by County Treasurer	390,737	4,790,427	4,851,962	329,202
Schools	482,703	33,934,143	33,979,940	436,906
Educational Service Units	4,570	458,908	458,535	4,943
Technical College	28,522	1,253,983	1,275,977	6,528
Natural Resource Districts	9,072	902,295	901,601	9,766
Fire Districts	4,358	510,214	510,403	4,169
Sanitation Improvement District	151,378	4	19,500	131,882
Hospital	1,242	120,792	120,778	1,256
Water District	-	6,375	6,375	-
Municipalities	111,284	3,694,167	3,721,810	83,641
Agricultural Society	1,920	185,342	185,292	1,970
Airport Authority	2,756	167,240	167,343	2,653
Others – Collected by Other Offices	103,458	521,698	282,441	342,715
	1,292,000	46,545,588	46,481,957	1,355,631
Due to governments – Office Activities related				
State Treasurer	-	224,188	224,188	-
Others – Collected from Office Activities	137,871	936,615	959,286	115,200
	137,871	1,160,803	1,183,474	115,200
TOTAL LIABILITIES	1,429,871	47,706,391	47,665,431	1,470,831
TOTAL NET POSITION	$ -	$ -	$ -	$ -

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUTING POLICIES

The following is a summary of the significant accounting policies utilized in the accounting system of Otoe County, Nebraska:

A. Reporting Entity

Otoe 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 Governmental Accounting Standards Board (GASB), these financial statements present the County (the primary government). No component units were identified.

B. 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. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Organization (Continued)

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

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.

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

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

C. 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 Accounting Standards Board (GASB) required 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:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

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. GASB 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 tazes and is used for various projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

COVID American Rescue Plan Fund. This fund is used for aid received from the American Rescue Plan Act, State and Local Fiscal Recovery Funds, and is used for coronavirus aid and assistance with Federal guidelines.

Highway Bridge Buyback Program Fund. This fund is used to account for costs associated with the repair and maintenance of road and bridges and is primarily funded by State purchase of federal aid transportation funds at a discounted rate.

Equipment Sinking Fund. This fund is used to account for the resources for, and the payment of capital equipment.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 generally accepted accounting principles (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.

E. Assets and Net Position

Cash and Cash Equivalents. The County's cash and cash equivalents are considered to be cash on hand, checking accounts, savings accounts, money market accounts, and highly liquid investments with original maturities of three months or less.

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) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council. Investments of the County are valued at either carrying value or fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets and Net Position (Continued)

Accounting guidance establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities.
Level 2 – Quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable.
Level 3 – Significant unobservable prices or inputs.

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 governmental-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 $3,221,698 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)

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 disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

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 $7,426,793 for County funds and $1,355,631 for Fiduciary funds. 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 consisted of $3,199,944 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at $1.00 per unit. Securities held by NPAIT are not held in the County's name.

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.

NOTE 3 – TAXES (CONTINUED)

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 $.289864/$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 $.305338/$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 the three-fourths majority of the County Board. The County Board approved the 1% increase for 2024-2025 budget.

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

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) 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 Neb. Rev. Stat. 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, 128 employees contributed $289,479, and the County contributed $424,248. Also, the County paid $1,308 directly to retired employees for prior service benefits.

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 has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures.

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded coverage in the last three fiscal years.

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 Fund	$ 3,200	-	$ (179,999)	-	$ (176,799)
Road Fund	2,554,682	-	-	-	2,554,682
Equipment Sinking	89,200	-	-	-	89,200
Nonmajor	191,733	-	-	(14,934)	176,799
Total	$2,838,815	$ -	$ (179,999)	$ (14,934)	$ 2,643,882

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

NOTE 7 - LONG-TERM OBLIGATIONS

Lease-Purchase Agreements

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

	Motorola 911 Communication Equipment
Balance, Beginning	$ 560,517
Purchases	-
Payments	156,595
Balance, Ending	$ 403,922
Future Payments:	
Year	
2026	166,983
2027	166,983
2028	83,491
Total Payments	417,457
Less Interest	13,465
Present Value of Future Minimum Lease Payments	$ 403,992
Carrying Value of the Related Capital Asset	$ 1,891,818

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Bonds

The County issued highway bonds in October 2011 that were refinanced in 2021 in the amount $2,980,000. The bond payable balance, as of June 30, 2025, was $1,290,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The coupon rate as of June 30, 2025 is .40%. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2026	$ 415,000	$ 12,380	$ 427,380
2027	170,000	9,475	179,475
2028	705,000	21,435	726,435
Total Payments	$ 1,290,000	$ 43,290	$ 1,333,290

NOTE 8 - CONTIGENT LIABILITIES

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

NOTE 9 – SUBSEQUENT EVENTS

A review of events was made from the year ended June 30, 2025 to the date of this report that may have required an adjustment to, or inclusion in, the financial statements. The County had no subsequent events for inclusion in these financial statements.

OTOE COUNTY

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
RECEIPTS				
Taxes	$ 9,817,324	$ 9,817,324	$ 8,972,891	$ (844,433)
Licenses and Permits	34,390	34,390	55,907	21,517
Investment Income	275,000	275,000	323,094	48,094
Intergovernmental	449,402	449,402	1,337,659	888,257
Charges for Services	713,700	713,700	721,123	7,423
Miscellaneous	141,560	141,560	136,966	(4,594)
TOTAL RECEIPTS	11,431,376	11,431,376	11,547,640	116,264
DISBURSEMENTS				
General Government:				
County Board	172,400	172,400	172,432	32
County Clerk	166,490	166,490	144,422	(22,068)
County Treasurer	286,788	286,788	269,264	(17,524)
Register of Deeds	167,221	167,221	165,828	(1,393)
County Assessor	283,617	283,617	257,668	(25,949)
Election Commissioner	94,960	94,960	81,084	(13,876)
Planning Commission	41,473	41,473	39,424	(2,049)
Data Processing Department	559,007	559,007	519,316	(39,691)
Clerk of the District Court	135,838	135,838	124,459	(11,379)
County Court System	8,900	8,900	5,577	(3,323)
Public Defender	210,417	210,417	209,246	(1,171)
' Coroner	22,700	22,700	36,121	13,421
Child Support	48,604	48,604	51,232	2,628
Buildings and Grounds	167,222	167,222	150,501	(16,721)
Agricultural Extension Agent	90,390	90,390	97,420	7,030
Miscellaneous	3,346,615	3,346,615	2,973,157	(373,458)
Public Safety				
County Sheriff	1,711,300	1,711,300	1,479,683	(231,617)
County Attorney	406,476	406,476	407,004	528
Traffic & Seatbelt Grant	40,000	40,000	14,252	(25,748)
Juvenile Center	110,426	110,426	107,000	(3,426)
' County Jail	1,490,700	1,490,700	1,256,683	(234,017)
Probation Office	31,150	31,150	31,954	804
Nuclear Accident – Emergency Prepared	46,102	46,102	29,599	(16,503)
Civil Defense	202,102	202,102	175,098	(27,004)
Safety Committee	15,000	15,000	1,380	(13,620)
Emergency Manager	145,000	145,000	-	(145,000)
911 Services	196,783	196,783	187,192	(9,591)

(Continued)

OTOE COUNTY

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
DISBURSEMENTS (Continued)				
Public Works				
County Surveyor	54,000	54,000	51,747	(2,253)
Public Assistance				
County Relief	10,700	10,700	5,690	(5,010)
Veterans' Aid	10,000	10,000	-	(10,000)
Veterans' Service Officer	86,397	86,397	82,731	(3,666)
Welfare Assistance Administration	39,900	39,900	42,068	2,168
Culture and Recreation				
Museum	7,900	7,900	6,811	(1,089)
TOTAL DISBURSEMENTS	10,406,578	10,406,578	9,176,043	(1,230,535)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,024,798	1,024,798	2,371,597	1,346,799
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	(2,601,482)	(2,601,482)	(2,640,682)	(39,200)
Net Change in Fund Balance	(1,576,684)	(1,576,684)	(269,085)	1,307,599
FUND BALANCE – BEGINNING	500,000	500,000	2,076,685	1,576,685
FUND BALANCE – ENDING	$ (1,076,684)	$ (1,076,684)	$ 1,807,600	$ 2,884,284

(Concluded)

OTOE COUNTY

BUDGETARY COMPARISON SCHEDULE – MAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
ROAD FUND				
RECEIPTS				
Licenses and Permits	$ 10,000	$ 10,000	$ 6,825	$ (3,175)
Intergovernmental	2,947,759	2,947,759	2,887,825	(59,934)
Charges for Services	24,500	24,500	4,242	(20,258)
Miscellaneous	-	-	126,545	126,545
TOTAL RECEIPTS	2,982,259	2,982,259	3,025,437	43,178
DISBURSEMENTS	6,318,719	6,318,719	5,361,064	(957,655)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSMENTS	(3,336,460)	(3,336,460)	(2,335,627)	1,000,833
TOTAL OTHER FINANCING SOURCES (USES)	2,554,682	2,554,682	2,554,682	-
Net Change in Fund Balance	(781,778)	(781,778)	219,055	1,000,833
FUND BALANCE – BEGINNING	781,778	781,778	781,775	(3)
FUND BALANCE – ENDING	$ -	$ -	$ 1,000,830	$ 1,00,830
INHERITANCE FUND				
RECEIPTS				
Taxes	$ 505,000	$ 505,000	$ 600,520	$ 95,520
Miscellaneous	-	-	15,312	15,312
TOTAL RECEIPTS	505,000	505,000	615,832	110,832
DISBURSEMENTS	3,567,070	3,567,070	247,840	(3,319,230)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENT	(3,062,070)	(3,062,070)	367,992	3,430,062
OTHER FINANCING SOURCES (USES)	(179,999)	(179,999)	(179,999)	-
Net Change in Fund Balance	(3,242,069)	(3,242,069)	187,993	3,430,062
FUND BALANCE – BEGINNING	3,242,069	3,242,069	3,242,069	-
FUND BALANCE – ENDING	$ -	$ -	$ 3,430,062	$ 3,430,062

(Continued)

OTOE COUNTY

BUDGETARY COMPARISON SCHEDULE – MAJOR FUNDS

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
COVID AMERICAN RESCUE PLAN FUND				
RECEIPTS	$ 1,000	$ 1,000	$ 9,483	$ 8,483
DISBURSEMENTS	1,140,916	1,140,916	852,561	(288,355)
Net Change in Fund Balance	(1,139,916)	(1,139,916)	(843,078)	296,838
FUND BALANCE – BEGINNING	1,139,916	1,139,916	1,139,916	-
FUND BALANCE – ENDING	$ -	$ -	$ 296,838	$ 296,838
HIGHWAY BRIDGE BUYBACK PROGRAM FUND				
RECEIPTS	$ 808,716	$ 808,716	$ 814,632	$ 5,916
DISBURSEMENTS	2,487,114	2,487,114	631,893	(1,855,221)
Net Change in Fund Balance	(1,678,398)	(1,678,398)	182,739	1,861,137
FUND BALANCE – BEGINNING	1,678,398	1,678,398	1,678,398	-
FUND BALANCE – ENDING	$ -	$ -	$ 1,861,137	$ 1,861,137
EQUIPMENT SINKING FUND				
RECEIPTS	$ -	$ -	$ -	$ -
DISBURSEMENTS	47,201	47,201	15,850	(31,351)
EXCESS (DEFINCIENCY) OF RECEIPTS OVER DISBURSEMENTS	(47,201)	(47,201)	(15,850)	31,351
OTHER FINANCING SOURCES (USES)	-	-	89,200	89,200
Net Change in Fund Balance	(47,201)	(47,201)	73,350	120,551
FUND BALANCE – BEGINNING	47,201	47,201	47,199	(2)
FUND BALANCE – ENDING	$ -	$ -	$ 120,549	$ 120,549

(Concluded)

OTOE COUNTY

BUDGETARY COMPARISON SCHEDULE – NONMAJOR FUNDS

Year Ended June 30, 2025

	Original/Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Budgetary fund balance, beginning	$ 2,317,317	$ 2,317,317	$ -
Receipts and Transfers (resource inflows):	1,144,762	1,002,179	(142,583)
Amounts available for appropriation	3,462,079	3,319,496	(142,583)
Charges to appropriations and Transfers (outflows):			
Special Road	-	567,690	567,690
Visitors Promotion	275,000	257,159	(17,841)
Preservation & Modernization	42,250	18,791	(23,459)
Veterans Special	22,637	238	(22,399)
Diversion Programs/STOP	33,352	-	(33,352)
County Drug Law Enforcement	38,512	3,842	(34,670)
Federal Treasury Equitable Sharing	710,794	125,450	(585,344)
Local Grants - Sheriff	7,136	1,826	(5,310)
Federal Justice Equitable Sharing	16,026	-	(16,026)
Keno Lottery	406,780	128,034	(278,746)
911 Emergency Management	58,648	17,731	(40,917)
911 Wireless Service	109,270	4,034	(105,236)
911 Wireless Service Holding	226,217	74,661	(151,556)
SE Regional Emergency Management	463,893	262,385	(201,508)
County Buildings Maintenance	162,069	103,689	(58,380)
County Landfill	82,927	5,958	(76,969)
Total Charges to appropriations and Transfers (outflows)	2,655,511	1,571,488	(1,084,023)
Budgetary fund balance, ending	$ 806,568	$ 1,748,008	$ 941,440

OTOE COUNTY

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

Year Ended June 30, 2025

	Special Road Fund	Visitor Promotion Fund	Preservation & Modernization Fund	Veterans Aid Fund
RECEIPTS				
Taxes	$ -	$ 239,009	$ -	$ -
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	11,650	-
Miscellaneous	-	-	-	7,945
TOTAL RECEIPTS	-	239,009	11,650	7,945
DISBURSEMENTS				
General Government	-	-	18,367	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Assistance	-	-	-	238
Culture and Recreation	-	257,159	-	-
Capital Outlay	567,690	-	424	-
TOTAL DISBURSEMENTS	567,690	257,159	18,791	238
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(567,690)	(18,150)	(7,141)	7,707
OTHER FINANCING SOURCES (USES)				
Transfers in	179,999	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	179,999	-	-	-
Net Change in Fund Balances	(387,691)	(18,150)	(7,141)	7,707
FUND BALANCES – BEGINNING	626,570	65,141	32,788	22,638
FUND BALANCES – ENDING	$ 238,879	$ 46,991	$ 25,647	$ 30,345
FUND BALANCES:				
Restricted for:				
Visitor Promotion	$ -	$ 46,991	$ -	$ -
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	25,647	-
Veterans Aid	-	-	-	30,345
Emergency Management	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	238,879	-	-	-
County Buildings	-	-	-	-
Equipment	-	-	-	-
Community Betterment	-	-	-	-
Landfill Closures	-	-	-	-
TOTAL FUND BALANCES	$ 238,879	$ 46,991	$ 25,647	$ 30,345

(Continued)

OTOE COUNTY

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

Year Ended June 30, 2025

	STOP Program Fund	County Drug Law Enforcement Fund	Federal Treasury Equitable Sharing	Local Grants - Sheriff Fund	Federal Justice Equitable Sharing
RECEIPTS					
Taxes	$ -	$ -	$ -	$ -	$ -
Investment Income	-	501	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	6,600	-	32,747	-	-
Miscellaneous	-	-	850	100	-
TOTAL RECEIPTS	6,600	501	33,597	100	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	3,842	110,516	1,826	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	-	3,842	110,516	1,826	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	6,600	(3,341)	(76,919)	(1,726)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	11,734
Transfers out	-	-	(14,934)	-	-
TOTAL OUTHER FINANCING SOURCES (USES)	-	-	(14,934)	-	11,734
Net Change in Fund Balances	6,600	(3,341)	(91,834)	(1,726)	11,734
FUND BALANCES – BEGINNING	30,852	38,512	710,794	7,136	4,291
FUND BALANCES – ENDING	$ 37,452	$ 35,171	$ 618,941	$ 5,410	$ 16,025
FUND BALANCES:					
Restricted for:					
Visitor Promotion	$ -	$ -	$ -	$ -	$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	35,171	-	-	-
Law Enforcement	-	-	618,941	-	16,025
Preservation of Records	-	-	-	-	-
Veterans' Aid	-	-	-	-	-
Emergency Management	-	-	-	-	-
Committed to:					
Law Enforcement	37,452	-	-	5,410	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Community Betterment	-	-	-	-	-
Landfill Closures	-	-	-	-	-
TOTAL FUND BALANCES	$ 37,452	$ 35,171	$ 618,941	$ 5,410	$ 16,025

(Continued)

OTOE COUNTY

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

Year Ended June 30, 2025

	Keno Lottery Fund	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund
RECEIPTS				
Taxes	$ -	$ 39,059	$ -	$ -
Investment Income	3,977	-	-	-
Intergovernmental	-	-	56,315	-
Charges for Services	-	-	-	-
Miscellaneous	155,473	-	-	-
TOTAL RECEIPTS	159,450	39,059	56,315	-
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	17,731	4,034	390
Public Assistance	-	-	-	-
Culture and Recreation	32,597	-	-	-
Capital Outlay	95,437	-	-	74,271
TOTAL DISBURSEMENTS	128,034	17,731	4,034	74,661
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	31,416	21,328	52,281	(74,661)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OUTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balances	31,416	21,328	52,281	(74,661)
FUND BALANCES – BEGINNING	285,780	18,648	52,955	226,217
FUND BALANCES – ENDING	$ 317,196	$ 39,976	$ 105,236	$ 151,556
FUND BALANCES:				
Restricted for:				
Visitor Promotion	$ -	$ -	$ -	$ -
911 Emergency Services	-	39,976	105,236	151,556
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Veterans Aid	-	-	-	-
Emergency Management	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
County Buildings	-	-	-	-
Equipment	-	-	-	-
Community Betterment	317,196	-	-	-
Landfill Closures	-	-	-	-
TOTAL FUND BALANCES	$ 317,196	$ 39,976	$ 105,236	$ 151,556

(Continued)

OTOE COUNTY

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

Year Ended June 30, 2025

	Southeast Regional Emergency Management Fund	County Buildings Maintenance Fund	County Landfill Fund	Total Nonmajor Funds
RECEIPTS				
Taxes	$ -	$ -	$ -	$ 278,068
Investment Income	-	-	-	4,478
Intergovernmental	256,220	-	-	312,535
Charges for Services	-	-	-	50,997
Miscellaneous	-	-	-	164,368
TOTAL RECEIPTS	256,220	-	-	810,446
DISBURSEMENTS				
General Government	-	5,257	5,958	29,582
Public Safety	262,385	-	-	400,724
Public Assistance	-	-	-	238
Culture and Recreation	-	-	-	289,756
Capital Outlay	-	98,432	-	836,254
TOTAL DISBURSEMENTS	262,385	103,689	5,958	1,556,554
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,165)	(103,689)	(5,958)	(746,108)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	191,733
Transfers out	-	-	-	(14,934)
TOTAL OUTHER FINANCING SOURCES (USES)	-	-	-	176,799
Net Change in Fund Balances	(6,165)	(103,689)	(5,958)	(569,309)
FUND BALANCES – BEGINNING	-	112,069	82,926	2,317,317
FUND BALANCES – ENDING	$ (6,165)	$ 8,380	$ 76,968	$ 1,748,008
FUND BALANCES:				
Restricted for:				
Visitor Promotion	$ -	$ -	$ -	$ 46,991
911 Emergency Services	-	-	-	296,768
Drug Education	-	-	-	35,171
Law Enforcement	-	-	-	634,966
Preservation of Records	-	-	-	25,647
Veterans Aid	-	-	-	30,345
Emergency Management	(6,165)	-	-	(6,165)
Committed to:				
Law Enforcement	-	-	-	42,862
Road Maintenance	-	-	-	238,879
County Buildings	-	8,380	-	8,380
Equipment	-	-	-	-
Community Betterment	-	-	-	317,196
Landfill Closures	-	-	76,968	76,968
TOTAL FUND BALANCES	$ (6,165)	$ 8,380	$ 76,968	$ 1,748,008

(Concluded)

OTOE COUNTY

SCHEDULE OF OFFICE ACTIVITIES

Year Ended June 30, 2025

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney
BALANCES, BEGINNING	$ 1,000	$ 45,392	$ 73,550	$ 16,879	$ 500
RECEIPTS					
Licenses and Permits	2,200	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	1,460	127,836	117,117	50,025	425
Miscellaneous	-	-	-	-	-
State Fees	-	192,063	32,125	-	-
Other Liabilities	-	-	637,538	-	-
TOTAL RECEIPTS	3,660	319,899	786,780	50,025	425
DISBURSEMENTS					
Payments to County Treasurer	3,660	141,956	51,046	59,859	435
Payments to State Treasurer	-	192,063	32,125	-	-
Petty Cash & Other Payments	-	-	-	-	-
Other Liabilities	-	-	702,041	-	-
TOTAL DISBURSEMENTS	3,660	334,019	785,212	59,859	435
BALANCES, ENDING	$ 1,000	$ 31,272	$ 75,118	$ 7,045	$ 490

(Continued)

OTOE COUNTY

SCHEDULE OF OFFICE ACTIVITIES

Year Ended June 30, 2025

	County Child Support Enforcement	Emergency Manager	Total
BALANCES, BEGINNING	$ 275	$ 275	$ 137,871
RECEIPTS			
Licenses and Permits	-	-	2,200
Intergovernmental	-	-	-
Charges for Services	-	-	296,863
Miscellaneous	-	15	15
State Fees	-	-	224,188
Other Liabilities	-	-	637,538
TOTAL RECEIPTS	-	15	1,160,804
DISBURSEMENTS			
Payments to County Treasurer	275	-	257,231
Payments to State Treasurer	-	-	224,188
Petty Cash and Other Payments	-	15	15
Other Liabilities	-	-	702,041
TOTAL DISBURSEMENTS	275	15	1,183,475
BALANCES, ENDING	$ -	$ 275	$ 115,200

(Concluded)

OTOE COUNTY, NEBRASKA

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

Year Ended June 30, 2025

Item	2020-21	2021-22	2022-23	2023-24	2024-25
Tax Certified by Assessor	$ 38,014,798	$ 38,839,485	$ 41,682,586	$ 41,854,708	$33,323,105
Corrections					
Net Additions/(Deductions)	29,383	25,603	(13,863)	(3,714)	(3,871)
Corrected Certified Tax	38,044,181	38,865,088	41,668,723	41,850,994	33,319,234
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2021	24,683,106	-	-	-	-
June 30, 2022	13,352,940	26,086,937	-	-	-
June 30, 2023	(1,019)	12,768,418	28,440,628	-	-
June 30, 2024	4,473	2,625	13,211,572	27,856,963	-
June 30, 2025	1,648	3,299	11,964	13,970,944	22,289,376
Total Net Collections	38,041,148	38,861,279	41,664,164	41,827,907	22,289,376
Total Uncollected Tax	$ 3,033	$ 3,809	$ 4,559	$ 23,087	$ 11,029,858
Percentage Uncollected Tax	0.01%	0.01%	0.01%	0.06%	33.10%

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

OTOE COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor Program Title	Assistance Listing	Entity Pass-through Number	Expenditures
US Department of Health and Human Services			
Passed through the Nebraska Department of Health and Human Services:			
Child Support Enforcement	93.563		$ 62,217
US Department of Homeland Security			
Passed through the Nebraska Emergency Management Agency			
Emergency Management	97.042		29,456
US Department of Interior			
Passed through the Nebraska Department of Transportation			
Economic, Social, and Political Development of the Territories	15.875		12,250
US Department of Transportation			
Passed through the Nebraska Department of Transportation			
Highway Safety – Safety Seat Funding	20.600		10,518
Highway Safety Cluster, Nat'l Priority Safety	20.616		3,520
US Department of Treasury			
Passed through State of Nebraska:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		852,561*
			$ 970,522

*Represents Major Program

OTOE COUNTY, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

See accompanying Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Otoe County, Nebraska (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 the 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. 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.

NOTE 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. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 Commissioners
Otoe 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 Otoe 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 cash basis financial statements and have issued our report thereon dated March 30, 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

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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 questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

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 questioned costs. 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, P.C.
Papillion, Nebraska
March 30, 2026

Lengemann & Associates, P.C.
Certified Public Accountants
www.lengemanncpa.com

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

Board of Commissioners
Otoe County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Otoe County, Nebraska's ("the County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Otoe 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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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 control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

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Auditor's 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 generally accepted auditing standards, *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 omissions, misrepresentations, 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 made 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout 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 purpose 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.

Report on Internal Control Over Compliance

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.

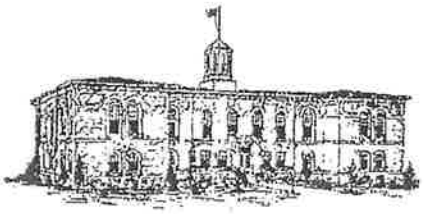
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations,

during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Lengemann & Associates, P.C.
Papillion, Nebraska
March 30, 2026



Otoe County Commissioners
1021 Central Avenue, Nebraska City, NE 68410
•Chuck Cole, District 1 •Rick Freshman, District 2 •Jerad Somson, District 3 • James Parsons, District 4 • Dan Crownover, District 5

Corrective Action Plan

Otoe County, Nebraska, respectfully submits the following corrective action plans for the fiscal year ended June 30, 2025. The corrective action plans were prepared by the County as noted. The findings from the schedule of findings and questioned costs are discussed below.

The findings are numbered consistently with the numbers assigned in the schedule.

The accompanying schedule of prior audit findings is reporting the status of audit findings included in the audit's schedule of findings and questioned costs.

If there are questions regarding the corrective action plans or status of prior audit findings please contact Otoe County's Treasurer Department, 402-873-9510.

Thank you,

Jerad Sornson
Board Chairman
Otoe County Commissioner

Finding 2025-001 Financial Statement Preparation

Corrective Action Plan:
The Board of Commissioners 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.

Estimated Completion Date:
This is an ongoing issue.

Contact:
Treasurer Department, 402-873-9510
Otoe County, NE

Finding 2025-002 Lack of Segregation of Duties

Corrective Action Plan:
The Board of Commissioners and Officers recognize the concentration of certain accounting procedures are weak from the standpoint of effective internal control. However, we will continue to update, implement and monitor financial policies and controls, but in view of the limited number of accounting department personnel and cost considerations, adding personnel would not be practical.

Estimated Completion Date:
This is an ongoing issue.

Contact:
Treasurer Department, 402-873-9510
Otoe County, NE

OTOE COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? __X__ Yes _____ None Reported
- Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? _____ Yes __X__ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- 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:

AI Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs $750,000

Auditee qualified as low-risk auditee? _____ Yes __X__ No

II. FINANCIAL STATEMENT FINDINGS

Internal Control over Financial Reporting

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 Commissioners 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 Commissioners 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 Commissioners 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.

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 entity 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 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 Commissioners 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.

III. FEDERAL AWARD FINDING AND QUESTIONED COSTS

Internal Control over Major Programs

None.

Compliance

None.

OTOE COUNTY

SUMMARY SCHEUDLE 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.