

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDIT REPORTS THEREON
HITCHCOCK COUNTY, NEBRASKA
Year Ended June 30, 2021**

**Donald D. Wilson, Certified Public Accountant
McCook, Nebraska**

HITCHCOCK COUNTY, NEBRASKA

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INDEPENDENT AUDITOR REPORT

County Board of Commissioners
Hitchcock County
Trenton, Nebraska 69044

Board Members:

Report on the Financial Statements

I have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hitchcock County, Nebraska as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes 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 Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash position of the governmental activities, each major fund, and the aggregate remaining fund information of Hitchcock County, Nebraska as of June 30, 2021, and the respective changes in the cash position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were 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. My opinions are not modified with respect to this matter.

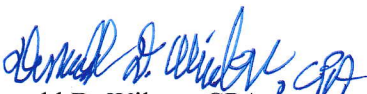
Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hitchcock County, Nebraska financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of office activity, are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information, combining and individual nonmajor fund financial statements, and the schedule of office activity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 10, 2021, on my consideration of Hitchcock County's internal control over financial reporting and my 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 my 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 Hitchcock 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 Hitchcock County's internal control over financial reporting and compliance.


Donald D. Wilson, CPA
McCook, Nebraska

November 10, 2021

HITCHCOCK COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2021

EXHIBIT A

PRIMARY
GOVERNMENT

GOVERNMENTAL
ACTIVITIES

ASSETS

Equity in Pooled Cash and Cash Equivalents	2,867,344
Designated Investments	69,535
	<hr/>
Total Assets	2,936,879
	<hr/>

NET POSITION

Restricted for:	
Bridge/Road Projects	129,657
Veteran's Aid	5,171
Visitor's Promotion/Improvement	28,938
Re-Use Grant	3,251
Wireless 911	219,153
Register of Deeds P&M	20,138
	<hr/>
Unrestricted	2,530,571
	<hr/>
Total Net Position	2,936,879
	<hr/>

The Notes to the Financial Statements are an Integral Part of this Statement

HITCHCOCK COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED June 30, 2021

Exhibit B

	Cash	Program Cash Receipts	Net (Disbursements) Receipt
	Disbursements	Fees, Fines, and Charges for Services	and Changes in Net Assets
		Operating Grants and Contributions	Governmental Activities
Governmental Activities:			
General Government	1,199,749	163,852	143,507
Public Safety	752,723	27,399	5,067
Public Works	1,918,906	2,429	11,558
Public Health	240		
Public Assistance	62,072		
Culture and Recreation	400		
Total Governmental Activities	<u>3,934,090</u>	<u>193,680</u>	<u>160,132</u>
General Receipts:			
Taxes:			
Property taxes, levied for general purposes			1,957,105
Motor Vehicle Tax			143,972
Intergovernmental			1,047,446
Inheritance Tax			78,829
Interest			7,782
Miscellaneous			29,131
Total General Receipts			<u>3,264,265</u>
Changes in Net Position			(316,013)
Net position - Beginning of Year			<u>3,252,892</u>
Net position - End of Year			<u>2,936,879</u>

The Notes to the Financial Statements are an Integral Part of this Statement

HITCHCOCK COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2021

EXHIBIT C

	General	Road	Road/Bridge Buyback	Inheritance Tax	Other Governmental Funds	Total
ASSETS						
Equity in Pooled Cash and Cash Equivalents	526,172	573,800	129,657	1,271,697	366,018	2,867,344
Designated Investments					69,535	69,535
Total Assets	<u>526,172</u>	<u>573,800</u>	<u>129,657</u>	<u>1,271,697</u>	<u>435,553</u>	<u>2,936,879</u>
FUND BALANCES:						
Restricted			129,657		276,651	406,308
Assigned		573,800		1,271,697	158,902	2,004,399
Unassigned	<u>526,172</u>					<u>526,172</u>
Total Fund Balances	<u>526,172</u>	<u>573,800</u>	<u>129,657</u>	<u>1,271,697</u>	<u>435,553</u>	<u>2,936,879</u>

The Notes to the Financial Statements are an Integral Part of this Statement

HITCHCOCK COUNTY, NEBRASKA

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

FOR THE YEAR ENDED June 30, 2021

EXHIBIT D

	General	Road	Special Revenue Road/Bridge Buyback	Inheritance Tax	NonMajor Governmental Funds	Total Governmental Total
CASH RECEIPTS						
Property Taxes	1,957,105					1,957,105
Motor Vehicle Tax	143,972					143,972
Federal Grants	145,324	11,558			3,250	160,132
Intergovernmental	27,674	844,104	122,248		53,420	1,047,446
Inheritance Tax				78,829		78,829
Charges for Services	176,244	2,429			15,007	193,680
Interest	7,747				35	7,782
Miscellaneous	22,008	7,123			0	29,131
Total Cash Receipts	<u>2,480,074</u>	<u>865,214</u>	<u>122,248</u>	<u>78,829</u>	<u>71,712</u>	<u>3,618,077</u>
CASH DISBURSEMENTS						
General Government	1,181,676				18,073	1,199,749
Public Safety	633,435				119,288	752,723
Public Works	42,719	1,440,315	435,872			1,918,906
Public Health	240					240
Public Assistance	62,072					62,072
Culture and Recreation	400				0	400
Total Cash Disbursements	<u>1,920,542</u>	<u>1,440,315</u>	<u>435,872</u>	<u>0</u>	<u>137,361</u>	<u>3,934,090</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>559,532</u>	<u>(575,101)</u>	<u>(313,624)</u>	<u>78,829</u>	<u>(65,649)</u>	<u>(316,013)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	58,338	685,403			0	743,741
Transfers (Out)	(485,403)			(200,000)	(58,338)	(743,741)
Total Other Financing Sources (Uses)	<u>(427,065)</u>	<u>685,403</u>	<u>0</u>	<u>(200,000)</u>	<u>(58,338)</u>	<u>0</u>
Net Change in Fund Balances	132,467	110,302	(313,624)	(121,171)	(123,987)	(316,013)
Fund Balances, Beginning of Year	<u>393,705</u>	<u>463,498</u>	<u>443,281</u>	<u>1,392,868</u>	<u>559,540</u>	<u>3,252,892</u>
Fund Balances, End of Year	<u><u>526,172</u></u>	<u><u>573,800</u></u>	<u><u>129,657</u></u>	<u><u>1,271,697</u></u>	<u><u>435,553</u></u>	<u><u>2,936,879</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

HITCHCOCK COUNTY, NEBRASKA

FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS

CUSTODIAL FUNDS

Year Ended June 30, 2021

EXHIBIT E

	<u>Balance July 1, 2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2021</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	<u>278,983</u>	<u>9,916,407</u>	<u>9,963,949</u>	<u>231,441</u>
Total Assets	<u>278,983</u>	<u>9,916,407</u>	<u>9,963,949</u>	<u>231,441</u>
LIABILITIES				
State	72,152	912,014	917,097	67,069
Schools	135,873	6,682,122	6,723,559	94,436
Educational Service Unit	1,944	106,293	107,071	1,166
Community College	9,599	527,561	531,361	5,799
Natural Resource District	12,323	573,743	581,419	4,647
Fire Districts	5,883	186,642	185,257	7,268
Irrigation District	4,645	100,853	92,286	13,212
Cemetery Districts	631	35,633	18,093	18,171
Municipalities	13,056	379,781	383,256	9,581
Agricultural Society	1,202	67,183	67,639	746
Historical Society	6,544	11,121	17,559	106
Redemption	4,841	205,975	205,918	4,898
Partial Payment	10,290	44,475	50,423	4,342
Tentative Inheritance Tax	<u>0</u>	<u>83,011</u>	<u>83,011</u>	<u>0</u>
Total Liabilities	<u>278,983</u>	<u>9,916,407</u>	<u>9,963,949</u>	<u>231,441</u>
NET POSITION	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by Hitchcock County, Nebraska:

A. Reporting Entity:

Hitchcock 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. Control or dependence is determined on the criteria of 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 benefits to or impose specific financial burdens on the county.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements.

B. Basis of Presentation:

Government-wide Financial Statements:

The Statement of net position and the statement of activities display information about the County as a whole. These statements include the cash activities of the primary government.

The statement of net position, cash-basis, presents the County's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in two categories:

Restricted Net Position – result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position– has constraints on resources that are imposed by management but can be removed or modified.

The statement of activities, cash-basis, demonstrates the degree to which the direct expenses of a given function are offset by program receipts. Direct expenses are those that are clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements, (Concluded):

Property tax and other items not properly included among program receipts are reported as general receipts.

Fund Financial Statements:

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The County uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Hitchcock County's major governmental funds:

General Fund:

The General Fund is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Nebraska.

Road Fund (Special Revenue):

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

Road/Bridge Buyback Fund (Special Revenue):

The Road/Bridge Buyback Fund is used to account for receipts and disbursements for the Buyback Program through the State of Nebraska.

Inheritance Tax (Special Revenue):

The Inheritance Tax Fund is used to account for receipts generated from inheritance taxes collected in accordance with State Statute. The fund balance is available to the County for any purpose.

In the fund financial statements, governmental fund balances are required to be reported according to the following classifications:

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the County's highest level of decision-making authority, the County Board.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Concluded):

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The County's only fiduciary funds are custodial funds. The custodial funds account for assets held by the County for political subdivisions in which the County acts as a fiscal agent and for taxes, state-levied shared receipts, and fines and forfeitures collected and distributed to other political subdivisions.

C. Basis of Accounting:

The funds of the County and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Receipts are taken into account only when received by the County and disbursements are recorded when warrants are issued. This differs from generally accepted accounting principles, which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, receipts are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

D. 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, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), to be reported in the applicable governmental activities columns in the government-wide financial statements.

E. Property Taxes:

Property taxes are levied by October 15 based on valuations as of April 1. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of a Motor Vehicle.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):

E. Property Taxes (Concluded):

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of receipts required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and an Agricultural Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people.

The levy set in October 2020 for 2020 taxes, which will be materially collected in May, and September 2021, was set at \$.276878/\$100 of assessed valuation. Assessed valuation for Hitchcock County for the 2020 tax levy was \$701,067,342. Additionally, there is currently a legislatively imposed lid limitation, which limits taxation to the prior year's level, with provisions for growth and the reduction of state aid. It may be increased by 2.5%, plus allowable growth, and an additional 1% by a three-fourths majority of the County Board, or to any level by a vote of the people in the County.

NOTE 2: DEPOSITS AND INVESTMENTS:

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Cash and cash equivalents are considered to be cash on hand and demand deposits. Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Deposits made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute. The types of investments in which the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State law restricts the type of collateral securities allowed. For the purposes of classifying categories of custodial risk, the deposits for the County as of June 30, 2021 were entirely insured or collateralized with securities held by the County's agent in the County's name.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED

For the Year Ended June 30, 2021

NOTE 3: INTERFUND TRANSFERS:

The detail of interfund transfers between funds for the year ended June 30, 2021 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	Relief	37,364
General	Solid Waste	20,974
Road	General	485,403
Road	Inheritance Tax	200,000

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to disburse the resources. The transfers to the General Fund closed these respective funds. Inheritance Tax transfer moved reserve funds over as needed.

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301.

Each member who is employed and participating in the retirement system prior to January 1, 2003, may either elect to continue participation in the defined contribution benefit plan or elect to participate in the cash balance benefit plan. All new members as of January 1, 2003 will participate in the cash balance benefit plan. In a cash balance benefit plan, benefits depend on amounts contributed to the plan plus interest credits. Employees contribute 4.5% of their salary and the County match is 6.75% of the salary. Commissioned law enforcement personnel employed by the County contribute 5.5% of their salary and the County match is 7.75% of the salary. The employee and employer's contributions are kept in separate accounts. The employer's account is fully vested. The employee's account is vested 100% after three years participation in the plan. Prior service benefits are paid directly by the County to the retired employee. The County's contributions to NPERB for the years ended June 30, 2021, 2020, and 2019 were \$92,200, \$85,107 and \$86,445, respectively. Prior service benefit paid was \$240, \$342, and \$588, consecutively for the three fiscal years.

NOTE 5: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow disbursements financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2021.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED For the Year Ended June 30, 2021

NOTE 6: ACCUMULATED COMPENSATED ABSENCES:

It is the County's Policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's service, the accumulated vacation and 25% of accrued sick leave would be paid. The cost of vacation and sick leave are recognized when payments are made to the individual.

NOTE 7: JOINT VENTURE:

Hitchcock County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. The governing boards for Region II services are established by Statute and the agreements and include representatives from the participating County boards. Funding is provided by a combination of federal, state, local, and private funding. Hitchcock County contributed \$16,598 toward the operation of Region II during fiscal year 2021. The region is audited annually in accordance with State Statute. Financial information for the Region is available from Region II.

Region 51:

Hitchcock County contracts with Region 51 in Lincoln County to provide emergency management functions. Region 51 consists of the following counties: Lincoln, Hitchcock, and Dundy. Hitchcock County contributed \$24,996 toward the operation of Region 51 during the fiscal year ended June 30, 2021.

NOTE 8: COUNTY INSURANCE:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the State of Nebraska to form NIRMA (Nebraska Intergovernmental Risk Management Association), which is a public entity risk pool currently operating as a common risk management and insurance program for 83-member counties. The County pays an annual premium to NIRMA for its general insurance coverage and workers' compensation.

The agreement for formation of NIRMA provides that NIRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of premium contributions of the pool. NIRMA currently carries commercial insurance to insure against claims in excess of the loss fund for each County equal to that County's assessed valuation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

HITCHCOCK COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2021

EXHIBIT F

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
CASH RECEIPTS:				
Taxes	2,074,728	2,074,728	2,101,077	26,349
Federal	11,000	11,000	145,324	134,324
State	16,900	16,900	18,556	1,656
Local	171,900	171,900	215,117	43,217
Total Cash Receipts	2,274,528	2,274,528	2,480,074	205,546
CASH DISBURSEMENTS:				
General Government:				
County Board	80,171	80,171	78,329	1,842
Clerk	116,843	116,843	114,784	2,059
Treasurer	138,003	138,003	126,933	11,070
Assessor	154,413	154,413	146,192	8,221
Election Commissioner	14,975	14,975	9,977	4,998
Zoning	4,750	4,750	2,896	1,854
Clerk of the District Court	3,625	3,625	2,388	1,237
County Court System	6,325	6,325	4,185	2,140
Building and Grounds	156,450	156,450	102,654	53,796
Extension Office	44,756	44,756	41,147	3,609
Coroner	10,000	10,000	5,615	4,385
Miscellaneous	715,885	715,885	546,576	169,309
Total General Government	1,446,196	1,446,196	1,181,676	264,520
Public Safety:				
Sheriff	404,400	404,400	304,464	99,936
Attorney	108,000	108,000	86,461	21,539
Jail	234,759	234,759	213,146	21,613
Emergency Management	25,296	25,296	25,130	166
Miscellaneous	5,000	5,000	4,234	766
Total Public Safety	777,455	777,455	633,435	144,020
Public Works:				
Noxious Weed Control	47,619	47,619	42,719	4,900
Total Public Works	47,619	47,619	42,719	4,900
Public Health:				
Miscellaneous	2,000	2,000	240	1,760
Total Public Health	2,000	2,000	240	1,760
Public Assistance:				
Veteran's Service Officer	28,596	28,596	26,111	2,485
Relief	1,800	1,800	1,800	0
Institutions	28,128	28,128	26,098	2,030
Miscellaneous	8,064	8,064	8,063	1
Total Public Assistance	66,588	66,588	62,072	4,516

HITCHCOCK COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

EXHIBIT F
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH DISBURSEMENTS, CONCLUDED:				
Culture and Recreation:				
Miscellaneous	400	400	400	0
Total Public Culture and Recreation	400	400	400	0
Total Cash Disbursements	2,340,258	2,340,258	1,920,542	419,716
Excess of Cash Receipts Over (Under) Cash Disbursements	(65,730)	(65,730)	559,532	625,262
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	690,087	690,087	58,338	(631,750)
Operating Transfers (Out)	(709,562)	(709,562)	(485,403)	224,159
Total Other Financing Sources (Uses)	(19,475)	(19,475)	(427,065)	(407,591)
Net Change in Fund Balance	(85,205)	(85,205)	132,467	217,671
Fund Balance, Beginning of Year	393,705	393,705	393,705	
Fund Balance, End of Year	308,500	308,500	526,172	217,671

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND

For the Year Ended June 30, 2021

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	11,000	11,000	11,558	558
State	679,340	679,340	844,090	164,750
Local	4,999	4,999	9,566	4,567
Total Cash Receipts	695,339	695,339	865,214	169,875
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,768,399	1,768,399	1,440,315	328,084
Total Cash Disbursements	1,768,399	1,768,399	1,440,315	328,084
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,073,060)	(1,073,060)	(575,101)	497,959
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	909,562	909,562	685,403	(224,159)
Operating Transfers (Out)				0
Total Other Financing Sources (Uses)	909,562	909,562	685,403	(224,159)
Net Change in Fund Balance	(163,498)	(163,498)	110,302	273,800
Fund Balance, Beginning of Year	463,498	463,498	463,498	
Fund Balance, End of Year	300,000	300,000	573,800	273,800

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
ROAD/BRIDGE BUYBACK FUND**

For the Year Ended June 30, 2021

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
State	122,248	122,248	122,248	0
Total Cash Receipts	122,248	122,248	122,248	0
CASH DISBURSEMENTS:				
Public Works:				
Road Department	565,529	565,529	435,872	129,657
Total Cash Disbursements	565,529	565,529	435,872	129,657
Net Change in Fund Balance	(443,281)	(443,281)	(313,624)	129,657
Fund Balance, Beginning of Year	443,281	443,281	443,281	
Fund Balance, End of Year	0	0	129,657	129,657

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
INHERITANCE TAX

For the Year Ended June 30, 2021

EXHIBIT I

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	100,000	100,000	78,829	(21,171)
Total Cash Receipts	100,000	100,000	78,829	(21,171)
CASH DISBURSEMENTS:				
General Government				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	100,000	100,000	78,829	(21,171)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(831,750)	(831,750)	(200,000)	631,750
Total Other Financing Sources (Uses)	(831,750)	(831,750)	(200,000)	631,750
Net Change in Fund Balances	(731,750)	(731,750)	(121,171)	610,579
Fund Balances, Beginning of Year	1,392,868	1,392,868	1,392,868	0
Fund Balances, End of Year	661,118	661,118	1,271,697	610,579

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION BUDGETARY REPORTING

For the Year Ended June 30, 2021

NOTE 1: GAAP REQUIREMENTS:

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue funds that have a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the original budget and final budget amounts. The original budget is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board.

NOTE 2: BUDGET POLICY:

The County follows these procedures in establish the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1 the finance committee or other designated budget-making authority prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts, which have actually been received by the County Treasurer.

The County Board must hold at least one public hearing. Prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total disbursements of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

HITCHCOCK COUNTY, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2021

SCHEDULE 1

	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Veteran's Aid	STOP Program
ASSETS					
Equity in Pooled Cash and Cash Equivalents	8,542	20,396	20,138	5,171	10,257
Designated Investments					
Total Assets	<u>8,542</u>	<u>20,396</u>	<u>20,138</u>	<u>5,171</u>	<u>10,257</u>
FUND BALANCES:					
Restricted	8,542	20,396	20,138	5,171	
Assigned					10,257
Total Fund Balances	<u>8,542</u>	<u>20,396</u>	<u>20,138</u>	<u>5,171</u>	<u>10,257</u>
	Drug Law Enforcement	CDBG Housing	Community Development	KENO	Emergency 911
ASSETS					
Equity in Pooled Cash and Cash Equivalents	2,333	250		7	79,771
Designated Investments		3,001	66,534		
Total Assets	<u>2,333</u>	<u>3,251</u>	<u>66,534</u>	<u>7</u>	<u>79,771</u>
FUND BALANCES:					
Restricted		3,251			
Assigned	2,333		66,534	7	79,771
Total Fund Balances	<u>2,333</u>	<u>3,251</u>	<u>66,534</u>	<u>7</u>	<u>79,771</u>
	Wireless 911				Total Nonmajor Special Revenue Funds (Exhibit C)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	219,153				366,018
Designated Investments					69,535
Total Assets	<u>219,153</u>				<u>435,553</u>
FUND BALANCES:					
Restricted	219,153				276,651
Assigned					158,902
Total Fund Balances	<u>219,153</u>				<u>435,553</u>

HITCHCOCK COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2021

SCHEDULE 2

	Solid Waste	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Relief
CASH RECEIPTS					
Federal Grants					
Intergovernmental		3,607	3,606		
Charges for Services				2,934	
Interest					
Miscellaneous					
Total Cash Receipts	0	3,607	3,606	2,934	0
CASH DISBURSEMENTS					
General Government				1,572	
Public Safety					
Culture and Recreation					
Total Cash Disbursements	0	0	0	1,572	0
Excess of Cash Receipts Over (Under) Cash Disbursements	0	3,607	3,606	1,362	0
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)	(20,974)				(37,364)
Total Other Financing Sources	(20,974)	0	0	0	(37,364)
Net Change in Fund Balances	(20,974)	3,607	3,606	1,362	(37,364)
Fund Balances, Beginning of Year	20,974	4,935	16,790	18,776	37,364
Fund Balances, End of Year	0	8,542	20,396	20,138	0

HITCHCOCK COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2021

SCHEDULE 2
CONTINUED

	Veteran's Aid	STOP Program	Drug Law Enforcement	CDBG Housing	Community Development
CASH RECEIPTS					
Federal Grants				3,250	
Intergovernmental	1				
Charges for Services		300			
Interest				2	33
Miscellaneous					
Total Cash Receipts	1	300	0	3,252	33
CASH DISBURSEMENTS					
General Government				16,301	
Public Safety		6,380			
Culture and Recreation					
Total Cash Disbursements	0	6,380	0	16,301	0
Excess of Cash Receipts Over (Under) Cash Disbursements	1	(6,080)	0	(13,049)	33
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)					
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	1	(6,080)	0	(13,049)	33
Fund Balances, Beginning of Year	5,170	16,337	2,333	16,300	66,501
Fund Balances, End of Year	5,171	10,257	2,333	3,251	66,534

HITCHCOCK COUNTY NEBRASKA
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2021

SCHEDULE 2
CONCLUDED

	KENO	Emergency 911	Wireless 911	Total Nonmajor Special Revenue Funds (Exhibit D)
CASH RECEIPTS				
Federal Grants				3,250
Intergovernmental			46,206	53,420
Charges for Services		11,773		15,007
Interest				35
Miscellaneous				0
Total Cash Receipts	0	11,773	46,206	71,712
CASH DISBURSEMENTS				
General Government	200			18,073
Public Safety		6,074	106,834	119,288
Culture and Recreation				0
Total Cash Disbursements	200	6,074	106,834	137,361
Excess of Cash Receipts Over (Under) Cash Disbursements	(200)	5,699	(60,628)	(65,649)
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers (Out)				(58,338)
Total Other Financing Sources	0	0	0	(58,338)
Net Change in Fund Balances	(200)	5,699	(60,628)	(123,987)
Fund Balances, Beginning of Year	207	74,072	279,781	559,540
Fund Balances, End of Year	7	79,771	219,153	435,553

HITCHCOCK COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2021

SCHEDULE 3

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
SOLID WASTE				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	20,974	20,974	20,974	0
Net Change in Fund Balance	(20,974)	(20,974)	(20,974)	0
Fund Balance, Beginning of Year	20,974	20,974	20,974	
Fund Balance, End of Year	0	0	0	0
VISITOR'S PROMOTION				
CASH RECEIPTS	2,823	2,823	3,607	784
CASH DISBURSEMENTS	4,500	4,500	0	4,500
Net Change in Fund Balance	(1,677)	(1,677)	3,607	5,284
Fund Balance, Beginning of Year	4,935	4,935	4,935	
Fund Balance, End of Year	3,258	3,258	8,542	5,284
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	2,823	2,823	3,606	783
CASH DISBURSEMENTS	10,000	10,000	0	10,000
Net Change in Fund Balance	(7,177)	(7,177)	3,606	10,783
Fund Balance, Beginning of Year	16,790	16,790	16,790	
Fund Balance, End of Year	9,613	9,613	20,396	10,783
REGISTER OF DEEDS P&M				
CASH RECEIPTS	2,800	2,800	2,934	134
CASH DISBURSEMENTS	20,000	20,000	1,572	18,428
Net Change in Fund Balance	(17,200)	(17,200)	1,362	18,562
Fund Balance, Beginning of Year	18,776	18,776	18,776	
Fund Balance, End of Year	1,576	1,576	20,138	18,562
RELIEF				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	37,364	37,364	37,364	0
Net Change in Fund Balance	(37,364)	(37,364)	(37,364)	0
Fund Balance, Beginning of Year	37,364	37,364	37,364	
Fund Balance, End of Year	0	0	0	0

HITCHCOCK COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2021

SCHEDULE 3
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
VETERAN'S AID				
CASH RECEIPTS	0	0	1	1
CASH DISBURSEMENTS	5,000	5,000	0	5,000
Net Change in Fund Balance	(5,000)	(5,000)	1	5,001
Fund Balance, Beginning of Year	5,170	5,170	5,170	
Fund Balance, End of Year	170	170	5,171	5,001
STOP PROGRAM				
CASH RECEIPTS	500	500	300	(200)
CASH DISBURSEMENTS	16,800	16,800	6,380	10,420
Net Change in Fund Balance	(16,300)	(16,300)	(6,080)	10,220
Fund Balance, Beginning of Year	16,337	16,337	16,337	
Fund Balance, End of Year	37	37	10,257	10,220
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	2,333	2,333	0	2,333
Net Change in Fund Balance	(2,333)	(2,333)	0	2,333
Fund Balance, Beginning of Year	2,333	2,333	2,333	
Fund Balance, End of Year	0	0	2,333	2,333
CDBG HOUSING				
CASH RECEIPTS	44,037	44,037	3,252	(40,785)
CASH DISBURSEMENTS	60,337	60,337	16,301	44,036
Net Change in Fund Balance	(16,300)	(16,300)	(13,049)	3,251
Fund Balance, Beginning of Year	16,300	16,300	16,300	
Fund Balance, End of Year	0	0	3,251	3,251

HITCHCOCK COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2021

**SCHEDULE 3
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
COMMUNITY DEVELOPMENT				
CASH RECEIPTS	0	0	33	33
CASH DISBURSEMENTS	66,501	66,501	0	66,501
Net Change in Fund Balance	(66,501)	(66,501)	33	66,534
Fund Balance, Beginning of Year	66,501	66,501	66,501	
Fund Balance, End of Year	0	0	66,534	66,534
KENO				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	207	207	200	7
Net Change in Fund Balance	(207)	(207)	(200)	7
Fund Balance, Beginning of Year	207	207	207	
Fund Balance, End of Year	0	0	7	7
EMERGENCY 911				
CASH RECEIPTS	12,500	12,500	11,773	(727)
CASH DISBURSEMENTS	57,000	57,000	6,074	50,926
Net Change in Fund Balance	(44,500)	(44,500)	5,699	50,199
Fund Balance, Beginning of Year	74,072	74,072	74,072	
Fund Balance, End of Year	29,572	29,572	79,771	50,199
WIRELESS 911				
CASH RECEIPTS	46,000	46,000	46,206	206
CASH DISBURSEMENTS	279,554	279,554	106,834	172,720
Net Change in Fund Balance	(233,554)	(233,554)	(60,628)	172,926
Fund Balance, Beginning of Year	279,781	279,781	279,781	
Fund Balance, End of Year	46,227	46,227	219,153	172,926

HITCHCOCK COUNTY NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2021

SCHEDULE 4

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Veteran's Service Officer</u>	<u>Total</u>
Balance July 1, 2020	<u>5,132</u>	<u>18,386</u>	<u>2,167</u>	<u>131</u>	<u>9,455</u>	<u>35,271</u>
Receipts						
Licenses and Permits	1,874		3,510			5,384
Charges for Services	26,903	3,464	9,017	60		39,444
Miscellaneous	1,735				4	1,739
State Fees	25,586	4,001				29,587
Other Liabilities		82,802				82,802
Total Receipts	<u>56,098</u>	<u>90,267</u>	<u>12,527</u>	<u>60</u>	<u>4</u>	<u>158,956</u>
Disbursements						
Payments to County Treasurer	28,374	3,759	9,871	60		42,064
Payments to State Treasurer	27,063	3,950				31,013
Other Liabilities		86,531				86,531
Total Disbursements	<u>55,437</u>	<u>94,240</u>	<u>9,871</u>	<u>60</u>	<u>0</u>	<u>159,608</u>
Balance June 30, 2021	<u><u>5,793</u></u>	<u><u>14,413</u></u>	<u><u>4,823</u></u>	<u><u>131</u></u>	<u><u>9,459</u></u>	<u><u>34,619</u></u>
BALANCE CONSISTS OF:						
Due to County Treasurer	3,044	225	4,823	30		8,122
Due to State Treasurer	2,749	309				3,058
Due to Others		13,879		101	9,459	23,439
Balance June 30, 2021	<u><u>5,793</u></u>	<u><u>14,413</u></u>	<u><u>4,823</u></u>	<u><u>131</u></u>	<u><u>9,459</u></u>	<u><u>34,619</u></u>

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INDEPENDENT AUDITOR 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

County Board of Commissioners
Hitchcock County
Trenton, Nebraska 69044

Board Members:

I have audited, in accordance with the 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 Hitchcock County, Nebraska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hitchcock County, Nebraska financial statements, and have issued my report thereon dated November 10, 2021. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Hitchcock 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hitchcock County's internal control. Accordingly, I 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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

My 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 have not been identified. However, as discussed below, I identified a certain deficiency in internal control that I consider to be a material weakness.

Independent Auditor 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*

Page 2

The County offices had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good Internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records.

Management Response: Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hitchcock County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Response to Finding

Hitchcock County, Nebraska management response to the finding identified in my audit is described above. Hitchcock County, Nebraska response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald D. Wilson, CPA
McCook, Nebraska

November 10, 2021