

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDIT REPORTS THEREON
HITCHCOCK COUNTY, NEBRASKA
Year Ended June 30, 2022**

**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:

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the Table of Contents.

In my opinion, the accompanying 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 for Hitchcock County, Nebraska as of June 30, 2022, 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 for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of this report. I am required to be independent of Hitchcock County, Nebraska, and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unmodified audit opinions.

Emphasis of Matter – 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 comprehensive 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.

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 for the Audit of the Financial Statements

My objective is 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 report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- 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 Hitchcock County, Nebraska effectiveness of the 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hitchcock County, Nebraska ability to continue as a going concern for a reasonable period of time.


I am 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 I identified during the audit.

Supplementary Information

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Hitchcock County's financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements, and schedule of office activity are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The 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 December 2, 2022 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

December 2, 2022

HITCHCOCK COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2022

EXHIBIT A

PRIMARY
GOVERNMENT

GOVERNMENTAL
ACTIVITIES

ASSETS

Equity in Pooled Cash and Cash Equivalents	3,293,487
Designated Investments	475,996
	<hr/>
Total Assets	<u>3,769,483</u>

NET POSITION

Restricted for:	
Federal Grant	403,969
Bridge/Road Projects	222,663
Veteran's Aid	5,171
Visitor's Promotion/Improvement	38,193
Re-Use Grant	5,458
Wireless 911	246,880
Register of Deeds P&M	22,078
	<hr/>
Unrestricted	2,825,071
	<hr/>
Total Net Position	<u>3,769,483</u>

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, 2022

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	1,202,163	176,664	558,733
Public Safety	640,926	34,074	4,776
Public Works	1,410,709	1,486	11,839
Public Health	400		
Public Assistance	64,261		
Culture and Recreation	400		
Total Governmental Activities	<u>3,318,859</u>	<u>212,224</u>	<u>575,348</u>
General Receipts:			
Taxes:			
Property taxes, levied for general purposes			1,991,937
Motor Vehicle Tax			138,962
Intergovernmental			957,777
Inheritance Tax			252,201
Interest			8,108
Miscellaneous			14,906
Total General Receipts			<u>3,363,891</u>
Changes in Net Position			832,604
Net position - Beginning of Year			<u>2,936,879</u>
Net position - End of Year			<u>3,769,483</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, 2022

EXHIBIT C

	General	Road	American Rescue Plan	Inheritance Tax	Other Governmental Funds	Total
ASSETS						
Equity in Pooled Cash and Cash Equivalents	394,775	743,924		1,523,898	630,890	3,293,487
Designated Investments			403,969		72,027	475,996
Total Assets	<u>394,775</u>	<u>743,924</u>	<u>403,969</u>	<u>1,523,898</u>	<u>702,917</u>	<u>3,769,483</u>
FUND BALANCES:						
Restricted			403,969		540,443	944,412
Assigned		743,924		1,523,898	162,474	2,430,296
Unassigned	<u>394,775</u>					<u>394,775</u>
Total Fund Balances	<u>394,775</u>	<u>743,924</u>	<u>403,969</u>	<u>1,523,898</u>	<u>702,917</u>	<u>3,769,483</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, 2022

EXHIBIT D

	General	Road	Special Revenue American Rescue Plan	Inheritance Tax	NonMajor Governmental Funds	Total Governmental Total
CASH RECEIPTS						
Property Taxes	1,991,937					1,991,937
Motor Vehicle Tax	138,962					138,962
Federal Grants	24,818	11,839	536,486		2,205	575,348
Intergovernmental	27,693	782,849			147,235	957,777
Inheritance Tax				252,201		252,201
Charges for Services	194,678	1,486			16,060	212,224
Interest	8,071				37	8,108
Miscellaneous	(2,915)	17,821			0	14,906
Total Cash Receipts	2,383,244	813,995	536,486	252,201	165,537	4,151,463
CASH DISBURSEMENTS						
General Government	1,200,555				1,608	1,202,163
Public Safety	614,704				26,222	640,926
Public Works	46,888	1,231,304	132,517			1,410,709
Public Health	400					400
Public Assistance	64,261					64,261
Culture and Recreation	400				0	400
Total Cash Disbursements	1,927,208	1,231,304	132,517	0	27,830	3,318,859
Excess of Cash Receipts Over (Under) Cash Disbursements	456,036	(417,309)	403,969	252,201	137,707	832,604
OTHER FINANCING SOURCES (USES)						
Transfers In		587,433				587,433
Transfers (Out)	(587,433)					(587,433)
Total Other Financing Sources (Uses)	(587,433)	587,433	0	0	0	0
Net Change in Fund Balances	(131,397)	170,124	403,969	252,201	137,707	832,604
Fund Balances, Beginning of Year	526,172	573,800	0	1,271,697	565,210	2,936,879
Fund Balances, End of Year	394,775	743,924	403,969	1,523,898	702,917	3,769,483

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, 2022

EXHIBIT E

	Balance July 1, 2021	Receipts	Disbursements	Balance June 30, 2022
ASSETS				
Equity in Pooled Cash and Cash Equivalents	231,441	9,966,611	9,928,292	269,760
Total Assets	231,441	9,966,611	9,928,292	269,760
LIABILITIES				
State	67,069	880,196	877,244	70,021
Schools	94,436	6,844,128	6,797,831	140,733
Educational Service Unit	1,166	108,443	107,640	1,969
Community College	5,799	539,603	535,604	9,798
Natural Resource District	4,647	616,041	608,868	11,820
Fire Districts	7,268	200,657	204,003	3,922
Irrigation District	13,212	115,407	127,394	1,225
Cemetery Districts	18,171	36,687	54,298	560
Municipalities	9,581	393,634	388,389	14,826
Agricultural Society	746	69,417	68,901	1,262
Historical Society	106	23,695	23,247	554
Redemption	4,898	68,753	73,651	0
Partial Payment	4,342	36,643	27,915	13,070
Tentative Inheritance Tax	0	33,307	33,307	0
Total Liabilities	231,441	9,966,611	9,928,292	269,760
NET POSITION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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, 2022

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, 2022

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.

American Rescue Plan (Special Revenue):

The American Rescue Plan Fund is used to account for receipts and disbursements for this Federal Grant.

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, 2022

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, 2022

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 2021 for 2021 taxes, which will be materially collected in May, and September 2022, was set at \$.272453/\$100 of assessed valuation. Assessed valuation for Hitchcock County for the 2021 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, 2022 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, 2022

NOTE 3: INTERFUND TRANSFERS:

The detail of interfund transfers between funds for the year ended June 30, 2022 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	587,433

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to disburse the resources.

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, 2022, 2021, and 2020 were \$93,069, \$92,200 and \$85,107, respectively. Prior service benefit paid was \$384, \$240, and \$342, 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, 2022.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED For the Year Ended June 30, 2022

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 \$16,964 toward the operation of Region II during fiscal year 2022. 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 \$28,376 toward the operation of Region 51 during the fiscal year ended June 30, 2022.

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, 2022

EXHIBIT F

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
CASH RECEIPTS:				
Taxes	2,045,078	2,045,078	2,130,899	85,821
Federal	85,000	85,000	24,818	(60,182)
State	17,600	17,600	18,456	856
Local	179,416	179,416	209,071	29,655
Total Cash Receipts	2,327,094	2,327,094	2,383,244	56,150
CASH DISBURSEMENTS:				
General Government:				
County Board	81,758	82,013	82,013	0
Clerk	120,378	120,378	116,194	4,184
Treasurer	142,753	142,753	131,208	11,545
Assessor	155,211	155,211	141,371	13,840
Election Commissioner	14,475	14,475	14,218	257
Zoning	5,000	5,000	3,985	1,015
Clerk of the District Court	3,525	2,125	1,547	578
County Court System	6,375	6,375	4,359	2,016
Building and Grounds	336,900	336,900	85,908	250,992
Extension Office	44,166	44,166	38,163	6,003
Coroner	10,000	10,000	3,626	6,374
Miscellaneous	690,913	690,913	577,963	112,950
Total General Government	1,611,454	1,610,309	1,200,555	409,754
Public Safety:				
Sheriff	397,916	397,916	303,970	93,946
Attorney	95,873	95,873	84,578	11,295
Jail	230,600	230,600	193,563	37,037
Emergency Management	98,727	98,727	28,507	70,220
Miscellaneous	5,000	5,000	4,086	914
Total Public Safety	828,116	828,116	614,704	213,412
Public Works:				
Noxious Weed Control	46,543	47,188	46,888	300
Miscellaneous	5,000	5,000		5,000
Total Public Works	51,543	52,188	46,888	5,300
Public Health:				
Miscellaneous	2,000	2,000	400	1,600
Total Public Health	2,000	2,000	400	1,600
Public Assistance:				
Veteran's Service Officer	28,978	28,978	26,705	2,273
Relief	5,000	5,000	50	4,950
Institutions	28,864	29,364	29,364	0
Miscellaneous	8,142	8,142	8,142	0
Total Public Assistance	70,984	71,484	64,261	7,223

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, 2022

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	2,564,497	2,564,497	1,927,208	637,289
Excess of Cash Receipts Over (Under) Cash Disbursements	(237,403)	(237,403)	456,036	693,439
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	600,000	600,000		(600,000)
Operating Transfers (Out)	(588,769)	(588,769)	(587,433)	1,336
Total Other Financing Sources (Uses)	11,231	11,231	(587,433)	(598,664)
Net Change in Fund Balance	(226,172)	(226,172)	(131,397)	94,775
Fund Balance, Beginning of Year	526,172	526,172	526,172	
Fund Balance, End of Year	300,000	300,000	394,775	94,775

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, 2022

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	11,500	11,500	11,839	339
State	746,682	746,682	782,835	36,153
Local	5,000	5,000	19,321	14,321
Total Cash Receipts	763,182	763,182	813,995	50,813
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,790,751	1,790,751	1,231,304	559,447
Total Cash Disbursements	1,790,751	1,790,751	1,231,304	559,447
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,027,569)	(1,027,569)	(417,309)	610,260
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	753,769	753,769	587,433	(166,336)
Operating Transfers (Out)				0
Total Other Financing Sources (Uses)	753,769	753,769	587,433	(166,336)
Net Change in Fund Balance	(273,800)	(273,800)	170,124	443,924
Fund Balance, Beginning of Year	573,800	573,800	573,800	
Fund Balance, End of Year	300,000	300,000	743,924	443,924

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

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

For the Year Ended June 30, 2022

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	536,486	536,486	536,486	0
Total Cash Receipts	536,486	536,486	536,486	0
CASH DISBURSEMENTS:				
Public Works	536,486	536,486	132,517	403,969
Total Cash Disbursements	536,486	536,486	132,517	403,969
Net Change in Fund Balance	0	0	403,969	403,969
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	403,969	403,969

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, 2022

EXHIBIT I

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	100,000	100,000	252,201	152,201
Total Cash Receipts	100,000	100,000	252,201	152,201
CASH DISBURSEMENTS:				
General Government				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	100,000	100,000	252,201	152,201
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(765,000)	(765,000)		765,000
Total Other Financing Sources (Uses)	(765,000)	(765,000)	0	765,000
Net Change in Fund Balances	(665,000)	(665,000)	252,201	917,201
Fund Balances, Beginning of Year	1,271,697	1,271,697	1,271,697	0
Fund Balances, End of Year	606,697	606,697	1,523,898	917,201

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION BUDGETARY REPORTING

For the Year Ended June 30, 2022

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.

NOTE 3: AMENDED BUDGETS:

The Noxious Weed Control, County Board, and Institutions function budgets within the General Fund were properly amended per state statute by transferring \$645, \$255, and \$500 budget authority respectively from the Clerk of the District Court function.

HITCHCOCK COUNTY, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2022

SCHEDULE 1

	Road/Bridge Buyback	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Veteran's Aid
ASSETS					
Equity in Pooled Cash and Cash Equivalents	222,663	13,169	25,024	22,078	5,171
Designated Investments					
Total Assets	<u>222,663</u>	<u>13,169</u>	<u>25,024</u>	<u>22,078</u>	<u>5,171</u>
FUND BALANCES:					
Restricted	222,663	13,169	25,024	22,078	5,171
Assigned					
Total Fund Balances	<u>222,663</u>	<u>13,169</u>	<u>25,024</u>	<u>22,078</u>	<u>5,171</u>
	STOP Program	Drug Law Enforcement	CDBG Housing	Community Development	KENO
ASSETS					
Equity in Pooled Cash and Cash Equivalents	6,098	2,333			7
Designated Investments			5,458	66,569	
Total Assets	<u>6,098</u>	<u>2,333</u>	<u>5,458</u>	<u>66,569</u>	<u>7</u>
FUND BALANCES:					
Restricted			5,458		
Assigned	6,098	2,333		66,569	7
Total Fund Balances	<u>6,098</u>	<u>2,333</u>	<u>5,458</u>	<u>66,569</u>	<u>7</u>
	Emergency 911	Wireless 911			Total Nonmajor Special Revenue Funds (Exhibit C)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	87,467	246,880			630,890
Designated Investments					72,027
Total Assets	<u>87,467</u>	<u>246,880</u>			<u>702,917</u>
FUND BALANCES:					
Restricted		246,880			540,443
Assigned	87,467				162,474
Total Fund Balances	<u>87,467</u>	<u>246,880</u>			<u>702,917</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, 2022

SCHEDULE 2

	Road/Bridge Buyback	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Veteran's Aid
CASH RECEIPTS					
Federal Grants					
Intergovernmental	93,006	4,627	4,628		
Charges for Services				3,548	
Interest					
Miscellaneous					
Total Cash Receipts	93,006	4,627	4,628	3,548	0
CASH DISBURSEMENTS					
General Government				1,608	
Public Safety					
Culture and Recreation					
Total Cash Disbursements	0	0	0	1,608	0
Excess of Cash Receipts Over (Under) Cash Disbursements	93,006	4,627	4,628	1,940	0
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)					
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	93,006	4,627	4,628	1,940	0
Fund Balances, Beginning of Year	129,657	8,542	20,396	20,138	5,171
Fund Balances, End of Year	222,663	13,169	25,024	22,078	5,171

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, 2022

SCHEDULE 2
CONTINUED

	STOP Program	Drug Law Enforcement	CDBG Housing	Community Development	KENO
CASH RECEIPTS					
Federal Grants			2,205		
Intergovernmental					
Charges for Services	1,275				
Interest			2	35	
Miscellaneous					
Total Cash Receipts	1,275	0	2,207	35	0
CASH DISBURSEMENTS					
General Government					
Public Safety	5,434				
Culture and Recreation					
Total Cash Disbursements	5,434	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	(4,159)	0	2,207	35	0
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)					
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	(4,159)	0	2,207	35	0
Fund Balances, Beginning of Year	10,257	2,333	3,251	66,534	7
Fund Balances, End of Year	6,098	2,333	5,458	66,569	7

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, 2022

SCHEDULE 2
CONCLUDED

	Emergency 911	Wireless 911	Total Nonmajor Special Revenue Funds (Exhibit D)
CASH RECEIPTS			
Federal Grants			2,205
Intergovernmental		44,974	147,235
Charges for Services	11,237		16,060
Interest			37
Miscellaneous			0
Total Cash Receipts	11,237	44,974	165,537
CASH DISBURSEMENTS			
General Government			1,608
Public Safety	3,541	17,247	26,222
Culture and Recreation			0
Total Cash Disbursements	3,541	17,247	27,830
Excess of Cash Receipts Over (Under) Cash Disbursements	7,696	27,727	137,707
OTHER FINANCING SOURCES (USES):			
Transfers In			0
Transfers (Out)			0
Total Other Financing Sources	0	0	0
Net Change in Fund Balances	7,696	27,727	137,707
Fund Balances, Beginning of Year	79,771	219,153	565,210
Fund Balances, End of Year	87,467	246,880	702,917

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, 2022

SCHEDULE 3

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
ROAD/BRIDGE BUYBACK				
CASH RECEIPTS	93,897	93,897	93,006	(891)
CASH DISBURSEMENTS	223,554	223,554	0	223,554
Net Change in Fund Balance	(129,657)	(129,657)	93,006	222,663
Fund Balance, Beginning of Year	129,657	129,657	129,657	
Fund Balance, End of Year	0	0	222,663	222,663
VISITOR'S PROMOTION				
CASH RECEIPTS	3,000	3,000	4,627	1,627
CASH DISBURSEMENTS	4,750	4,750	0	4,750
Net Change in Fund Balance	(1,750)	(1,750)	4,627	6,377
Fund Balance, Beginning of Year	8,542	8,542	8,542	
Fund Balance, End of Year	6,792	6,792	13,169	6,377
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	3,000	3,000	4,628	1,628
CASH DISBURSEMENTS	10,000	10,000	0	10,000
Net Change in Fund Balance	(7,000)	(7,000)	4,628	11,628
Fund Balance, Beginning of Year	20,396	20,396	20,396	
Fund Balance, End of Year	13,396	13,396	25,024	11,628
REGISTER OF DEEDS P&M				
CASH RECEIPTS	2,800	2,800	3,548	748
CASH DISBURSEMENTS	20,000	20,000	1,608	18,392
Net Change in Fund Balance	(17,200)	(17,200)	1,940	19,140
Fund Balance, Beginning of Year	20,138	20,138	20,138	
Fund Balance, End of Year	2,938	2,938	22,078	19,140
VETERAN'S AID				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	5,171	5,171	0	5,171
Net Change in Fund Balance	(5,171)	(5,171)	0	5,171
Fund Balance, Beginning of Year	5,171	5,171	5,171	
Fund Balance, End of Year	0	0	5,171	5,171

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, 2022

SCHEDULE 3
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
STOP PROGRAM				
CASH RECEIPTS	500	500	1,275	775
CASH DISBURSEMENTS	10,420	10,420	5,434	4,986
Net Change in Fund Balance	(9,920)	(9,920)	(4,159)	5,761
Fund Balance, Beginning of Year	10,257	10,257	10,257	
Fund Balance, End of Year	337	337	6,098	5,761
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	0	0	2,207	2,207
CASH DISBURSEMENTS	3,251	3,251	0	3,251
Net Change in Fund Balance	(3,251)	(3,251)	2,207	5,458
Fund Balance, Beginning of Year	3,251	3,251	3,251	
Fund Balance, End of Year	0	0	5,458	5,458
COMMUNITY DEVELOPMENT				
CASH RECEIPTS	0	0	35	35
CASH DISBURSEMENTS	66,534	66,534	0	66,534
Net Change in Fund Balance	(66,534)	(66,534)	35	66,569
Fund Balance, Beginning of Year	66,534	66,534	66,534	
Fund Balance, End of Year	0	0	66,569	66,569
KENO				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	7	7	0	7
Net Change in Fund Balance	(7)	(7)	0	7
Fund Balance, Beginning of Year	7	7	7	
Fund Balance, End of Year	0	0	7	7

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, 2022

**SCHEDULE 3
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EMERGENCY 911				
CASH RECEIPTS	12,000	12,000	11,237	(763)
CASH DISBURSEMENTS	91,771	91,771	3,541	88,230
Net Change in Fund Balance	(79,771)	(79,771)	7,696	87,467
Fund Balance, Beginning of Year	79,771	79,771	79,771	
Fund Balance, End of Year	0	0	87,467	87,467
WIRELESS 911				
CASH RECEIPTS	46,000	46,000	44,974	(1,026)
CASH DISBURSEMENTS	265,153	265,153	17,247	247,906
Net Change in Fund Balance	(219,153)	(219,153)	27,727	246,880
Fund Balance, Beginning of Year	219,153	219,153	219,153	
Fund Balance, End of Year	0	0	246,880	246,880

HITCHCOCK COUNTY NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2022

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, 2021	<u>5,793</u>	<u>14,413</u>	<u>4,823</u>	<u>131</u>	<u>9,459</u>	<u>34,619</u>
Receipts						
Licenses and Permits	1,310		2,930			4,240
Charges for Services	40,002	3,135	18,117	90		61,344
Miscellaneous	1,505		89			1,594
State Fees	47,584	3,859				51,443
Other Liabilities		<u>50,389</u>		<u>538</u>	<u>4</u>	<u>50,931</u>
Total Receipts	<u>90,401</u>	<u>57,383</u>	<u>21,136</u>	<u>628</u>	<u>4</u>	<u>169,552</u>
Disbursements						
Payments to County Treasurer	42,730	3,110	21,402	110		67,352
Payments to State Treasurer	50,078	3,593		538		54,209
Other Liabilities		<u>55,399</u>			<u>243</u>	<u>55,642</u>
Total Disbursements	<u>92,808</u>	<u>62,102</u>	<u>21,402</u>	<u>648</u>	<u>243</u>	<u>177,203</u>
Balance June 30, 2022	<u><u>3,386</u></u>	<u><u>9,694</u></u>	<u><u>4,557</u></u>	<u><u>111</u></u>	<u><u>9,220</u></u>	<u><u>26,968</u></u>
BALANCE CONSISTS OF:						
Due to County Treasurer	1,971	250	4,557	10		6,788
Due to State Treasurer	1,415	575				1,990
Due to Others		<u>8,869</u>		<u>101</u>	<u>9,220</u>	<u>18,190</u>
Balance June 30, 2022	<u><u>3,386</u></u>	<u><u>9,694</u></u>	<u><u>4,557</u></u>	<u><u>111</u></u>	<u><u>9,220</u></u>	<u><u>26,968</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, 2022, and the related notes to the financial statements, which collectively comprise Hitchcock County, Nebraska financial statements, and have issued my report thereon dated November 22, 2022. 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

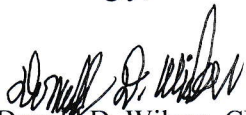
As part of obtaining reasonable assurance about whether Hitchcock County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and 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 22, 2022