

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR REPORTS THEREON
HITCHCOCK COUNTY, NEBRASKA
Year Ended June 30, 2023**

**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, 2023, 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, 2023, 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.

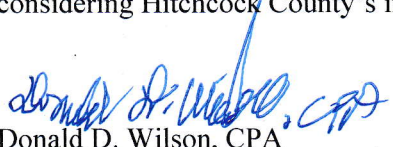
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

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 October 24, 2023 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

October 24, 2023

HITCHCOCK COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2023

EXHIBIT A

PRIMARY
GOVERNMENT

GOVERNMENTAL
ACTIVITIES

ASSETS

Equity in Pooled Cash and Cash Equivalents	3,246,178
Designated Investments	68,332
	3,314,510
Total Assets	3,314,510

NET POSITION

Restricted for:	
Federal Grant	189,052
Bridge/Road Projects	242,997
Veteran's Aid	5,172
Visitor's Promotion/Improvement	42,128
Re-Use Grant	1,732
Wireless 911	158,488
Register of Deeds P&M	21,343
Unrestricted	2,653,598
Total Net Position	3,314,510

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, 2023

Exhibit B

		Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets
Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
General Government	1,327,046	172,064	71,741	(1,083,241)
Public Safety	1,156,725	39,726	56,835	(1,060,164)
Public Works	1,706,188	1,022	12,686	(1,692,480)
Public Health	0			0
Public Assistance	66,496			(66,496)
Culture and Recreation	2,150			(2,150)
Total Governmental Activities	<u>4,258,605</u>	<u>212,812</u>	<u>141,262</u>	<u>(3,904,531)</u>
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				1,967,162
Motor Vehicle Tax				142,963
Intergovernmental				1,001,695
Inheritance Tax				297,609
Interest				26,650
Miscellaneous				13,479
				<u>3,449,558</u>
Changes in Net Position				(454,973)
Net position - Beginning of Year				<u>3,769,483</u>
Net position - End of Year				<u>3,314,510</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, 2023

EXHIBIT C

	General	Road	Inheritance Tax	Other Governmental Funds	Total
ASSETS					
Equity in Pooled Cash and Cash Equivalents	209,933	590,394	1,721,507	724,344	3,246,178
Designated Investments				68,332	68,332
Total Assets	<u>209,933</u>	<u>590,394</u>	<u>1,721,507</u>	<u>792,676</u>	<u>3,314,510</u>
FUND BALANCES:					
Restricted				660,912	660,912
Assigned		590,394	1,721,507	131,764	2,443,665
Unassigned	209,933				209,933
Total Fund Balances	<u>209,933</u>	<u>590,394</u>	<u>1,721,507</u>	<u>792,676</u>	<u>3,314,510</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, 2023

EXHIBIT D

	General	Special Revenue		NonMajor Governmental Funds	Total Governmental Total
		Road	Inheritance Tax		
CASH RECEIPTS					
Property Taxes	1,967,162				1,967,162
Motor Vehicle Tax	142,963				142,963
Federal Grants	76,846	12,686		51,730	141,262
Intergovernmental	27,385	813,814		160,496	1,001,695
Inheritance Tax			297,609		297,609
Charges for Services	201,704	1,022		10,086	212,812
Interest	26,617			33	26,650
Miscellaneous	3,910	4,135		5,434	13,479
Total Cash Receipts	2,446,587	831,657	297,609	227,779	3,803,632
CASH DISBURSEMENTS					
General Government	1,289,433			37,613	1,327,046
Public Safety	802,049			354,676	1,156,725
Public Works	48,836	1,509,402		147,950	1,706,188
Public Health	0				0
Public Assistance	66,496				66,496
Culture and Recreation	400			1,750	2,150
Total Cash Disbursements	2,207,214	1,509,402	0	541,989	4,258,605
Excess of Cash Receipts Over (Under) Cash Disbursements	239,373	(677,745)	297,609	(314,210)	(454,973)
OTHER FINANCING SOURCES (USES)					
Transfers In	100,000	524,215		264	624,479
Transfers (Out)	(524,215)		(100,000)	(264)	(624,479)
Total Other Financing Sources (Uses)	(424,215)	524,215	(100,000)	0	0
Net Change in Fund Balances	(184,842)	(153,530)	197,609	(314,210)	(454,973)
Fund Balances, Beginning of Year	394,775	743,924	1,523,898	1,106,886	3,769,483
Fund Balances, End of Year	209,933	590,394	1,721,507	792,676	3,314,510

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, 2023

EXHIBIT E

	Balance July 1, 2022	Receipts	Disbursements	Balance June 30, 2023
ASSETS				
Equity in Pooled Cash and Cash Equivalents	269,760	10,102,374	10,185,382	186,752
Total Assets	269,760	10,102,374	10,185,382	186,752
LIABILITIES				
State	70,021	1,004,745	996,493	78,273
Schools	140,733	6,826,720	6,892,935	74,518
Educational Service Unit	1,969	111,455	112,664	760
Community College	9,798	573,417	579,253	3,962
Natural Resource District	11,820	621,253	628,663	4,410
Fire Districts	3,922	215,824	218,156	1,590
Irrigation District	1,225	104,112	105,337	0
Cemetery Districts	560	37,876	38,180	256
Municipalities	14,826	399,456	402,934	11,348
Agricultural Society	1,262	67,587	68,397	452
Historical Society	554	20,758	21,199	113
Redemption	0	57,795	57,795	0
Partial Payment	13,070	55,665	63,376	5,359
Tentative Inheritance Tax	0	5,711	0	5,711
Total Liabilities	269,760	10,102,374	10,185,382	186,752
NET POSITION	0	0	0	0

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, 2023

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, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements, (Concluded):

Property taxes 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 receipts and disbursements associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

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, 2023

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 cash is 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, 2023

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 2022 for 2022 taxes, which will be materially collected in May, and September 2023, was set at \$.259456/\$100 of assessed valuation. Assessed valuation for Hitchcock County for the 2022 tax levy was \$757,275,137. 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.

The County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a separate legal and administrative entity organized and existing pursuant to the Inter-Local Cooperation Act and other Nebraska law. The County Treasurer had \$757,811 invested with NPAIT as of June 30, 2023. This carrying value of investments is stated at cost, which approximates market. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

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, 2023 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, 2023

NOTE 3: INTERFUND TRANSFERS:

The detail of interfund transfers between funds for the year ended June 30, 2023 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	Inheritance Tax	100,000
Road	General	524,215
Wireless 911	Emergency 911	264

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to disburse the resources. The transfer from the Inheritance Tax moved over reserve funds, and the transfer between the 911 funds was a correction of an error.

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, 2023, 2022, and 2021 were \$95,396, \$93,069 and \$92,200, respectively. Prior service benefit paid was \$312, \$384, and \$240, 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, 2023.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED For the Year Ended June 30, 2023

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 employee.

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 \$16,084 toward the operation of Region II during fiscal year 2023. 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 \$26,071 toward the operation of Region 51 during the fiscal year ended June 30, 2023.

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 87-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, 2023

EXHIBIT F

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Taxes	2,102,799	2,102,799	2,110,125	7,326
Federal	84,500	84,500	76,846	(7,654)
State	22,600	22,600	18,206	(4,394)
Local	177,205	177,205	241,410	64,205
Total Cash Receipts	2,387,104	2,387,104	2,446,587	59,483
CASH DISBURSEMENTS:				
General Government:				
County Board	85,613	85,613	84,398	1,215
Clerk	142,785	142,785	140,144	2,641
Treasurer	149,910	149,910	136,172	13,738
Assessor	128,645	128,645	123,071	5,574
Election Commissioner	18,675	18,675	14,750	3,925
Zoning	5,450	5,846	5,846	0
Clerk of the District Court	3,425	3,425	3,144	281
County Court System	6,075	6,075	4,811	1,264
Building and Grounds	120,100	120,100	79,488	40,612
Extension Office	44,966	44,966	40,272	4,694
Coroner	10,000	10,000	2,685	7,315
Miscellaneous	753,167	752,771	654,652	98,119
Total General Government	1,468,811	1,468,811	1,289,433	179,378
Public Safety:				
Sheriff	431,968	431,968	406,373	25,595
Attorney	99,138	99,138	91,395	7,743
Jail	226,150	226,150	204,035	22,115
Emergency Management	96,421	96,421	96,302	119
Miscellaneous	3,944	3,944	3,944	0
Total Public Safety	857,621	857,621	802,049	55,572
Public Works:				
Noxious Weed Control	56,125	56,125	48,836	7,289
Miscellaneous	5,000	5,000		5,000
Total Public Works	61,125	61,125	48,836	12,289
Public Health:				
Miscellaneous	2,000	2,000		2,000
Total Public Health	2,000	2,000	0	2,000
Public Assistance:				
Veteran's Service Officer	30,341	30,341	27,855	2,486
Relief	5,000	5,000	1,800	3,200
Institutions	28,484	28,484	28,484	0
Miscellaneous	8,357	8,357	8,357	0
Total Public Assistance	72,182	72,182	66,496	5,686

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, 2023

	Budgeted Amounts		Actual	EXHIBIT F
	Original	Final		CONCLUDED
				Variance With Final Budget Over (Under)
CASH DISBURSEMENTS, CONCLUDED:				
Culture and Recreation:				
Miscellaneous	400	400	400	0
Total Public Culture and Recreation	400	400	400	0
Total Cash Disbursements	2,462,139	2,462,139	2,207,214	254,925
Excess of Cash Receipts Over (Under) Cash Disbursements	(75,035)	(75,035)	239,373	314,408
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	505,000	505,000	100,000	(405,000)
Operating Transfers (Out)	(524,132)	(524,132)	(524,215)	(83)
Total Other Financing Sources (Uses)	(19,132)	(19,132)	(424,215)	(405,083)
Net Change in Fund Balance	(94,167)	(94,167)	(184,842)	(90,675)
Fund Balance, Beginning of Year	394,775	394,775	394,775	
Fund Balance, End of Year	300,608	300,608	209,933	(90,675)

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, 2023

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	11,000	11,000	12,686	1,686
State	793,064	793,064	813,800	20,736
Local	5,013	5,013	5,171	158
Total Cash Receipts	809,077	809,077	831,657	22,580
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,777,133	1,777,133	1,509,402	267,731
Total Cash Disbursements	1,777,133	1,777,133	1,509,402	267,731
Excess of Cash Receipts Over (Under) Cash Disbursements	(968,056)	(968,056)	(677,745)	290,311
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	524,132	524,132	524,215	83
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	524,132	524,132	524,215	83
Net Change in Fund Balance	(443,924)	(443,924)	(153,530)	290,394
Fund Balance, Beginning of Year	743,924	743,924	743,924	
Fund Balance, End of Year	300,000	300,000	590,394	290,394

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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	100,000	100,000	297,609	197,609
Total Cash Receipts	100,000	100,000	297,609	197,609
CASH DISBURSEMENTS:				
General Government				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	100,000	100,000	297,609	197,609
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(505,000)	(505,000)	(100,000)	405,000
Total Other Financing Sources (Uses)	(505,000)	(505,000)	(100,000)	405,000
Net Change in Fund Balances	(405,000)	(405,000)	197,609	602,609
Fund Balances, Beginning of Year	1,523,898	1,523,898	1,523,898	0
Fund Balances, End of Year	1,118,898	1,118,898	1,721,507	602,609

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

**NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING**

For the Year Ended June 30, 2023

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 Zoning function budget within the General Fund was properly amended per state statute by transferring \$396 budget authority from the Miselleanous General function.

HITCHCOCK COUNTY, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2023

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	242,997	14,262	27,866	21,343	5,172
Designated Investments					
Total Assets	<u>242,997</u>	<u>14,262</u>	<u>27,866</u>	<u>21,343</u>	<u>5,172</u>
FUND BALANCES:					
Restricted	242,997	14,262	27,866	21,343	5,172
Assigned					
Total Fund Balances	<u>242,997</u>	<u>14,262</u>	<u>27,866</u>	<u>21,343</u>	<u>5,172</u>
	STOP Program	American Rescue Plan	Local Assistance Tribal	CDBG Housing	Community Development
ASSETS					
Equity in Pooled Cash and Cash Equivalents	5,959	139,052	50,000		
Designated Investments				1,732	66,600
Total Assets	<u>5,959</u>	<u>139,052</u>	<u>50,000</u>	<u>1,732</u>	<u>66,600</u>
FUND BALANCES:					
Restricted		139,052	50,000	1,732	
Assigned	5,959				66,600
Total Fund Balances	<u>5,959</u>	<u>139,052</u>	<u>50,000</u>	<u>1,732</u>	<u>66,600</u>
	KENO	Emergency 911	Wireless 911		Total Nonmajor Special Revenue Funds (Exhibit C)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	7	59,198	158,488		724,344
Designated Investments					68,332
Total Assets	<u>7</u>	<u>59,198</u>	<u>158,488</u>		<u>792,676</u>
FUND BALANCES:					
Restricted			158,488		660,912
Assigned	7	59,198			131,764
Total Fund Balances	<u>7</u>	<u>59,198</u>	<u>158,488</u>		<u>792,676</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, 2023

SCHEDULE 2

	Road/Bridge Buyback	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Veteran's Aid
CASH RECEIPTS					
Federal Grants					
Intergovernmental	121,989	2,843	2,842		1
Charges for Services				2,398	
Interest					
Miscellaneous					
Total Cash Receipts	<u>121,989</u>	<u>2,843</u>	<u>2,842</u>	<u>2,398</u>	<u>1</u>
CASH DISBURSEMENTS					
General Government				3,133	
Public Safety					
Public Works	101,655				
Culture and Recreation		1,750			
Total Cash Disbursements	<u>101,655</u>	<u>1,750</u>	<u>0</u>	<u>3,133</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>20,334</u>	<u>1,093</u>	<u>2,842</u>	<u>(735)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)					
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	20,334	1,093	2,842	(735)	1
Fund Balances, Beginning of Year	<u>222,663</u>	<u>13,169</u>	<u>25,024</u>	<u>22,078</u>	<u>5,171</u>
Fund Balances, End of Year	<u><u>242,997</u></u>	<u><u>14,262</u></u>	<u><u>27,866</u></u>	<u><u>21,343</u></u>	<u><u>5,172</u></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, 2023

SCHEDULE 2
CONTINUED

	STOP Program	Drug Law Enforcement	American Rescue Plan	Local Assistance Tribal	CDBG Housing
CASH RECEIPTS					
Federal Grants				50,000	1,730
Intergovernmental					
Charges for Services	525				
Interest					2
Miscellaneous	5,434				
Total Cash Receipts	5,959	0	0	50,000	1,732
CASH DISBURSEMENTS					
General Government			29,022		5,458
Public Safety	6,098	2,333	189,600		
Public Works			46,295		
Culture and Recreation					
Total Cash Disbursements	6,098	2,333	264,917	0	5,458
Excess of Cash Receipts Over (Under) Cash Disbursements	(139)	(2,333)	(264,917)	50,000	(3,726)
OTHER FINANCING SOURCES (USES):					
Transfers In					
Transfers (Out)					
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	(139)	(2,333)	(264,917)	50,000	(3,726)
Fund Balances, Beginning of Year	6,098	2,333	403,969		5,458
Fund Balances, End of Year	5,959	0	139,052	50,000	1,732

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, 2023

	Community Development	KENO	Emergency 911	Wireless 911	SCHEDULE 2 CONCLUDED Total Nonmajor Special Revenue Funds (Exhibit D)
CASH RECEIPTS					
Federal Grants					51,730
Intergovernmental				32,821	160,496
Charges for Services			7,163		10,086
Interest	31				33
Miscellaneous					5,434
Total Cash Receipts	31	0	7,163	32,821	227,779
CASH DISBURSEMENTS					
General Government					37,613
Public Safety			35,168	121,477	354,676
Public Works					147,950
Culture and Recreation					1,750
Total Cash Disbursements	0	0	35,168	121,477	541,989
Excess of Cash Receipts Over (Under) Cash Disbursements	31	0	(28,005)	(88,656)	(314,210)
OTHER FINANCING SOURCES (USES):					
Transfers In				264	264
Transfers (Out)			(264)		(264)
Total Other Financing Sources	0	0	(264)	264	0
Net Change in Fund Balances	31	0	(28,269)	(88,392)	(314,210)
Fund Balances, Beginning of Year	66,569	7	87,467	246,880	1,106,886
Fund Balances, End of Year	66,600	7	59,198	158,488	792,676

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, 2023

SCHEDULE 3

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
ROAD/BRIDGE BUYBACK				
CASH RECEIPTS	112,824	112,824	121,989	9,165
CASH DISBURSEMENTS	335,487	335,487	101,655	233,832
Net Change in Fund Balance	(222,663)	(222,663)	20,334	242,997
Fund Balance, Beginning of Year	222,663	222,663	222,663	
Fund Balance, End of Year	0	0	242,997	242,997
VISITOR'S PROMOTION				
CASH RECEIPTS	4,000	4,000	2,843	(1,157)
CASH DISBURSEMENTS	5,000	5,000	1,750	3,250
Net Change in Fund Balance	(1,000)	(1,000)	1,093	2,093
Fund Balance, Beginning of Year	13,169	13,169	13,169	
Fund Balance, End of Year	12,169	12,169	14,262	2,093
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	4,000	4,000	2,842	(1,158)
CASH DISBURSEMENTS	5,000	5,000	0	5,000
Net Change in Fund Balance	(1,000)	(1,000)	2,842	3,842
Fund Balance, Beginning of Year	25,024	25,024	25,024	
Fund Balance, End of Year	24,024	24,024	27,866	3,842
REGISTER OF DEEDS P&M				
CASH RECEIPTS	3,000	3,000	2,398	(602)
CASH DISBURSEMENTS	6,000	6,000	3,133	2,867
Net Change in Fund Balance	(3,000)	(3,000)	(735)	2,265
Fund Balance, Beginning of Year	22,078	22,078	22,078	
Fund Balance, End of Year	19,078	19,078	21,343	2,265
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	5,171	5,171	5,171	
Fund Balance, End of Year	171	171	5,172	5,001

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, 2023

SCHEDULE 3
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
STOP PROGRAM				
CASH RECEIPTS	0	0	5,959	5,959
CASH DISBURSEMENTS	6,098	6,098	6,098	0
Net Change in Fund Balance	(6,098)	(6,098)	(139)	5,959
Fund Balance, Beginning of Year	6,098	6,098	6,098	
Fund Balance, End of Year	0	0	5,959	5,959
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	2,333	2,333	2,333	0
Net Change in Fund Balance	(2,333)	(2,333)	(2,333)	0
Fund Balance, Beginning of Year	2,333	2,333	2,333	
Fund Balance, End of Year	0	0	0	0
AMERICAN RESCUE PLAN				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	403,969	403,969	264,917	139,052
Net Change in Fund Balance	(403,969)	(403,969)	(264,917)	139,052
Fund Balance, Beginning of Year	403,969	403,969	403,969	
Fund Balance, End of Year	0	0	139,052	139,052
LOCAL ASSISTANCE TRIBAL				
CASH RECEIPTS	0	0	50,000	50,000
CASH DISBURSEMENTS	0	0	0	0
Net Change in Fund Balance	0	0	50,000	50,000
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	50,000	50,000
CDBG HOUSING				
CASH RECEIPTS	0	0	1,732	1,732
CASH DISBURSEMENTS	5,458	5,458	5,458	0
Net Change in Fund Balance	(5,458)	(5,458)	(3,726)	1,732
Fund Balance, Beginning of Year	5,458	5,458	5,458	
Fund Balance, End of Year	0	0	1,732	1,732

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, 2023

**SCHEDULE 3
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
COMMUNITY DEVELOPMENT				
CASH RECEIPTS	0	0	31	31
CASH DISBURSEMENTS	66,569	66,569	0	66,569
Net Change in Fund Balance	(66,569)	(66,569)	31	66,600
Fund Balance, Beginning of Year	66,569	66,569	66,569	
Fund Balance, End of Year	0	0	66,600	66,600
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
EMERGENCY 911				
CASH RECEIPTS	11,000	11,000	7,163	(3,837)
CASH DISBURSEMENTS	98,467	98,467	35,432	63,035
Net Change in Fund Balance	(87,467)	(87,467)	(28,269)	59,198
Fund Balance, Beginning of Year	87,467	87,467	87,467	
Fund Balance, End of Year	0	0	59,198	59,198
WIRELESS 911				
CASH RECEIPTS	45,000	45,000	33,085	(11,915)
CASH DISBURSEMENTS	291,880	291,880	121,477	170,403
Net Change in Fund Balance	(246,880)	(246,880)	(88,392)	158,488
Fund Balance, Beginning of Year	246,880	246,880	246,880	
Fund Balance, End of Year	0	0	158,488	158,488

HITCHCOCK COUNTY NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2023

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, 2022	3,386	9,694	4,557	111	9,220	26,968
Receipts						
Licenses and Permits	940		3,210			4,150
Charges for Services	27,283	2,000	8,816	90		38,189
Miscellaneous	987				18	1,005
State Fees	41,681	3,756				45,437
Other Liabilities		98,528		836	562	99,926
Total Receipts	70,891	104,284	12,026	926	580	188,707
Disbursements						
Payments to County Treasurer	28,173	2,150	10,859	101		41,283
Payments to State Treasurer	40,879	4,112				44,991
Other Liabilities		92,897		936	75	93,908
Total Disbursements	69,052	99,159	10,859	1,037	75	180,182
Balance June 30, 2023	<u>5,225</u>	<u>14,819</u>	<u>5,724</u>	<u>0</u>	<u>9,725</u>	<u>35,493</u>
BALANCE CONSISTS OF:						
Due to County Treasurer	2,268	100	5,724			8,092
Due to State Treasurer	2,957	219				3,176
Due to Others		14,500			9,725	24,225
Balance June 30, 2023	<u>5,225</u>	<u>14,819</u>	<u>5,724</u>	<u>0</u>	<u>9,725</u>	<u>35,493</u>

DONALD D. WILSON
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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, 2023, and the related notes to the financial statements, which collectively comprise Hitchcock County, Nebraska financial statements, and have issued my report thereon dated October 24, 2023. 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, Nebraska 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, Nebraska internal control. Accordingly, I do not express an opinion on the effectiveness of Hitchcock County, Nebraska 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 matters 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

October 24, 2023