

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR REPORTS THEREON
HITCHCOCK COUNTY, NEBRASKA
Year Ended June 30, 2025**

**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, 2025, 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, 2025, 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 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 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.

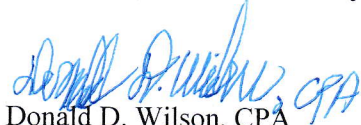
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audit was conducted 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 activities 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 9, 2025 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 9, 2025

HITCHCOCK COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2025

EXHIBIT A

PRIMARY
GOVERNMENT

GOVERNMENTAL
ACTIVITIES

ASSETS

Equity in Pooled Cash and Cash Equivalents	2,911,178
Designated Investments	158,460
Total Assets	<u>3,069,638</u>

NET POSITION

Restricted for:	
Federal Grant	89,882
Bridge/Road Projects	167,122
Veteran's Aid	5,173
Visitor's Promotion/Improvement	47,064
Wireless 911	197,933
Register of Deeds P&M	19,630
Unrestricted	2,542,834
Total Net Position	<u>3,069,638</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, 2025

Exhibit B

		Program Cash Receipts		Net (Disbursements) Receipt
	Cash	Fees, Fines, and	Operating	and Changes in Net Assets
	Disbursements	Charges for	Grants and	Governmental
		Services	Contributions	Activities
Governmental Activities:				
General Government	1,506,020	166,721	15,557	(1,323,742)
Public Safety	824,410	39,695	4,799	(779,916)
Public Works	1,433,784	694	13,936	(1,419,154)
Public Assistance	76,699			(76,699)
Culture and Recreation	1,257			(1,257)
Total Governmental Activities	3,842,170	207,110	34,292	(3,600,768)
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				2,058,143
Motor Vehicle Tax				153,587
Intergovernmental				1,032,832
Inheritance Tax				136,245
Interest				110,588
Miscellaneous				27,889
Total General Receipts				3,519,284
Changes in Net Position				(81,484)
Net position - Beginning of Year				3,151,122
Net position - End of Year				3,069,638

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

HITCHCOCK COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2025

EXHIBIT C

	General	Road	Inheritance Tax	Other Governmental Funds	Total
ASSETS					
Equity in Pooled Cash and Cash Equivalents	365,033	264,451	1,726,557	555,137	2,911,178
Designated Investments				158,460	158,460
Total Assets	<u>365,033</u>	<u>264,451</u>	<u>1,726,557</u>	<u>713,597</u>	<u>3,069,638</u>
FUND BALANCES:					
Restricted				526,804	526,804
Assigned		264,451	1,726,557	186,793	2,177,801
Unassigned	<u>365,033</u>				<u>365,033</u>
Total Fund Balances	<u>365,033</u>	<u>264,451</u>	<u>1,726,557</u>	<u>713,597</u>	<u>3,069,638</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, 2025

EXHIBIT D

	General	Special Revenue Road	Inheritance Tax	NonMajor Governmental Funds	Total Governmental Total
CASH RECEIPTS					
Property Taxes	2,058,143				2,058,143
Motor Vehicle Tax	153,587				153,587
Federal Grants	20,356	13,936			34,292
Intergovernmental	27,236	854,464		151,132	1,032,832
Inheritance Tax			136,245		136,245
Charges for Services	191,921	694		14,495	207,110
Interest	109,699			889	110,588
Miscellaneous	5,595	22,294		0	27,889
Total Cash Receipts	2,566,537	891,388	136,245	166,516	3,760,686
CASH DISBURSEMENTS					
General Government	1,446,212			59,808	1,506,020
Public Safety	783,614			40,796	824,410
Public Works	56,937	1,369,007		7,840	1,433,784
Public Assistance	76,699				76,699
Culture and Recreation	400			857	1,257
Total Cash Disbursements	2,363,862	1,369,007	0	109,301	3,842,170
Excess of Cash Receipts Over (Under) Cash Disbursements	202,675	(477,619)	136,245	57,215	(81,484)
OTHER FINANCING SOURCES (USES)					
Transfers In	200,000	455,534			655,534
Transfers (Out)	(355,534)		(300,000)		(655,534)
Total Other Financing Sources (Uses)	(155,534)	455,534	(300,000)	0	0
Net Change in Fund Balances	47,141	(22,085)	(163,755)	57,215	(81,484)
Fund Balances, Beginning of Year	317,892	286,536	1,890,312	656,382	3,151,122
Fund Balances, End of Year	365,033	264,451	1,726,557	713,597	3,069,638

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, 2025

EXHIBIT E

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
ASSETS				
Equity in Pooled Cash and Cash Equivalents	188,022	10,748,939	10,763,564	173,397
Total Assets	188,022	10,748,939	10,763,564	173,397
LIABILITIES				
State	65,500	979,996	972,678	72,818
Schools	80,175	7,699,273	7,709,943	69,505
Educational Service Unit	1,025	122,320	122,423	922
Community College	5,201	301,922	305,744	1,379
Natural Resource District	5,912	591,126	592,981	4,057
Fire Districts	1,993	263,688	263,192	2,489
Irrigation District	1,132	96,284	96,446	970
Cemetery Districts	353	46,717	46,698	372
Municipalities	14,191	479,126	483,980	9,337
Agricultural Society	593	72,522	72,564	551
Historical Society	43	19,157	19,017	183
Redemption	0	48,073	48,073	0
Partial Payment	6,408	28,735	28,700	6,443
Tentative Inheritance Tax	5,496		1,125	4,371
Total Liabilities	188,022	10,748,939	10,763,564	173,397
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, 2025

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 are 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.

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 disbursements of a given function are offset by program receipts. Direct disbursements 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 contributions 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, 2025

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 disbursed 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, 2025

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, 2025

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 2024 for 2024 taxes, which will be materially collected in May, and September 2025, was set at \$.240526/\$100 of assessed valuation. Assessed valuation for Hitchcock County for the 2024 tax levy was \$858,358,963. 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 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 \$837,656 invested with NPAIT as of June 30, 2025. 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 credit risk, the deposits for the County as of June 30, 2025 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, 2025

NOTE 3: INTERFUND TRANSFERS:

The detail of interfund transfers between funds for the year ended June 30, 2025 were as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	Inheritance Tax	200,000
Road	Inheritance Tax	100,000
Road	General	355,534

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.

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, 2025, 2024, and 2023 were \$104,519, \$103,412 and \$95,396, respectively. Prior service benefit paid was \$180, \$252, and \$312, 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, 2025.

HITCHCOCK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED

For the Year Ended June 30, 2025

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 \$24,991 toward the operation of Region II during fiscal year 2025. 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 \$32,189 toward the operation of Region 51 during the fiscal year ended June 30, 2025.

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, 2025

EXHIBIT F

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
CASH RECEIPTS:				
Taxes	2,204,574	2,204,574	2,211,730	7,156
Federal	23,000	23,000	20,356	(2,644)
State	18,300	18,300	18,589	289
Local	234,772	234,772	315,862	81,090
Total Cash Receipts	2,480,646	2,480,646	2,566,537	85,891
CASH DISBURSEMENTS:				
General Government:				
County Board	82,161	97,161	92,643	4,518
Clerk	155,145	154,006	152,086	1,920
Treasurer	161,200	161,200	156,795	4,405
Assessor	146,629	146,629	135,182	11,447
Election Commissioner	17,175	17,175	11,748	5,427
Zoning	2,900	2,900	1,173	1,727
Clerk of the District Court	4,450	4,450	1,936	2,514
County Court System	5,800	5,800	3,649	2,151
Building and Grounds	126,200	126,200	100,401	25,799
Extension Office	47,445	47,445	40,630	6,815
Coroner	15,000	15,000	13,981	1,019
Miscellaneous	843,793	828,793	735,988	92,805
Total General Government	1,607,898	1,606,759	1,446,212	160,547
Public Safety:				
Sheriff	396,771	396,771	366,209	30,562
Attorney	101,930	101,930	97,020	4,910
Jail	283,050	284,189	284,189	0
Emergency Management	33,004	33,004	32,639	365
Miscellaneous	4,300	4,300	3,557	743
Total Public Safety	819,055	820,194	783,614	36,580
Public Works:				
Noxious Weed Control	60,500	60,500	56,937	3,563
Total Public Works	60,500	60,500	56,937	3,563
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	32,861	32,861	29,777	3,084
Relief	20,000	20,000		20,000
Institutions	38,614	38,614	38,391	223
Miscellaneous	8,531	8,531	8,531	0
Total Public Assistance	100,006	100,006	76,699	23,307

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, 2025

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	2,589,859	2,589,859	2,363,862	225,997
Excess of Cash Receipts Over (Under) Cash Disbursements	(109,213)	(109,213)	202,675	311,888
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	700,000	700,000	200,000	(500,000)
Operating Transfers (Out)	(608,679)	(608,679)	(355,534)	253,145
Total Other Financing Sources (Uses)	91,321	91,321	(155,534)	(246,855)
Net Change in Fund Balance	(17,892)	(17,892)	47,141	65,033
Fund Balance, Beginning of Year	317,892	317,892	317,892	
Fund Balance, End of Year	300,000	300,000	365,033	65,033

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, 2025

EXHIBIT G

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
CASH RECEIPTS:				
Federal	13,000	13,000	13,935	935
State	878,580	878,580	854,451	(24,129)
Local	5,713	5,713	23,002	17,289
Total Cash Receipts	<u>897,293</u>	<u>897,293</u>	<u>891,388</u>	<u>(5,905)</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	<u>1,792,508</u>	<u>1,792,508</u>	<u>1,369,007</u>	<u>423,501</u>
Total Cash Disbursements	<u>1,792,508</u>	<u>1,792,508</u>	<u>1,369,007</u>	<u>423,501</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(895,215)</u>	<u>(895,215)</u>	<u>(477,619)</u>	<u>417,596</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	908,679	908,679	455,534	(453,145)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	<u>908,679</u>	<u>908,679</u>	<u>455,534</u>	<u>(453,145)</u>
Net Change in Fund Balance	13,464	13,464	(22,085)	(35,549)
Fund Balance, Beginning of Year	<u>286,536</u>	<u>286,536</u>	<u>286,536</u>	
Fund Balance, End of Year	<u><u>300,000</u></u>	<u><u>300,000</u></u>	<u><u>264,451</u></u>	<u><u>(35,549)</u></u>

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, 2025

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	100,000	100,000	136,245	36,245
Total Cash Receipts	100,000	100,000	136,245	36,245
CASH DISBURSEMENTS:				
General Government	700,000	700,000		700,000
Total Cash Disbursements	700,000	700,000	0	700,000
Excess of Cash Receipts Over (Under) Cash Disbursements	(600,000)	(600,000)	136,245	736,245
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(300,000)	(300,000)	(300,000)	
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(300,000)	0
Net Change in Fund Balances	(900,000)	(900,000)	(163,755)	736,245
Fund Balances, Beginning of Year	1,890,312	1,890,312	1,890,312	0
Fund Balances, End of Year	990,312	990,312	1,726,557	736,245

See Accompanying Notes to Budgetary Reporting

HITCHCOCK COUNTY, NEBRASKA

NOTES TO SUPPLEMENTARY INFORMATION BUDGETARY REPORTING

For the Year Ended June 30, 2025

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 BUDGET:

The County Board, and Jail function budgets within the General Fund were properly amended per state statute by transferring \$15,000, and \$1,139 budget authority from the County Clerk, and Miscellaneous General functions respectively.

HITCHCOCK COUNTY, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2025

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	167,122	17,313	29,751	19,630	5,173
Designated Investments					
Total Assets	<u>167,122</u>	<u>17,313</u>	<u>29,751</u>	<u>19,630</u>	<u>5,173</u>
FUND BALANCES:					
Restricted	167,122	17,313	29,751	19,630	5,173
Assigned					
Total Fund Balances	<u>167,122</u>	<u>17,313</u>	<u>29,751</u>	<u>19,630</u>	<u>5,173</u>
	STOP Program	American Rescue Plan	Local Assistance Tribal	CDBG Housing	Community Development
ASSETS					
Equity in Pooled Cash and Cash Equivalents	5,034		67,798	6	
Designated Investments		89,882			68,578
Total Assets	<u>5,034</u>	<u>89,882</u>	<u>67,798</u>	<u>6</u>	<u>68,578</u>
FUND BALANCES:					
Restricted		89,882			
Assigned	5,034		67,798	6	68,578
Total Fund Balances	<u>5,034</u>	<u>89,882</u>	<u>67,798</u>	<u>6</u>	<u>68,578</u>
	KENO	Emergency 911	Wireless 911		Total Nonmajor Special Revenue Funds (Exhibit C)
ASSETS					
Equity in Pooled Cash and Cash Equivalents	7	45,370	197,933		555,137
Designated Investments					158,460
Total Assets	<u>7</u>	<u>45,370</u>	<u>197,933</u>		<u>713,597</u>
FUND BALANCES:					
Restricted			197,933		526,804
Assigned	7	45,370			186,793
Total Fund Balances	<u>7</u>	<u>45,370</u>	<u>197,933</u>		<u>713,597</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, 2025

	SCHEDULE 2				
	Road/Bridge Buyback	Visitor's Promotion	Visitor's Improvement	Register of Deeds P&M	Veteran's Aid
CASH RECEIPTS					
Intergovernmental	107,013	2,722	2,722		1
Charges for Services				2,577	
Interest					
Miscellaneous					
Total Cash Receipts	<u>107,013</u>	<u>2,722</u>	<u>2,722</u>	<u>2,577</u>	<u>1</u>
CASH DISBURSEMENTS					
General Government				3,604	
Public Safety					
Public Works	7,840				
Culture and Recreation			857		
Total Cash Disbursements	<u>7,840</u>	<u>0</u>	<u>857</u>	<u>3,604</u>	<u>0</u>
Net Change in Fund Balances	99,173	2,722	1,865	(1,027)	1
Fund Balances, Beginning of Year	<u>67,949</u>	<u>14,591</u>	<u>27,886</u>	<u>20,657</u>	<u>5,172</u>
Fund Balances, End of Year	<u><u>167,122</u></u>	<u><u>17,313</u></u>	<u><u>29,751</u></u>	<u><u>19,630</u></u>	<u><u>5,173</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, 2025

SCHEDULE 2
CONTINUED

	STOP Program	Drug Law Enforcement	American Rescue Plan	Local Assistance Tribal	CDBG Housing
CASH RECEIPTS					
Intergovernmental					
Charges for Services	300				
Interest					6
Miscellaneous					
Total Cash Receipts	300	0	0	0	6
CASH DISBURSEMENTS					
General Government			49,170	2,350	4,684
Public Safety					
Public Works					
Culture and Recreation					
Total Cash Disbursements	0	0	49,170	2,350	4,684
Net Change in Fund Balances	300	0	(49,170)	(2,350)	(4,678)
Fund Balances, Beginning of Year	4,734	0	139,052	70,148	4,684
Fund Balances, End of Year	5,034	0	89,882	67,798	6

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, 2025

					SCHEDULE 2 CONCLUDED
	Community Development	KENO	Emergency 911	Wireless 911	Total Nonmajor Special Revenue Funds (Exhibit D)
CASH RECEIPTS					
Intergovernmental				38,674	151,132
Charges for Services			11,618		14,495
Interest	883				889
Miscellaneous					0
Total Cash Receipts	883	0	11,618	38,674	166,516
CASH DISBURSEMENTS					
General Government					59,808
Public Safety			31,585	9,211	40,796
Public Works					7,840
Culture and Recreation					857
Total Cash Disbursements	0	0	31,585	9,211	109,301
Net Change in Fund Balances	883	0	(19,967)	29,463	57,215
Fund Balances, Beginning of Year	67,695	7	65,337	168,470	656,382
Fund Balances, End of Year	68,578	7	45,370	197,933	713,597

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, 2025

SCHEDULE 3

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
ROAD/BRIDGE BUYBACK				
CASH RECEIPTS	107,012	107,012	107,013	1
CASH DISBURSEMENTS	167,949	167,949	7,840	160,109
Net Change in Fund Balance	(60,937)	(60,937)	99,173	160,110
Fund Balance, Beginning of Year	67,949	67,949	67,949	
Fund Balance, End of Year	7,012	7,012	167,122	160,110
VISITOR'S PROMOTION				
CASH RECEIPTS	2,500	2,500	2,722	222
CASH DISBURSEMENTS	3,000	3,000	0	3,000
Net Change in Fund Balance	(500)	(500)	2,722	3,222
Fund Balance, Beginning of Year	14,591	14,591	14,591	
Fund Balance, End of Year	14,091	14,091	17,313	3,222
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	2,500	2,500	2,722	222
CASH DISBURSEMENTS	2,500	2,500	857	1,643
Net Change in Fund Balance	0	0	1,865	1,865
Fund Balance, Beginning of Year	27,886	27,886	27,886	
Fund Balance, End of Year	27,886	27,886	29,751	1,865
REGISTER OF DEEDS P&M				
CASH RECEIPTS	2,300	2,300	2,577	277
CASH DISBURSEMENTS	20,000	20,000	3,604	16,396
Net Change in Fund Balance	(17,700)	(17,700)	(1,027)	16,673
Fund Balance, Beginning of Year	20,657	20,657	20,657	
Fund Balance, End of Year	2,957	2,957	19,630	16,673
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	5,172	5,172	5,172	
Fund Balance, End of Year	172	172	5,173	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, 2025

**SCHEDULE 3
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
STOP PROGRAM				
CASH RECEIPTS	0	0	300	300
CASH DISBURSEMENTS	4,734	4,734	0	4,734
Net Change in Fund Balance	(4,734)	(4,734)	300	5,034
Fund Balance, Beginning of Year	4,734	4,734	4,734	
Fund Balance, End of Year	0	0	5,034	5,034
AMERICAN RESCUE PLAN				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	139,052	139,052	49,170	89,882
Net Change in Fund Balance	(139,052)	(139,052)	(49,170)	89,882
Fund Balance, Beginning of Year	139,052	139,052	139,052	
Fund Balance, End of Year	0	0	89,882	89,882
LOCAL ASSISTANCE TRIBAL				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	70,148	70,148	2,350	67,798
Net Change in Fund Balance	(70,148)	(70,148)	(2,350)	67,798
Fund Balance, Beginning of Year	70,148	70,148	70,148	
Fund Balance, End of Year	0	0	67,798	67,798
CDBG HOUSING				
CASH RECEIPTS	0	0	6	6
CASH DISBURSEMENTS	4,684	4,684	4,684	0
Net Change in Fund Balance	(4,684)	(4,684)	(4,678)	6
Fund Balance, Beginning of Year	4,684	4,684	4,684	
Fund Balance, End of Year	0	0	6	6

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, 2025

**SCHEDULE 3
CONCLUDED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
COMMUNITY DEVELOPMENT				
CASH RECEIPTS	0	0	883	883
CASH DISBURSEMENTS	67,695	67,695	0	67,695
Net Change in Fund Balance	(67,695)	(67,695)	883	68,578
Fund Balance, Beginning of Year	67,695	67,695	67,695	
Fund Balance, End of Year	0	0	68,578	68,578
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	10,000	10,000	11,618	1,618
CASH DISBURSEMENTS	59,299	59,299	31,585	27,714
Net Change in Fund Balance	(49,299)	(49,299)	(19,967)	29,332
Fund Balance, Beginning of Year	65,337	65,337	65,337	
Fund Balance, End of Year	16,038	16,038	45,370	29,332
WIRELESS 911				
CASH RECEIPTS	32,000	32,000	38,674	6,674
CASH DISBURSEMENTS	90,000	90,000	9,211	80,789
Net Change in Fund Balance	(58,000)	(58,000)	29,463	87,463
Fund Balance, Beginning of Year	168,470	168,470	168,470	
Fund Balance, End of Year	110,470	110,470	197,933	87,463

HITCHCOCK COUNTY NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2025

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, 2024	<u>9,199</u>	<u>69,178</u>	<u>5,670</u>	<u>0</u>	<u>10,436</u>	<u>94,483</u>
Receipts						
Licenses and Permits	1,090		1,715			2,805
Charges for Services	28,456	2,324	15,615	70		46,465
Miscellaneous	426		345		1,040	1,811
State Fees	39,185	3,096				42,281
Other Liabilities		<u>633,424</u>		<u>325</u>		<u>633,749</u>
Total Receipts	<u>69,157</u>	<u>638,844</u>	<u>17,675</u>	<u>395</u>	<u>1,040</u>	<u>727,111</u>
Disbursements						
Payments to County Treasurer	30,547	2,304	20,793	60		53,704
Payments to State Treasurer	45,286	3,042				48,328
Other Liabilities		<u>681,393</u>		<u>325</u>	<u>1,363</u>	<u>683,081</u>
Total Disbursements	<u>75,833</u>	<u>686,739</u>	<u>20,793</u>	<u>385</u>	<u>1,363</u>	<u>785,113</u>
Balance June 30, 2025	<u><u>2,523</u></u>	<u><u>21,283</u></u>	<u><u>2,552</u></u>	<u><u>10</u></u>	<u><u>10,113</u></u>	<u><u>36,481</u></u>
BALANCE CONSISTS OF:						
Due to County Treasurer	1,883	150	2,552	10		4,595
Due to State Treasurer	640	252				892
Due to Others		<u>20,881</u>			<u>10,113</u>	<u>30,994</u>
Balance June 30, 2025	<u><u>2,523</u></u>	<u><u>21,283</u></u>	<u><u>2,552</u></u>	<u><u>10</u></u>	<u><u>10,113</u></u>	<u><u>36,481</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, 2025, and the related notes to the financial statements, which collectively comprise Hitchcock County, Nebraska financial statements, and have issued my report thereon dated October 9, 2025. 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
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October 9, 2025