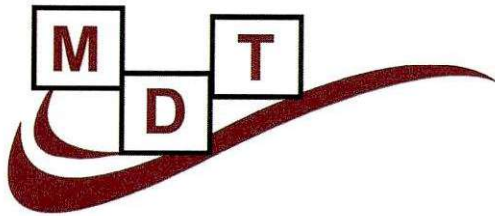


BOONE COUNTY, NEBRASKA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements	
Governmental Funds Financial Statements	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions - Governmental Funds	6
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Cash Basis - Governmental Funds	7
Fiduciary Funds Financial Statements	
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Cash Basis - Fiduciary Funds	8
Notes to Financial Statements	9-20
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21-22
SUPPLEMENTARY INFORMATION	
Schedule of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - General Fund - Budgetary Basis	23
Schedule of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Road Fund - Budgetary Basis	24
Schedule of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Inheritance Fund - Budgetary Basis	25

BOONE COUNTY, NEBRASKA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

	<u>Page</u>
Schedule of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Non Major Governmental Funds - Budgetary Basis	26
Schedule of Office Activities	27
Schedule of Findings and Responses	28



MDT, LLC

Certified Public Accountants

Address: 3204 Koenigstein Ave. Suite 200 Norfolk, NE 68701 • Phone: 402-371-5300 • Fax: 402-562-6134

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Boone County, Nebraska
Albion, Nebraska

Adverse and Unmodified Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Nebraska (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Boone County, as of June 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

While MDT, LLC is a CPA firm, licensed in Nebraska and regulated by the Nebraska Board of Public Accountancy, the service you may receive from Cruise & Associates Inc., or its affiliates are not provided by a licensed CPA firm and are not regulated by this same board. There may be overlapping services with the CPA firm, therefore, if you are uncertain which entity is providing any of the services, you should ask for clarification from the individual providing such service.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information on pages 23-27 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information on pages 23-27 are fairly stated, in all material respects, in relation to the basic 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*, we have also issued our report dated June 12, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MDT, LLC

MDT, LLC
Norfolk, Nebraska

June 12, 2025

BOONE COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2024

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 18,689,438
Total Assets	<u>\$ 18,689,438</u>
 NET POSITION	
Restricted for:	
Visitors Promotion	\$ 86,449
911 Emergency Services	342,209
Preservation of Records	32,749
Debt Service	338,881
Road and Bridge Projects	1,179,633
Aid and Assistance	75,025
Federal Relief	670,485
Unrestricted	15,964,007
Total Net Position	<u><u>\$ 18,689,438</u></u>

The notes are an integral part of the financial statements.

BOONE COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ (2,514,920)	\$ 313,155	\$ -	\$ (2,201,765)
Public Safety	(1,366,272)	387,807	-	(978,465)
Public Works	(4,756,696)	1,887	2,352,996	(2,401,813)
Public Assistance	(66,564)	-	-	(66,564)
Culture and Recreation	(3,593)	-	-	(3,593)
Debt Payments	(965,533)	-	-	(965,533)
Total Governmental Activities	<u>\$ (9,673,578)</u>	<u>\$ 702,849</u>	<u>\$ 2,352,996</u>	<u>(6,617,733)</u>
General Receipts:				
Taxes				5,200,174
Grants and Contributions Not Restricted to Specific Programs				963,463
Investment Income				920,222
Licenses and Permits				40,827
Miscellaneous				189,747
Total General Receipts				<u>7,314,433</u>
Change in Net Position				696,700
Net Position - Beginning				<u>17,992,738</u>
Net Position - Ending				<u>\$ 18,689,438</u>

The notes are an integral part of the financial statements.

BOONE COUNTY, NEBRASKA
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCE ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Road	Inheritance	Nonmajor Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 3,087,217	\$ 3,509,198	\$ 9,033,563	\$ 3,059,460	\$ 18,689,438
TOTAL ASSETS	<u>\$ 3,087,217</u>	<u>\$ 3,509,198</u>	<u>\$ 9,033,563</u>	<u>\$ 3,059,460</u>	<u>\$ 18,689,438</u>
FUND BALANCE					
Restricted for:					
Visitors Promotion	\$ -	\$ -	\$ -	\$ 86,449	\$ 86,449
911 Emergency Services	-	-	-	342,209	342,209
Preservation of Records	-	-	-	32,749	32,749
Debt Service	-	-	-	338,881	338,881
Road and Bridge Projects	-	-	-	1,179,633	1,179,633
Aid and Assistance	-	-	-	75,025	75,025
Federal Relief	-	-	-	670,485	670,485
Committed to:					
Road Maintenance	-	3,509,198	-	-	3,509,198
Ambulance	-	-	-	334,029	334,029
Assigned to:					
Other Purposes	-	-	9,033,563	-	9,033,563
Unassigned	3,087,217	-	-	-	3,087,217
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,087,217</u>	<u>\$ 3,509,198</u>	<u>\$ 9,033,563</u>	<u>\$ 3,059,460</u>	<u>\$ 18,689,438</u>

The notes are an integral part of the financial statements

BOONE COUNTY, NEBRASKA
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2024

	General	Road	Inheritance	Nonmajor Funds	Total
CASH RECEIPTS:					
Taxes	\$ 4,374,773	\$ -	\$ 739,696	\$ 85,705	\$ 5,200,174
Licenses and Permits	40,827	-	-	-	40,827
Investment Income	863,512	-	-	56,710	920,222
Intergovernmental	963,356	2,097,270	-	255,334	3,315,960
Charges for Services	462,057	1,887	-	238,904	702,848
Miscellaneous	50,556	99,191	-	40,500	190,247
Total Cash Receipts	<u>6,755,081</u>	<u>2,198,348</u>	<u>739,696</u>	<u>677,153</u>	<u>10,370,278</u>
CASH DISBURSEMENTS:					
General Government	2,172,520	-	138,654	203,746	2,514,920
Public Safety	1,162,450	-	-	203,822	1,366,272
Public Works	26,348	4,730,348	-	-	4,756,696
Public Assistance	62,564	-	-	4,000	66,564
Culture and Recreation	-	-	-	3,593	3,593
Debt Service:					
Principal Payments	-	-	-	915,000	915,000
Interest & Fiscal Charges	-	-	-	50,533	50,533
Total Cash Disbursements	<u>3,423,882</u>	<u>4,730,348</u>	<u>138,654</u>	<u>1,380,694</u>	<u>9,673,578</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>3,331,199</u>	<u>(2,532,000)</u>	<u>601,042</u>	<u>(703,541)</u>	<u>696,700</u>
Other Financing Sources (Uses):					
Transfers In	36,531	2,876,123	-	776,430	3,689,084
Transfers Out	(2,876,123)	(748,106)	-	(64,855)	(3,689,084)
Total Other Financing Sources (Uses)	<u>(2,839,592)</u>	<u>2,128,017</u>	<u>-</u>	<u>711,575</u>	<u>-</u>
Net Change In Fund Balance	491,607	(403,983)	601,042	8,034	696,700
Fund Balance - Beginning	<u>2,595,610</u>	<u>3,913,181</u>	<u>8,432,521</u>	<u>3,051,426</u>	<u>17,992,738</u>
Fund Balance - Ending	<u>\$ 3,087,217</u>	<u>\$ 3,509,198</u>	<u>\$ 9,033,563</u>	<u>\$ 3,059,460</u>	<u>\$ 18,689,438</u>

The notes are an integral part of the financial statements

BOONE COUNTY, NEBRASKA
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund Balances July 1, 2023	Receipts	Disbursements	Custodial Fund Balances June 30, 2024
ASSETS				
Cash and Cash Equivalents	\$ 714,133	\$ 24,512,051	\$ 24,705,172	\$ 521,012
TOTAL ASSETS	<u>\$ 714,133</u>	<u>\$ 24,512,051</u>	<u>\$ 24,705,172</u>	<u>\$ 521,012</u>
LIABILITIES				
State - Collected by County Treasurer	189,403	2,366,056	2,370,978	184,481
State - Collected by Other Offices	4,543	119,941	118,714	5,770
Schools	206,301	15,745,542	15,768,811	183,032
Educational Service Units	3,908	372,405	372,744	3,569
Technical College	23,926	2,213,512	2,216,342	21,096
Natural Resource Districts	9,198	890,770	891,862	8,106
Fire Districts	4,491	555,009	555,674	3,826
Municipalities	19,918	1,328,944	1,326,016	22,846
Agricultural Society	1,443	136,669	136,820	1,292
Historical Society	174	45,659	45,310	523
Airport Authority	18,129	29,258	29,572	17,815
Others - Collected by County Treasurer	203,766	75,141	250,286	28,621
Others - Collected by Other Offices	28,933	633,145	622,043	40,035
TOTAL LIABILITIES	<u>714,133</u>	<u>24,512,051</u>	<u>24,705,172</u>	<u>521,012</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes are an integral part of the financial statements.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Boone County, Nebraska (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Component Unit

These financial statements present the County (the primary government). The Boone County Medical Center (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

Joint Organization

Behavioral Health Region 4 – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region 4 (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$22,334 toward the operation of the Region during fiscal year 2024. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2024. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. Sec. 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement No. 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The county is reported separately from certain legally separate component units for which the primary government is financially accountable. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the county's policy to use restricted resources first, then the unrestricted resources as they are needed.

Unrestricted. This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include the following: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or rescind the commitment, or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund – The General Fund is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

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

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inheritance Fund – The Inheritance Fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

The County Reports the following additional non-major governmental fund types:

Special Revenue Funds – These funds account for the proceeds from a specific receipt source that is restricted to disbursements for a specified purpose.

Custodial Funds – These funds account for assets held by the County as an agent for various local governments.

Debt Service Funds – The Fair Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs of the Fair Bond. The Highway Allocation Bond Repay Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs of the Highway Allocation Bond.

The County designates fund balances as follows:

Restricted – The fund balance is restricted by external impositions, such as creditors, grantors, or laws or regulations of other governments.

Committed – The fund balance has been designated by the County Board for a specific purpose.

Assigned – The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

Unassigned – This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements are reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis. Receipts are recognized when received, and disbursements are recognized when paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences, and claims and judgments are recorded only when payment is due.

Assets and Net Position

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, certificates of deposit, and demand deposits.

Investments

The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. Sec. 77-2315, Sec. 77-2340, and Sec. 77-2341 (Reissue 2018), and Neb. Rev. Stat. Sec. 77-2341 (2024 Neb. Laws, L.B. 1074, Sec. 96) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), to be reported in the applicable governmental activities columns in the government-wide financial statements.

Depreciation expenses on capital assets are not recorded on the cash basis financial statements. Under GAAP, depreciation expenses would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that do not add to the value of the asset or extend asset life is not capitalized.

Compensated Absences

Vested or accumulated vacation leave that is liquidated with expendable, available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Restricted Net Position

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,725,431 of restricted net position, which is fully restricted by enabling legislation.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

2. DEPOSITS AND INVESTMENTS

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. Sec. 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$18,689,438 for County funds and \$521,012 for Fiduciary funds. The bank balances for all funds totaled \$19,543,453. For purposes of classifying categories of custodial risk, the bank balances of the county's deposits, as of June 30, 2024, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. TAXES

Property taxes are levied by the County Board on or before October 20 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

3. TAXES (Continued)

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2023, for 2023 taxes, which will be materially collected in May and September 2024, was set at \$0.185000/\$100 of assessed valuation. The levy set in October 2022, for the 2022 taxes, which were materially collected in May and September 2023, was set at \$0.180000/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

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

4. RETIREMENT SYSTEM

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. Sections 23-2301 through 23-2334 (Reissue 2022, Supp. 2023, 2024 Neb. Laws, L.B. 198, § 4) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by State Statute Sections 23-2307 and 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

4. RETIREMENT SYSTEM (Continued)

by the County to retired employees. The Plan's financial statements, including pension costs and obligations, are audited annually, and can be obtained from the state of Nebraska Public Employees Retirement System.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Until October 2023, employees contributed 1% of their salary. Starting October 2023, this contribution increased to 2%. The County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2024, the employees contributed \$113,751 and the County contributed \$167,447. Contributions included \$6,501 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees. Lastly, the County paid \$1,572 directly to ten retired employees for prior service benefits.

5. RISK MANAGEMENT

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 112 counties and local governments throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an annual contribution. Each government remains liable for such assessments, regardless of the County's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the County's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

5. RISK MANAGEMENT (Continued)

	NIRMA <u>Coverage</u>	<u>Maximum Coverage</u>
General Liability Claim	\$ 500,000	\$ 5,000,000
Workers Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 500,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the pool or paid out any amounts that exceed coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

6. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, consisted of the following:

	<u>Transfers From</u>			
<u>Transfers To</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 36,531	\$ 36,531
Road Fund	2,876,123	-	-	2,876,123
Nonmajor Funds	-	748,106	28,324	776,430
Total	<u>\$ 2,876,123</u>	<u>\$ 748,106</u>	<u>\$ 64,855</u>	<u>\$ 3,689,084</u>

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

For the year ended June 30, 2024, the County made transfers, totaling \$748,106 from the Road Fund to the Highway Allocation Bond Repay Fund to assist in making bond payments for the Highway Allocation Bond. Additionally, the County made a one-time transfer from the 911 Wireless Services Fund to the 911 Service Holding Fund, totaling \$28,324, to transfer excess funds into the holding fund. The County made a one-time transfer from the COVID/ARPA fund to the General Fund, totaling \$36,531, for reimbursement of federal expenditures paid by the County.

7. RELATED PARTY TRANSACTIONS

The County purchases fuel from White Star Oil Company LLC. This business is owned by one of the county commissioners. Total paid to White Star Oil Company LLC in fiscal year 2024 was \$67,912.

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024

8. LONG-TERM OBLIGATIONS

Bonds

Fair Bond – The County issued bonds on September 27, 2018, in the amount of \$2,000,000 for the purpose of paying the costs of constructing, equipping and making site preparations for a building to be used as an agricultural and education activities building. The bond payable balance, as of June 30, 2024, was \$1,175,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2025	2.65%	\$ 180,000	\$ 32,792	\$ 212,792
2026	2.85%	185,000	27,772	212,772
2027	2.95%	195,000	22,259	217,259
2028	3.05%	200,000	16,333	216,333
2029	3.15%	205,000	10,054	215,054
2030	3.25%	210,000	3,412	213,412
		<u>\$ 1,175,000</u>	<u>\$ 112,622</u>	<u>\$ 1,287,622</u>

Highway Allocation Bond – The County issued bonds on November 21, 2019, in the amount of \$5,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements in the County related to extreme flooding during March 2019.

The County issued bonds on September 30, 2021, in the amount of \$3,675,000 for the purpose of refunding the Series 2019 bonds and paying costs of the issuance of the bonds. The bond payable balance, as of June 30, 2024, was \$2,215,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway allocation funds will be used to pay off the bonds.

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2025	0.40%	\$ 735,000	\$ 10,350	\$ 745,350
2026	0.55%	740,000	6,845	746,845
2027	0.65%	740,000	2,405	742,405
		<u>\$ 2,215,000</u>	<u>\$ 19,600</u>	<u>\$ 2,234,600</u>

BOONE COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Concluded)
JUNE 30, 2024

8. LONG-TERM OBLIGATIONS (Continued)

Hospital Loan – The Hospital entered into a Construction Loan Note Series 2021 with Western Alliance Bank, in an amount not to exceed \$29,023,000 for the purpose of paying costs related to the construction and renovation of the existing hospital facility. Total loan draws as of September 30, 2023 amounted to \$2,259,558. During 2023, the Hospital entered into a 40 year, \$23,218,000, USDA Rural Development direct and guaranteed loans. The required monthly payments of \$91,015 begin on December 20, 2023 through December 20, 2062. The balance of the USDA Rural Development direct and guaranteed loans as of September 30, 2023 amounted to \$23,218,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of the loan; however, it is the intent of the Hospital and County Board to use proceeds from permanent USDA direct and guaranteed loans. Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

9. CONTINGENCIES

The County receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of various grant provisions and the results of adjustment, if any, relating to such audits would not have any material financial impact.

10. COMMITMENTS

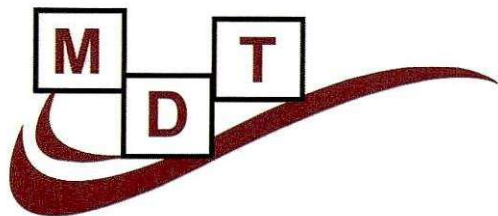
Boone County had committed to the following projects as of June 30, 2024:

	<u>Remaining Expected Cost</u>
Albion NE Project	\$ 1,760
Petersburg SW/Albion North Project	<u>378,037</u>
	<u>\$ 379,797</u>

11. SUBSEQUENT EVENTS

On September 9, 2024, the board approved a bid of \$350,531 for the 340th Avenue shared road project with Madison County. On January 13, 2025, the board approved Change Order 1 to increase the Petersburg SW/Albion North Project by \$8,900 for a total project cost of \$386,937. On March 10, 2025, the board approved a \$250 per month lease for use of a building for the Road Department.

Management has evaluated subsequent events through the report date, which is the date on which the financial statements were available to be issued.



MDT, LLC

Certified Public Accountants

Address: 3204 Koenigstein Ave. Suite 200, Norfolk, NE 68701 • Phone: 402-371-5300 • Fax: 402-562-6134

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

County Board of Commissioners
Boone County, Nebraska
Albion, Nebraska

We 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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Nebraska (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 12, 2025. Our report disclosed that, as described in Note 1 to the financial statements, the County prepares its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America and do not include the financial data of the Boone County Medical Center (Hospital), a component unit of Boone County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

While MDT, LLC is a CPA firm, licensed in Nebraska and regulated by the Nebraska Board of Public Accountancy, the service you may receive from Cruise & Associates Inc., or its affiliates are not provided by a licensed CPA firm and are not regulated by this same board. There may be overlapping services with the CPA firm, therefore, if you are uncertain which entity is providing any of the services, you should ask for clarification from the individual providing such service.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Boone County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MDT, LLC

MDT, LLC
Norfolk, Nebraska

June 12, 2025

BOONE COUNTY, NEBRASKA
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Budget Positive (Negative)
RECEIPTS			
Taxes	\$ 5,078,669	\$ 4,374,773	\$ (703,896)
Licenses and Permits	38,122	40,827	2,705
Investment Income	250,375	863,512	613,137
Intergovernmental	358,283	963,356	605,073
Charges for Services	431,170	462,057	30,887
Miscellaneous	42,915	50,556	7,641
Total Cash Receipts	<u>6,199,534</u>	<u>6,755,081</u>	<u>555,547</u>
DISBURSEMENTS			
General Government	3,171,554	2,172,520	999,034
Public Safety	1,412,368	1,162,450	249,918
Public Works	45,970	26,348	19,622
Public Assistance	139,796	62,564	77,232
Total Cash Disbursements	<u>4,769,688</u>	<u>3,423,882</u>	<u>1,345,806</u>
Excess of Cash Receipts over (Under) Cash Disbursements	<u>1,429,846</u>	<u>3,331,199</u>	<u>1,901,353</u>
Other Financing Sources (Uses)			
Transfers In	57,774	36,531	(21,243)
Transfers Out	(3,126,123)	(2,876,123)	250,000
Total Other Financing Sources (Uses)	<u>(3,068,349)</u>	<u>(2,839,592)</u>	<u>228,757</u>
Net Change In Fund Balance	(1,638,503)	491,607	2,130,110
Fund Balance - Beginning	<u>2,538,503</u>	<u>2,595,610</u>	<u>57,107</u>
Fund Balance - Ending	<u>\$ 900,000</u>	<u>\$ 3,087,217</u>	<u>\$ 2,187,217</u>

BOONE COUNTY, NEBRASKA
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ROAD FUND
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CASH RECEIPTS:			
Intergovernmental	\$ 1,916,804	\$ 2,097,270	\$ 180,466
Charges for Services	3,000	1,887	(1,113)
Miscellaneous	17,000	99,191	82,191
Total Cash Receipts	<u>1,936,804</u>	<u>2,198,348</u>	<u>261,544</u>
CASH DISBURSEMENTS:			
Public Works	10,787,275	4,730,348	6,056,927
Total Cash Disbursements	<u>10,787,275</u>	<u>4,730,348</u>	<u>6,056,927</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(8,850,471)</u>	<u>(2,532,000)</u>	<u>6,318,471</u>
Other Financing Sources			
Transfers In	6,335,397	2,876,123	(3,459,274)
Transfers Out	(748,107)	(748,106)	1
Total Other Financing Sources (Uses)	<u>5,587,290</u>	<u>2,128,017</u>	<u>(3,459,273)</u>
Net Change In Fund Balance	(3,263,181)	(403,983)	2,859,198
Fund Balance - Beginning	<u>3,913,181</u>	<u>3,913,181</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 650,000</u>	<u>\$ 3,509,198</u>	<u>\$ 2,859,198</u>

BOONE COUNTY, NEBRASKA
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - INHERITANCE FUND
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CASH RECEIPTS:			
Taxes	\$ 705,000	\$ 739,696	\$ 34,696
Total Cash Receipts	<u>705,000</u>	<u>739,696</u>	<u>34,696</u>
CASH DISBURSEMENTS:			
General Government	5,928,247	138,654	5,789,593
Total Cash Disbursements	<u>5,928,247</u>	<u>138,654</u>	<u>5,789,593</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(5,223,247)</u>	<u>601,042</u>	<u>5,824,289</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(3,209,274)	-	3,209,274
Total Other Financing Sources (Uses)	<u>(3,209,274)</u>	<u>-</u>	<u>3,209,274</u>
Net Change In Fund Balance	(8,432,521)	601,042	9,033,563
Fund Balance - Beginning	<u>8,432,521</u>	<u>8,432,521</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 9,033,563</u>	<u>\$ 9,033,563</u>

BOONE COUNTY, NEBRASKA
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
NON MAJOR GOVERNMENTAL FUNDS
BUDGETARY BASIS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS										DEBT SERVICE FUNDS		ACTUAL TOTAL NON-MAJOR GOVERNMENTAL FUNDS	BUDGETED AMOUNT ORIGINAL/FINAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	Highway Bridge Buyback	Visitors' Promotion	Preservation and Modernization	Veteran's Aid	COVID ARPA	911 Emergency Management	911 Wireless Service	911 Wireless Service Holding	Ambulance	Total	Highway Allocation Bond	Fair Bond				Total
CASH RECEIPTS																
Taxes	\$ -	\$ 16,977	\$ -	\$ -	\$ -	\$ 17,237	\$ 51,491	\$ -	\$ -	\$ 85,705	\$ -	\$ -	\$ -	\$ 85,705	\$ 78,474	\$ 7,231
Investment Income	-	-	-	3,410	36,369	-	-	-	-	39,779	-	16,931	16,931	56,710	45,500	11,210
Intergovernmental	255,333	-	-	-	-	-	-	-	-	255,334	-	-	-	255,334	255,334	-
Charges for Services	-	-	4,155	-	-	-	-	-	-	234,749	-	-	-	238,904	174,400	64,504
Miscellaneous	-	-	-	-	-	-	-	-	-	500	-	40,000	40,000	292,000	40,500	(251,500)
TOTAL CASH RECEIPTS	255,333	16,977	4,155	3,411	36,369	17,237	51,491	-	-	620,222	-	56,931	56,931	677,153	845,708	(168,555)
CASH DISBURSEMENTS																
Current																
General Government	-	-	2,746	-	201,000	-	-	-	-	203,746	-	-	-	203,746	1,004,707	800,961
Public Safety	-	-	-	-	-	18,469	23,167	-	-	203,822	-	-	-	203,822	756,598	552,776
Public Works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,179,634	1,179,634
Public Assistance	-	-	-	4,000	-	-	-	-	-	4,000	-	-	-	4,000	75,382	71,382
Culture and Recreation	-	3,593	-	-	-	-	-	-	-	3,593	-	-	-	3,593	88,066	84,473
Debt Service	-	-	-	-	-	-	-	-	-	-	735,000	180,000	915,000	915,000	1,394,655	479,655
Principal Payments	-	-	-	-	-	-	-	-	-	-	13,106	37,427	50,533	50,533	50,535	2
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	748,106	217,427	965,533	1,380,694	4,549,577	3,168,883
TOTAL CASH DISBURSEMENTS	-	3,593	2,746	4,000	201,000	18,469	23,167	-	162,186	415,161	748,106	217,427	965,533	1,380,694	4,549,577	3,168,883
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	255,333	13,384	1,409	(589)	(164,631)	(1,232)	28,324	-	73,063	205,061	(748,106)	(160,496)	(908,602)	(703,541)	(3,703,869)	3,000,328
OTHER FINANCING SOURCES (USES)																
Transfers In	-	-	-	-	-	-	-	28,324	-	28,324	748,106	-	-	776,430	748,106	28,324
Transfers Out	-	-	-	-	(36,531)	-	(28,324)	-	-	(64,855)	-	-	-	(64,855)	(57,774)	(7,081)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(36,531)	-	(28,324)	28,324	-	(36,531)	748,106	-	-	711,575	690,332	21,243
NET CHANGES IN FUND BALANCE	255,333	13,384	1,409	(589)	(201,162)	(1,232)	-	28,324	73,063	168,530	-	(160,496)	(160,496)	8,034	(3,013,537)	3,021,571
FUND BALANCE - Beginning	924,300	73,065	31,340	75,614	871,647	149,079	-	166,038	260,966	2,552,049	-	499,377	499,377	3,051,426	3,047,221	4,205
FUND BALANCE - Ending	\$ 1,179,633	\$ 86,449	\$ 32,749	\$ 75,025	\$ 670,485	\$ 147,847	\$ -	\$ 194,362	\$ 334,029	\$ 2,720,579	\$ -	\$ 338,881	\$ 338,881	\$ 3,059,460	\$ 33,684	\$ 3,025,776

BOONE COUNTY, NEBRASKA
SCHEDULE OF OFFICE ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Veterans' Service Officer	County Planning and Zoning	County Board	Total
BALANCES JULY 1, 2023	\$ 8,693	\$ 28,852	\$ 1,815	\$ 618	\$ -	\$ 351	\$ -	\$ 3,500	\$ 43,829
RECEIPTS									
Licenses and Permits	650	-	905	-	-	-	3,732	-	5,287
Intergovernmental	-	-	-	-	-	4,000	-	-	4,000
Charges for Services	68,611	5,110	21,943	140	217	-	-	-	96,021
Miscellaneous	521	-	-	-	-	296	-	-	817
State Fees	119,154	1,187	-	-	-	-	-	-	120,341
Other Liabilities	-	620,122	10,985	2,038	-	-	-	-	633,145
Total Receipts	188,936	626,419	33,833	2,178	217	4,296	3,732	-	859,611
DISBURSEMENTS									
Payments to County Treasurer	70,366	3,879	20,609	210	217	293	3,732	-	99,306
Payments to State Treasurer	117,441	1,273	-	-	-	-	-	-	118,714
Petty Cash & Other Payments	-	-	-	-	-	4,270	-	-	4,270
Other Liabilities	-	608,502	10,985	2,556	-	-	-	-	622,043
Total Disbursements	187,807	613,654	31,594	2,766	217	4,563	3,732	-	844,333
BALANCES JUNE 30, 2024	\$ 9,822	\$ 41,617	\$ 4,054	\$ 30	\$ -	\$ 84	\$ -	\$ 3,500	\$ 59,107
BALANCES CONSIST OF									
Due to County Treasurer	\$ 4,318	\$ 1,246	\$ 3,571	\$ 30	\$ -	\$ 84	\$ -	\$ -	\$ 9,249
Petty Cash	-	70	483	-	-	-	-	3,500	4,053
Due to State Treasurer	5,504	266	-	-	-	-	-	-	5,770
Due to Others	-	40,035	-	-	-	-	-	-	40,035
BALANCES JUNE 30, 2024	\$ 9,822	\$ 41,617	\$ 4,054	\$ 30	\$ -	\$ 84	\$ -	\$ 3,500	\$ 59,107

Boone County, Nebraska
Schedule of Findings and Responses
For the Year Ended June 30, 2024

Financial Statement Findings

Finding 2024-001: LACK OF SEGREGATION OF DUTIES

Condition: There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria: Authorization or approval of transactions, recording of transactions, and custody of assets should be segregated from each other.

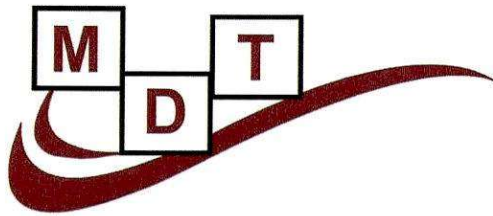
Context: Various County offices collect money and most of those offices only employ one or two individuals. The offices remit the money to the County Treasurer.

Effect: The lack of segregation of duties results in an inadequate overall internal control structure design.

Cause: The County does not employ sufficient office personnel to segregate accounting functions properly.

Recommendation: The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.

View of Officials: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.



MDT, LLC

Certified Public Accountants

Address: 3204 Koenigstein Ave. Suite 200, Norfolk, NE 68701 • **Phone:** 402-371-5300 • **Fax:** 402-562-6134

June 12, 2025

To the Board of Commissioners
Boone County, Nebraska, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Nebraska for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Boone County, Nebraska are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by Boone County, Nebraska during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 12, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Boone County, Nebraska's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with

us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Boone County, Nebraska's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of cash receipts, disbursements and changes in fund balance – budget and actual – all funds and schedule of office activity which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Boone County, Nebraska and management of Boone County, Nebraska and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MDT, LLC

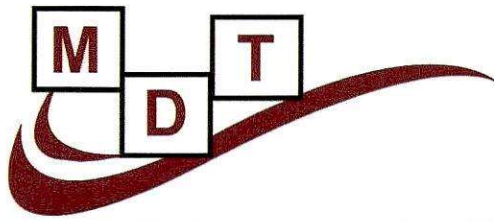
MDT, LLC
Certified Public Accountants
Norfolk, Nebraska

Client: **B06432BOO - Boone County, Nebraska**
Engagement: **2024 - Boone County, Nebraska**
Period Ending: **6/30/2024**
Trial Balance: **TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		TB		
To reverse prior year interest adjusting journal entry				
0100-510-01	Interest on Investments		57,108.00	
1900-510-01	Interest Income		232.00	
2580-510-01	Interest		2,681.00	
3400-510-01	Interest on Investments		1,295.00	
0100-271-00	Fund Balance			57,108.00
1900-271-00	Fund Balance			232.00
2580-271-00	Fund Balance			2,681.00
3400-271-00	Fund Balance			1,295.00
Total			61,316.00	61,316.00
Adjusting Journal Entries JE # 2		4100.01b		
To record June 30, 2024 interest received not recorded until July 2024.				
0100-271-01	Cash		70,469.00	
1900-271-01	Cash		279.00	
2580-271-01	Cash		2,519.00	
3400-271-01	Cash		1,264.00	
0100-510-01	Interest on Investments			70,469.00
1900-510-01	Interest Income			279.00
2580-510-01	Interest			2,519.00
3400-510-01	Interest on Investments			1,264.00
Total			74,531.00	74,531.00

Client: **B06432BOO - Boone County, Nebraska**
Engagement: **2024 - Boone County, Nebraska**
Period Ending: **6/30/2024**
Trial Balance: **TB**
Workpaper: **3700.04 - GASB 34 Entries Report**

Account	Description	W/P Ref	Debit	Credit
GASB 34 Entries JE # 3		TB		
To record GASB 34 journal entry to eliminate interfund transfers				
0100-590-02	Transfers-Inter-Fund (In)		36,531.00	
0200-590-02	Transfers-Inter-Fund (In)		2,876,123.00	
2914-590-02	Transfers-In		28,324.00	
3700-590-02	Transfers-Inter-Fund (In)		748,106.00	
0100-970-7-0200	Inter-Fund Transfers			2,876,123.00
0200-705-7-0200	Inter-Fund Transfers			748,106.00
2580-590-01	Transfers-Out			36,531.00
2913-697-7-0200	Inter-Fund Transfers			28,324.00
Total			3,689,084.00	3,689,084.00



MDT, LLC

Certified Public Accountants

Address: 3204 Koenigstein Ave. Suite 200, Norfolk, NE 68701 • **Phone:** 402-371-5300 • **Fax:** 402-562-6134

MANAGEMENT LETTER

County Board of Commissioners
Boone County, Nebraska
Albion, Nebraska

In planning and performing our audit of the basic financial statements of Boone County (the County) for the year ended June 30, 2024, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

COUNTY SHERIFF

During our audit, we noted that the County Sheriff's monthly asset-liability reconciliation was not properly performed to reconcile to the cash balance. Without such procedures, there is an increased risk for the loss and/or misuse of funds.

It was noted during testing of the County Sheriff's receipts that there was not supporting documentation for two of the selected transactions. Proper documentation should be maintained to ensure that funds are disbursed to the proper recipient. Without such documentation, there is an increased risk of theft or fraud.

The County Sheriff's office neither maintained a book balance nor performed monthly bank reconciliations for the Crime Stoppers bank account. As of June 30, 2024, the balance in the bank account was \$3,007. We recommend the office reconcile the balance in this account monthly.

NEBRASKA POLITICAL ACCOUNTABILITY DISCLOSURE ACT

It was noted that there was not documentation of one of the board members abstaining on approval of payment of claims on certain related party transactions during our review of the board meeting minutes. The following are a few of the Nebraska Political Accountability and Disclosure Act's criteria concerning related party contracts that need to be met:

1. The contract must be an agenda item at a board meeting.
2. The board member with the conflict of interest needs to make a declaration on the record of the governing body of his or her interest in the contract.
3. The board member must abstain from voting on the matters of granting the contract, making payments pursuant to the contract, accepting performance under the contract, or similar matters relating to the contract.

The Board of Commissioners should review the requirements of the Nebraska Political Accountability and Disclosure Act so that they can fully meet the Act's requirements.

This communication is intended solely for the information and use of the County Board of Commissioners, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

MDT, LLC

MDT, LLC

Norfolk, Nebraska

June 12, 2025