

**Knox County, Nebraska**

**Independent Auditor's Report**

**and**

**Financial Statements**

**June 30, 2024**



**Knox County, Nebraska**

**Independent Auditor's Report**

**and**

**Financial Statements**

**June 30, 2024**

**Knox County, Nebraska**  
**Table of Contents**  
**June 30, 2024**

	<u>Page #</u>
<b>Independent Auditor's Report.....</b>	<b>1</b>
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis .....	4
Statement of Activities – Cash Basis.....	5
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds .....	6
Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Governmental Funds .....	7
Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Fiduciary Funds .....	8
Notes to Financial Statements .....	9
<b>Supplementary Information:</b>	
Combining Statement of Assets and Fund Balances – Cash Basis – General Fund .....	19
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – General Fund.....	20
Combining Statement of Assets and Fund Balances – Cash Basis – Nonmajor Funds .....	21
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Nonmajor Funds.....	26

**Knox County, Nebraska**  
**Table of Contents**  
**June 30, 2024**

Page #

Budgetary Comparison Schedules – Cash Basis:

General Fund.....	31
Road Fund.....	32
Flowage Easement Road Fund.....	33
Notes to Budgetary Comparison Schedules.....	34
Schedule of Office Activities .....	35

**Additional Information:**

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> .....	36
Schedule of Findings and Responses .....	38

## Independent Auditor's Report

To the County Board of Supervisors  
Knox County, Nebraska  
Knox, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Knox County, Nebraska (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 as listed in the table of contents.

In our opinion, the accompanying financial statements 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 basis of accounting described in Note 1.

#### *Basis for Opinions*

We conducted our 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. 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 audit opinions.

#### *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.

## ***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 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*, 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 combining statements, budgetary comparison schedules and schedule of office activities 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 GAAS. In our opinion, the combining statements, budgetary comparison schedules and schedule of office activities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 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 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.

*Rejiv Carr & Monroe LLP*

March 31, 2025  
Wichita, Kansas

**Knox County, Nebraska**  
**Statement of Net Position – Cash Basis**  
**June 30, 2024**

	<u>Governmental Activities</u>
ASSETS:	
Cash	\$ 5,786,847
Investments	4,592,521
Restricted cash and investments	<u>758,915</u>
 TOTAL ASSETS	 <u><u>11,138,283</u></u>
 NET POSITION:	
Restricted for:	
Child support enforcement	135,936
Visitors promotion	21,609
Record preservation and modernization	11,776
Veterans' aid	4,500
STOP program	800
Drug education	438
Federal relief	43,701
Economic development	88,744
Community development	30,601
Community betterment	14,764
911 emergency services	134,102
Road and bridge improvements	169,466
Visitors improvement	102,478
Unrestricted	<u>10,379,368</u>
 TOTAL NET POSITION	 <u><u>\$ 11,138,283</u></u>

*The accompanying notes are an integral part of the financial statements.*



**Knox County, Nebraska**  
**Statement of Activities – Cash Basis**  
**For the Year Ended June 30, 2024**

Functions/Programs	Disbursements	Program Receipts			Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
					Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>					
General government	\$ 4,087,332	\$ 509,544	\$ 74,611	\$ -	\$ (3,503,177)
Public safety	1,356,516	289,984	39,282	-	(1,027,250)
Public works	5,203,167	11,049	-	24,737	(5,167,381)
Public welfare and social services	58,671	-	-	-	(58,671)
Culture and recreation	56,038	-	-	-	(56,038)
Community development/betterment	356,732	756	6,153	-	(349,823)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 11,118,456</b>	<b>\$ 811,333</b>	<b>\$ 120,046</b>	<b>\$ 24,737</b>	<b>(10,162,340)</b>
<b>GENERAL RECEIPTS:</b>					
Taxes					
Property					3,418,534
Motor vehicle					430,717
Inheritance					590,791
Lodging					77,594
Other					65,954
Grants and contributions not restricted to specific programs					50,000
Intergovernmental					4,007,920
Interest income					598,154
Miscellaneous					499,838
<b>TOTAL GENERAL RECEIPTS</b>					<b>9,739,502</b>
<b>CHANGE IN NET POSITION</b>					<b>(422,838)</b>
Net position - beginning of year					11,561,121
<b>NET POSITION - END OF YEAR</b>					<b>\$ 11,138,283</b>

*The accompanying notes are an integral part of the financial statements.*

**Knox County, Nebraska**  
**Statement of Assets and Fund Balances – Cash Basis**  
**Governmental Funds**  
**June 30, 2024**

	General Fund	Road Fund	Flowage Easement Road Fund	Nonmajor Funds	Total Governmental Funds
ASSETS:					
Cash	\$ 279,611	\$ 623,353	\$ 4,872,042	\$ 11,841	\$ 5,786,847
Investments	3,211,549	-	933,039	447,933	4,592,521
Restricted cash and investments	-	-	-	758,915	758,915
<b>TOTAL ASSETS</b>	<b>3,491,160</b>	<b>623,353</b>	<b>5,805,081</b>	<b>1,218,689</b>	<b>11,138,283</b>
FUND BALANCES:					
Restricted for:					
Child support enforcement	-	-	-	135,936	135,936
Visitors promotion	-	-	-	21,609	21,609
Register of Deeds preservation & modernization	-	-	-	11,776	11,776
Veterans' aid	-	-	-	4,500	4,500
STOP program	-	-	-	800	800
Drug education	-	-	-	438	438
Federal relief	-	-	-	43,701	43,701
Economic development	-	-	-	88,744	88,744
Community development	-	-	-	30,601	30,601
Community betterment	-	-	-	14,764	14,764
911 emergency services	-	-	-	134,102	134,102
Road and bridge improvements	-	-	-	169,466	169,466
Visitors improvement	-	-	-	102,478	102,478
Committed to:					
Law enforcement	-	-	-	9,292	9,292
Road maintenance and improvement	-	623,353	5,805,081	-	6,428,434
County wellness program	-	-	-	450,482	450,482
Unassigned	3,491,160	-	-	-	3,491,160
<b>TOTAL FUND BALANCES</b>	<b>\$3,491,160</b>	<b>\$ 623,353</b>	<b>\$ 5,805,081</b>	<b>\$ 1,218,689</b>	<b>\$ 11,138,283</b>

*The accompanying notes are an integral part of the financial statements.*

**Knox County, Nebraska**  
**Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Road Fund	Flowage Easement Road Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS:					
Taxes	\$ 3,849,526	\$ -	\$ -	\$ 143,273	\$ 3,992,799
Inheritance tax	590,791	-	-	-	590,791
Intergovernmental	801,716	2,794,938	24,737	581,312	4,202,703
Local	1,183,937	41,101	218,777	465,510	1,909,325
TOTAL RECEIPTS	<u>6,425,970</u>	<u>2,836,039</u>	<u>243,514</u>	<u>1,190,095</u>	<u>10,695,618</u>
DISBURSEMENTS:					
Current:					
General government	2,916,207	-	-	32,819	2,949,026
Public safety	1,278,536	-	-	46,567	1,325,103
Public works	236,257	3,622,440	-	-	3,858,697
Public welfare & social services	56,864	-	-	-	56,864
Culture and recreation	-	-	-	45,429	45,429
Community development/betterment	-	-	-	351,907	351,907
Capital outlay	351,249	875,729	84,076	1,220,376	2,531,430
TOTAL DISBURSEMENTS	<u>4,839,113</u>	<u>4,498,169</u>	<u>84,076</u>	<u>1,697,098</u>	<u>11,118,456</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,586,857</u>	<u>(1,662,130)</u>	<u>159,438</u>	<u>(507,003)</u>	<u>(422,838)</u>
OTHER FINANCING SOURCES (USES):					
Transfers - in	303,241	2,112,472	303,241	60,198	2,779,152
Transfers - out	(2,756,154)	-	-	(22,998)	(2,779,152)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,452,913)</u>	<u>2,112,472</u>	<u>303,241</u>	<u>37,200</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(866,056)</u>	<u>450,342</u>	<u>462,679</u>	<u>(469,803)</u>	<u>(422,838)</u>
Fund balances - beginning of year	<u>4,357,216</u>	<u>173,011</u>	<u>5,342,402</u>	<u>1,688,492</u>	<u>11,561,121</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,491,160</u>	<u>\$ 623,353</u>	<u>\$ 5,805,081</u>	<u>\$ 1,218,689</u>	<u>\$ 11,138,283</u>

*The accompanying notes are an integral part of the financial statements.*

**Knox County, Nebraska**  
**Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Fiduciary Funds**  
**June 30, 2024**

	Custodial Fund Balances June 30, 2023	Receipts	Disbursements	Custodial Fund Balances June 30, 2024
<b>ASSETS:</b>				
Cash	\$ 1,090,354	\$ 31,742,632	\$ 31,433,771	\$ 1,399,215
<b>LIABILITIES:</b>				
Due to other governments				
State - collected by County Treasurer	250,704	2,688,615	2,739,592	199,727
State - collected by other offices	10,319	142,091	143,372	9,038
Schools	281,081	19,649,323	19,651,893	278,511
Educational Service Units	3,960	364,984	364,612	4,332
Technical College	24,420	2,206,033	2,204,456	25,997
Natural Resource Districts	6,218	653,252	651,477	7,993
Fire Districts	18,067	1,282,325	1,283,096	17,296
Municipalities	39,545	1,456,722	1,461,471	34,796
Agricultural Society	1,997	193,756	193,410	2,343
Airport Authorities	15,605	22,219	22,436	15,388
Townships	16,184	1,512,355	1,511,971	16,568
Sanitary and Improvement Districts	243,648	138,611	125,674	256,585
Tentative Inheritance Taxes	70,865	75,237	120,810	25,292
Others - collected by County Treasurer	-	-	-	-
Others - collected by other offices	107,741	1,357,109	959,501	505,349
<b>TOTAL LIABILITIES</b>	<b>1,090,354</b>	<b>31,742,632</b>	<b>31,433,771</b>	<b>1,399,215</b>
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of the financial statements.*

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies**

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

As discussed further in the Basis of Accounting note below, these financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Reporting Entity

Knox 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 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. As required by GAAP, these financial statements present the County (the primary government). No component units were identified.

Joint Organizations

*Behavioral Health Region IV* – 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 IV (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.

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 \$5,043 toward the operation of the Region 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 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.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Joint Organizations (Continued)

*Health Department* – The County has entered into an agreement with the North 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 State statute.

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 State statute. Financial information for the Department is available in that report.

*Knox County Economic Development Agency* – The County has entered into an agreement with the Knox County Economic Development Agency (Agency) to establish County-wide economic development. Participating members of the Agency are the cities of Bloomfield, Creighton, and Crofton, the villages of Center, Niobrara, Santee, Verdigre, and Wausa, the County of Knox, and Great Plains Communications, Inc. The Agency's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by the participating entities as a percentage of the annual budget. The County contributed the salary of the Executive Director, plus benefits, and office space for the Agency. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Financial information for the Agency is included in the Community Development Fund of the County financial statements.

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 were reported on the basis of cash receipts and disbursements (cash basis). As such, the measurement focus includes only those assets and fund balances arising from cash transactions in the Statement of Net Position and the Statement of Activities. 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 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.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the activities of the County and are in the format of government-wide statements, as required by GASB. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. 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 Statement of Net Position presents the County's non-fiduciary assets in two categories:

*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, but reserves the right to selectively spent unrestricted net resources first to defer the use of these other classified funds.

*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.

Some individual County offices also maintain accounting records for monies received and disbursed directly by that office. Only that portion of those monies which is remitted by that office to the County Treasurer would be reflected in the County's financial statements.

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 County reserves the right, however, to selectively spend unassigned fund balances first to defer the use of these other classified funds.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements (continued)

The County reports the following governmental fund types:

*General Fund:* This 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.

*Special Revenue Funds:* These funds account for the proceeds from specific receipt sources that are restricted or committed to disbursements for specified purposes other than debt service or capital projects.

*Capital Project Funds:* These funds account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The County uses fiduciary funds to report assets held in a trust or agency capacity for individuals, private organizations, other governments, and/or other funds. Custodial funds are used to report fiduciary activities that are not reported in pension trust funds, investment trust funds, or private-purpose trust funds. The County's fiduciary funds consist of custodial funds and are presented on the Fiduciary Statement of Cash Receipts, Disbursements, and Changes in Fund Balances.

The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. GASB prescribes minimum criteria for the determination of major funds. Some funds may have been reclassified as major and nonmajor from the prior year.

The County reports the following major governmental funds:

*General Fund:* As previously described.

*Road Fund:* This fund is a special revenue fund used to account for costs associated with the repair, maintenance and improvement of roads and bridges and is primarily funded by State tax receipts.

*Flowage Easement Road Fund:* This fund is used to account for monies received from a prior settlement and interest earned on the balance in the fund. The funds are committed for use for various improvements and repairs of County roads and bridges.



**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements (continued)

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 can be spent only for specific purposes determined by formal action of the Board of Supervisors, which is the highest level of authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

*Assigned:* The fund balance is intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Assigned fund balances may be established only by the Board.

*Unassigned:* The portion of the General Fund that is not restricted, committed, or assigned for a specific purpose.

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 State statute and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

Capital Assets

Under the cash 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 expense on capital assets is not recorded in the cash basis financial statements. Under GAAP, depreciation expense would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that does 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 cash 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.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Disbursements

Disbursements are classified by function for government-wide activities. In the governmental fund statements, disbursements are classified by character (current, capital outlay, and debt service).

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 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 must hold at least one public hearing on the proposed budget. On or before September 30, 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.

**Note 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 State statute. At year end, the County's carrying amount of deposits was \$6,416,764 for County funds and \$1,399,215 for Fiduciary funds. The bank balances for all funds totaled \$7,392,779. For purposes of classifying categories of custodial credit 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.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$4,744,843 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. 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. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust 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.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3. Restricted Assets**

Cash and investments have been restricted in amounts agreeing to restricted net position and fund balances as displayed on the face of the Statement of Net Position and Statement of Assets and Fund Balances.

**Note 4. Interfund Balances and Activity**

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

Transfers Out	Transfers In				
			Flowage		
	General Fund	Road Fund	Easement Road Fund	Nonmajor Funds	Total
General Fund	\$ 303,241	\$ 2,112,472	\$ 303,241	\$ 37,200	\$ 2,756,154
Nonmajor Funds	-	-	-	22,998	22,998
	<u>\$ 303,241</u>	<u>\$ 2,112,472</u>	<u>\$ 303,241</u>	<u>\$ 60,198</u>	<u>\$ 2,779,152</u>

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

The flowage easement road fund made a loan to the general fund during the year ended June 30, 2021 in the amount of \$3,302,409. The loan is to be repaid in 10 annual installments of \$303,241. The annual payment is included in interfund transfers. The balance due as of June 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
Flowage Easement Road Fund	General Fund	\$ 2,122,686

**Note 5. Property 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.

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 limitation upon a vote of the people.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5. Property Taxes (Continued)**

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 levy set in October 2023, for the 2023 taxes, which will be materially collected in May and September 2024, was set at \$.161271/\$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 \$.157603/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

**Note 6. Employee Retirement System**

The Retirement System for Nebraska Counties (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 State statute 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 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 by the County to the retired employee. 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. Employees contribute 1% of their salary, and 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.

The County's total payroll for all employees was \$3,824,313 for the year ended June 30, 2024. Total covered payroll was \$3,809,695. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan. For the year ended June 30, 2024, 111 employees contributed \$174,842, and the County contributed \$258,445. The County also paid \$1,560 directly to certain retired employees for prior service benefits.

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 6. Employee Retirement System (Continued)**

Payment of Benefits

Upon termination of employment, including death, disability and retirement, a member may begin taking distributions from their vested account balances. A member is eligible for retirement after attaining age 55 and, if actively employed by a participating county at the time of retirement, is automatically vested, regardless of service.

Cash Balance Benefit Options

The normal form of payment under the Cash Balance Benefit Fund is a single life annuity with five-year certain, payable monthly. Members have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually. Other optional forms of payment are available that are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

Defined Contribution Benefit Options

Members in the Defined Contribution Benefit Fund may elect to defer their benefits until a later date or to receive their benefits in a lump sum distribution, rollover distribution, systematic withdrawal, or monthly annuity. Members may also elect a combination of any of these options.

**Note 7. 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.

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 additional contribution. Each county 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.

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

**Knox County, Nebraska**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 7. Risk Management (Continued)**

The County self-insures for employee health insurance and has contracted with 90 Degree Benefits to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of County and employee contributions. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained specific stop-loss coverage to limit the County's total exposure to \$30,000 per enrolled member, per calendar year. The County has also obtained aggregate stop-loss coverage to limit the County's maximum exposure for the calendar year. For calendar year 2024, the maximum exposure for Knox County was \$388,106.

**Note 8. Notes Receivable**

In 1985, the County received a Community Development Block Grant from the Nebraska Department of Economic Development (DED) in the amount of \$154,000. An additional grant, totaling \$347,210, was received in 1990. Over the years, the amount was loaned to various businesses that, in turn, repaid the money to the County. The DED program has now ended, and any money left in the Fund or still being returned to the County is being used as a match to projects approved by the DED. In December 2018, the County entered into an agreement with the Northeast Economic Development, Inc., (NED) to sub-grant all future economic loans to be reused by NED for economic development activities throughout a 26-county area. The County has two loans being administered by NED with interest at 4.5%. The balance due as of June 30, 2024 was \$198,000. Activities under this program are reported in the Economic Development Fund.

**Note 9. Contingencies**

Federal and State Award Programs

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 the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

Contingent Liabilities

The County is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its operations. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the County.

## **SUPPLEMENTARY INFORMATION**

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**General Fund**  
**June 30, 2024**

	<u>General Fund</u>	<u>Inheritance Tax Fund</u>	<u>Total General Fund</u>
ASSETS:			
Cash	\$ 279,611	\$ -	\$ 279,611
Investments	<u>1,565,532</u>	<u>1,646,017</u>	<u>3,211,549</u>
 TOTAL ASSETS	 <u><u>1,845,143</u></u>	 <u><u>1,646,017</u></u>	 <u><u>3,491,160</u></u>
 FUND BALANCES:			
Unassigned	<u>1,845,143</u>	<u>1,646,017</u>	<u>3,491,160</u>
 TOTAL FUND BALANCES	 <u><u>\$ 1,845,143</u></u>	 <u><u>\$ 1,646,017</u></u>	 <u><u>\$ 3,491,160</u></u>



**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Inheritance Tax Fund</u>	<u>Total General Fund</u>
RECEIPTS:			
Taxes	\$ 3,849,526	\$ -	\$ 3,849,526
Inheritance tax	-	590,791	590,791
Intergovernmental	801,716	-	801,716
Local	1,183,937	-	1,183,937
TOTAL RECEIPTS	<u>5,835,179</u>	<u>590,791</u>	<u>6,425,970</u>
DISBURSEMENTS:			
Current:			
General government	2,816,124	100,083	2,916,207
Public safety	1,278,536	-	1,278,536
Public works	236,257	-	236,257
Public welfare & social services	56,864	-	56,864
Capital outlay	49,676	301,573	351,249
TOTAL DISBURSEMENTS	<u>4,437,457</u>	<u>401,656</u>	<u>4,839,113</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,397,722</u>	<u>189,135</u>	<u>1,586,857</u>
OTHER FINANCING SOURCES (USES):			
Transfers - in	303,241	-	303,241
Transfers - out	<u>(1,940,014)</u>	<u>(816,140)</u>	<u>(2,756,154)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,636,773)</u>	<u>(816,140)</u>	<u>(2,452,913)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(239,051)	(627,005)	(866,056)
Fund balances - beginning of year	<u>2,084,194</u>	<u>2,273,022</u>	<u>4,357,216</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,845,143</u></u>	<u><u>\$ 1,646,017</u></u>	<u><u>\$ 3,491,160</u></u>

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**Nonmajor Funds**  
**June 30, 2024**

	Special Revenue			
	Child Support Fund	Visitors Promotion Fund	Register of Deeds Preservation & Modernization Fund	County Insurance & Wellness Fund
ASSETS:				
Cash	\$ -	\$ -	\$ -	\$ 2,549
Investments	-	-	-	447,933
Restricted cash and investments	135,936	21,609	11,776	-
<b>TOTAL ASSETS</b>	<b>135,936</b>	<b>21,609</b>	<b>11,776</b>	<b>450,482</b>
FUND BALANCES:				
Restricted	135,936	21,609	11,776	-
Committed	-	-	-	450,482
Total fund balances	135,936	21,609	11,776	450,482
<b>TOTAL FUND BALANCES</b>	<b>\$ 135,936</b>	<b>\$ 21,609</b>	<b>\$ 11,776</b>	<b>\$ 450,482</b>

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue			
	Veterans' Aid Fund	STOP Program Fund	Drug Law Enforcement & Education Fund	American Rescue Plan Act Fund
ASSETS:				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Restricted cash and investments	4,500	800	438	43,701
<b>TOTAL ASSETS</b>	<b>4,500</b>	<b>800</b>	<b>438</b>	<b>43,701</b>
FUND BALANCES:				
Restricted	4,500	800	438	43,701
Committed	-	-	-	-
Total fund balances	4,500	800	438	43,701
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,500</b>	<b>\$ 800</b>	<b>\$ 438</b>	<b>\$ 43,701</b>

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue			
	Economic Development Fund	Community Development Fund	Keno Fund	911 Emergency Fund
ASSETS:				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Restricted cash and investments	88,744	30,601	14,764	63,750
<b>TOTAL ASSETS</b>	<b>88,744</b>	<b>30,601</b>	<b>14,764</b>	<b>63,750</b>
FUND BALANCES:				
Restricted	88,744	30,601	14,764	63,750
Committed	-	-	-	-
Total fund balances	88,744	30,601	14,764	63,750
<b>TOTAL FUND BALANCES</b>	<b>\$ 88,744</b>	<b>\$ 30,601</b>	<b>\$ 14,764</b>	<b>\$ 63,750</b>

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue		
	911 Wireless Service Fund	911 Wireless Holding Fund	Sheriff Commissary Fund
ASSETS:			
Cash	\$ -	\$ -	\$ 9,292
Investments	-	-	-
Restricted cash and investments	27,700	42,652	-
<b>TOTAL ASSETS</b>	<b>27,700</b>	<b>42,652</b>	<b>9,292</b>
FUND BALANCES:			
Restricted	27,700	42,652	-
Committed	-	-	9,292
Total fund balances	27,700	42,652	9,292
<b>TOTAL FUND BALANCES</b>	<b>\$ 27,700</b>	<b>\$ 42,652</b>	<b>\$ 9,292</b>

**Knox County, Nebraska**  
**Combining Statement of Assets and**  
**Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Capital Project		
	Highway Bridge Buyback Fund	Visitors Improvement Fund	Total Nonmajor Funds
ASSETS:			
Cash	\$ -	\$ -	\$ 11,841
Investments	-	-	447,933
Restricted cash and investments	169,466	102,478	758,915
 TOTAL ASSETS	 169,466	 102,478	 1,218,689
FUND BALANCES:			
Restricted	169,466	102,478	758,915
Committed	-	-	459,774
Total fund balances	169,466	102,478	1,218,689
 TOTAL FUND BALANCES	 \$ 169,466	 \$ 102,478	 \$ 1,218,689

**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Nonmajor Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue			
	Child Support Fund	Visitors Promotion Fund	Register of Deeds Preservation & Modernization Fund	County Insurance & Wellness Fund
RECEIPTS:				
Taxes	\$ -	\$ 38,797	\$ -	\$ -
Intergovernmental	48,581	-	-	-
Local	-	9,728	6,496	408,477
TOTAL RECEIPTS	48,581	48,525	6,496	408,477
DISBURSEMENTS:				
Current:				
General government	12,044	-	9,322	11,453
Public safety	-	-	-	-
Culture and recreation	-	45,429	-	-
Community development/betterment	-	-	-	-
Capital outlay	2,633	-	-	-
Debt Services:				
Bond issue costs	-	-	-	-
Principal payments	-	-	-	-
Interest charges	-	-	-	-
TOTAL DISBURSEMENTS	14,677	45,429	9,322	11,453
RECEIPTS OVER (UNDER) DISBURSEMENTS	33,904	3,096	(2,826)	397,024
OTHER FINANCING SOURCES (USES):				
Transfers - in	-	-	-	-
Transfers - out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	33,904	3,096	(2,826)	397,024
Fund balances - beginning of year	102,032	18,513	14,602	53,458
FUND BALANCE - END OF YEAR	\$ 135,936	\$ 21,609	\$ 11,776	\$ 450,482

**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue			
	Veterans' Aid Fund	STOP Program Fund	Drug Law Enforcement & Education Fund	American Rescue Plan Act Fund
RECEIPTS:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Local	-	400	-	-
TOTAL RECEIPTS	-	400	-	-
DISBURSEMENTS:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Community development/betterment	-	-	-	-
Capital outlay	-	-	-	825,145
Debt Services:				
Bond issue costs	-	-	-	-
Principal payments	-	-	-	-
Interest charges	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	825,145
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	400	-	(825,145)
OTHER FINANCING SOURCES (USES):				
Transfers - in	-	-	-	-
Transfers - out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	-	400	-	(825,145)
Fund balances - beginning of year	4,500	400	438	868,846
FUND BALANCE - END OF YEAR	\$ 4,500	\$ 800	\$ 438	\$ 43,701



**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue			
	Economic Development Fund	Community Development Fund	Keno Fund	911 Emergency Fund
RECEIPTS:				
Taxes	\$ -	\$ -	\$ -	\$ 30,182
Intergovernmental	111,760	27,185	-	-
Local	6,063	1,865	32,481	-
TOTAL RECEIPTS	117,823	29,050	32,481	30,182
DISBURSEMENTS:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	17,200
Culture and recreation	-	-	-	-
Community development/betterment	205,911	125,378	20,618	-
Capital outlay	-	2,500	2,325	3,793
Debt Services:				
Bond issue costs	-	-	-	-
Principal payments	-	-	-	-
Interest charges	-	-	-	-
TOTAL DISBURSEMENTS	205,911	127,878	22,943	20,993
RECEIPTS OVER (UNDER) DISBURSEMENTS	(88,088)	(98,828)	9,538	9,189
OTHER FINANCING SOURCES (USES):				
Transfers - in	-	37,200	-	-
Transfers - out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	37,200	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(88,088)	(61,628)	9,538	9,189
Fund balances - beginning of year	176,832	92,229	5,226	54,561
FUND BALANCE - END OF YEAR	\$ 88,744	\$ 30,601	\$ 14,764	\$ 63,750

**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Special Revenue		
	911 Wireless Service Fund	911 Wireless Service Holding Fund	Sheriff Commissary Fund
RECEIPTS:			
Taxes	\$ 35,497	\$ -	\$ -
Intergovernmental	-	-	-
Local	-	-	-
TOTAL RECEIPTS	<u>35,497</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS:			
Current:			
General government	-	-	-
Public safety	14,470	13,068	1,829
Culture and recreation	-	-	-
Community development/betterment	-	-	-
Capital outlay	-	-	-
Debt Services:			
Bond issue costs	-	-	-
Principal payments	-	-	-
Interest charges	-	-	-
TOTAL DISBURSEMENTS	<u>14,470</u>	<u>13,068</u>	<u>1,829</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>21,027</u>	<u>(13,068)</u>	<u>(1,829)</u>
OTHER FINANCING SOURCES (USES):			
Transfers - in	-	22,998	-
Transfers - out	(22,998)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(22,998)</u>	<u>22,998</u>	<u>-</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(1,971)	9,930	(1,829)
Fund balances - beginning of year	<u>29,671</u>	<u>32,722</u>	<u>11,121</u>
FUND BALANCE - END OF YEAR	<u>\$ 27,700</u>	<u>\$ 42,652</u>	<u>\$ 9,292</u>

**Knox County, Nebraska**  
**Combining Statement of Receipts, Disbursements and**  
**Changes in Fund Balances – Cash Basis**  
**Nonmajor Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Capital Project		
	Highway Bridge Buyback Fund	Visitors Improvement Fund	Total Nonmajor Funds
RECEIPTS:			
Taxes	\$ -	\$ 38,797	\$ 143,273
Intergovernmental	393,786	-	581,312
Local	-	-	465,510
TOTAL RECEIPTS	393,786	38,797	1,190,095
DISBURSEMENTS:			
Current:			
General government	-	-	32,819
Public safety	-	-	46,567
Culture and recreation	-	-	45,429
Community development/betterment	-	-	351,907
Capital outlay	373,371	10,609	1,220,376
Debt Services:			
Bond issue costs	-	-	-
Principal payments	-	-	-
Interest charges	-	-	-
TOTAL DISBURSEMENTS	373,371	10,609	1,697,098
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,415	28,188	(507,003)
OTHER FINANCING SOURCES (USES):			
Transfers - in	-	-	60,198
Transfers - out	-	-	(22,998)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	37,200
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	20,415	28,188	(469,803)
Fund balances - beginning of year	149,051	74,290	1,688,492
FUND BALANCE - END OF YEAR	\$ 169,466	\$ 102,478	\$ 1,218,689

**Knox County, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual
RECEIPTS:			
Taxes	\$ 4,343,150	\$ 4,343,150	\$ 3,849,526
Intergovernmental	400,909	400,909	801,716
Local	969,659	969,659	1,183,937
TOTAL RECEIPTS	<u>5,713,718</u>	<u>5,713,718</u>	<u>5,835,179</u>
DISBURSEMENTS:			
General Government:			
County Board	200,177	206,850	206,850
County Clerk	220,533	220,533	219,423
County Treasurer	305,133	305,133	298,359
Register of Deeds	43,600	43,600	41,182
County Assessor	335,550	335,550	331,870
Elections	63,750	63,750	48,747
Planning and Zoning	28,633	28,633	19,069
District Court - Judicial	23,500	23,500	6,777
Clerk of the District Court	129,163	132,477	132,476
County Court	9,250	9,250	3,630
District Judge	6,000	6,000	5,912
Building and Grounds	188,250	188,250	147,555
Re-Appraisal	21,300	21,300	20,688
Agricultural Extension Agent	121,253	121,253	121,251
Grants	150,000	107,777	-
Miscellaneous	1,317,090	1,317,090	1,221,290
Public Safety:			
County Sheriff	691,900	706,200	706,113
County Attorney	158,457	172,057	171,973
County Jail	469,700	469,700	371,289
Emergency Management	68,683	68,683	56,781
Public Works:			
Highway Department	182,641	185,116	185,115
County Surveyor	11,000	12,861	12,861
Noxious Weed	49,675	49,675	49,575
Public Welfare and Social Services:			
Medical Relief	6,001	6,001	1,200
Veterans' Service Officer	57,400	57,400	57,153
Institutions	2,500	2,500	318
TOTAL DISBURSEMENTS	<u>4,861,139</u>	<u>4,861,139</u>	<u>4,437,457</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>852,579</u>	<u>852,579</u>	<u>1,397,722</u>
OTHER FINANCING SOURCES (USES):			
Transfers - in	303,241	303,241	303,241
Transfers - out	(1,940,014)	(1,940,014)	(1,940,014)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,636,773)</u>	<u>(1,636,773)</u>	<u>(1,636,773)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>\$ (784,194)</u>	<u>\$ (784,194)</u>	<u>(239,051)</u>
Fund balance - beginning of year			<u>2,084,194</u>
FUND BALANCE - END OF YEAR			<u>\$ 1,845,143</u>

*See notes to budgetary comparison schedules.*

**Knox County, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**Road Fund**  
**For the Year Ended June 30, 2024**

	Original/ Final Budget	Actual
RECEIPTS:		
Intergovernmental	2,666,614	2,794,938
Local	47,000	41,101
TOTAL RECEIPTS	<u>2,713,614</u>	<u>2,836,039</u>
DISBURSEMENTS:	<u>4,999,097</u>	<u>4,498,169</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,285,483)	(1,662,130)
OTHER FINANCING SOURCES (USES):		
Transfers - in	<u>2,112,472</u>	<u>2,112,472</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u><u>\$ (173,011)</u></u>	450,342
Fund balance - beginning of year		<u>173,011</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 623,353</u></u>

*See notes to budgetary comparison schedules.*

**Knox County, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**Flowage Easement Road Fund**  
**For the Year Ended June 30, 2024**

	Original/ Final Budget	Actual
RECEIPTS:		
Intergovernmental	\$ -	\$ 24,737
Local	133,560	218,777
TOTAL RECEIPTS	<u>133,560</u>	<u>243,514</u>
DISBURSEMENTS:	<u>5,779,203</u>	<u>84,076</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,645,643)	159,438
OTHER FINANCING SOURCES (USES):		
Transfers - in	<u>303,241</u>	<u>303,241</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>\$ (5,342,402)</u>	462,679
Fund balance - beginning of year		<u>5,342,402</u>
FUND BALANCE - END OF YEAR		<u>\$ 5,805,081</u>

*See notes to budgetary comparison schedules.*

**Knox County, Nebraska**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2024**

**Note 1. Budget and Budgetary Accounting**

The appropriated budget adopted by the County is prepared on a cash basis. The actual results used in the Budgetary Comparison Schedule – Cash Basis General Fund differ from that used in the Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis General Fund due to *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*. Such perspective differences and their effect on the respective fund are summarized as follows:

Receipts over (under) disbursements and other financing sources (uses) per Budgetary Comparison Schedule - Cash Basis General Fund	(239,051)
Adjustments increase (decrease) for:	
Inheritance Tax Fund receipts and transfers in	590,791
Inheritance Tax Fund disbursements and transfers out	<u>(1,217,796)</u>
Receipts over (under) disbursements and other financing sources (uses) per Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis General Fund	<u><u>(866,056)</u></u>

**Knox County, Nebraska**  
**Schedule of Office Activities**  
**For the Year Ended June 30, 2024**

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Veterans' Service Officer	County Planning & Zoning	County Self-Insurance Account	Total
<b>RECEIPTS</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 804,474	\$ -
Charges for Services	2,672	82,332	3,915	13,328	521	-	17,914	-	120,682
Miscellaneous	-	-	-	1,030	-	-	-	112,614	113,644
State Fees	5,257	132,441	4,393	-	-	-	-	-	142,091
Other Liabilities	-	-	1,343,982	12,124	1,003	-	-	-	1,357,109
<b>TOTAL RECEIPTS</b>	<b>7,929</b>	<b>214,773</b>	<b>1,352,290</b>	<b>26,482</b>	<b>1,524</b>	<b>-</b>	<b>17,914</b>	<b>917,088</b>	<b>1,602,998</b>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	2,722	83,096	4,401	15,523	521	-	17,914	400,000	524,177
Payments to State Treasurer	5,212	133,695	4,465	-	-	-	-	-	143,372
Miscellaneous	-	-	-	-	-	-	-	713,169	713,169
Other Liabilities	-	-	947,768	10,730	1,003	-	-	-	959,501
<b>TOTAL DISBURSEMENTS</b>	<b>7,934</b>	<b>216,791</b>	<b>956,634</b>	<b>26,253</b>	<b>1,524</b>	<b>-</b>	<b>17,914</b>	<b>1,113,169</b>	<b>1,209,136</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(5)</b>	<b>(2,018)</b>	<b>395,656</b>	<b>229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(196,081)</b>	<b>197,781</b>
Balance - beginning of year	1,021	15,903	108,515	4,968	3	2,258	-	487,677	620,345
<b>BALANCE - END OF YEAR</b>	<b>\$ 1,016</b>	<b>\$ 13,885</b>	<b>\$ 504,171</b>	<b>\$ 5,197</b>	<b>\$ 3</b>	<b>\$ 2,258</b>	<b>\$ -</b>	<b>\$ 291,596</b>	<b>\$ 818,126</b>
<b>BALANCE CONSISTS OF:</b>									
Due to State Treasurer	\$ 732	\$ 8,001	\$ 305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,038
Due to County Treasurer	234	5,884	178	3,239	-	2,258	-	291,596	303,389
Due to others	-	-	503,688	1,658	3	-	-	-	505,349
Petty cash	50	-	-	300	-	-	-	-	350
	<b>\$ 1,016</b>	<b>\$ 13,885</b>	<b>\$ 504,171</b>	<b>\$ 5,197</b>	<b>\$ 3</b>	<b>\$ 2,258</b>	<b>\$ -</b>	<b>\$ 291,596</b>	<b>\$ 818,126</b>



## **ADDITIONAL INFORMATION**

**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***

To the Knox County Board of Supervisors  
Knox County, Nebraska

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Knox County, Nebraska (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 March 31, 2025. These financial statements were prepared using a special purpose framework of reporting identified as the cash basis of accounting.

***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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control, that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 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*.

### **Knox County, Nebraska'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 are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

*Regier Carr & Monroe LLP*

March 31, 2025  
Wichita, Kansas

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

2024-001 Segregation of Duties

**Criteria:** Internal controls should be in place to ensure proper segregation of duties.

**Condition and Context:** Presently, in individual County offices, one individual is able to handle all parts of a transaction from initiation to recordkeeping to reconciliation. In addition, only limited oversight is provided in the conduct of daily functions.

**Cause:** Due to its size, Knox County, Nebraska does not have adequate office personnel to perform appropriate supervision and review functions. The limited number of employees results in an inadequate overall internal control structure design.

**Effect or Potential Effect:** Inadequate segregation of duties could lead to misappropriation of assets or improper reporting.

**Repeat Finding:** The finding is a repeat finding.

**Recommendation:** We recommend Knox County, Nebraska continue to monitor and evaluate its internal controls with the use of limited personnel and provide as much segregation of duties as determined to be feasible within its operations. We also recommend that the County establish written procedures within each office for the performance of key functions and conduct cross-training to provide adequate backup support in the event of employee absence.

**Management Response:** Management agrees with the finding. The County recognizes it does not have adequate in-house personnel to perform appropriate supervision and review functions because of the cost effectiveness of such actions. Knox County Board is aware of this deficiency and will continue monitoring and evaluation of internal controls. The elected officials and staff have implemented some oversight measures to limit exposure where possible.

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<b>EL DORADO</b>	117 W. CENTRAL AVE.	EL DORADO, KS 67042-2105	316-321-1150
<b>TUCSON</b>	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
<b>TULSA</b>	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-271-5400
<b>WICHITA</b>	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2994	316-264-2335

**REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM  
(CSLFRF) REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE  
EXAMINATION ENGAGEMENT**

**Independent Accountant's Report**

To the County Board of Supervisors  
Knox County  
Center, Nebraska

We have examined Knox County, Nebraska's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Section 2 "Engagements Performed Using the Alternative Approach" of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as "Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2024. Management of Knox County, Nebraska is responsible for Knox County, Nebraska's compliance with the specified requirements. Our responsibility is to express an opinion on Knox County, Nebraska's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement". Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether Knox County, Nebraska complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Knox County, Nebraska complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Knox County, Nebraska's compliance with specified requirements.

In our opinion, Knox County, Nebraska complied, in all material respects, with the specified requirements referenced above during the period ended June 30, 2024.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on Knox County, Nebraska's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on Knox County, Nebraska's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

### ***Intended Purpose***

The purpose of this examination report is solely to express an opinion on whether Knox County complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2024. Accordingly, this report is not suitable for any other purpose.

*Rezin Carr & Monroe LLP*

March 31, 2025  
Wichita, Kansas