

FRANKLIN COUNTY, NEBRASKA

FINANCIAL STATEMENTS

JUNE 30, 2024

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FRANKLIN COUNTY, NEBRASKA
LIST OF COUNTY OFFICIALS
JUNE 30, 2024

Title	Name	Term Expires
Board of Supervisors	Steven Hogeland	Jan. 2027
	David Pedersen	Jan. 2025
	Joshua Johnson	Jan. 2027
	Roger Dorn	Jan. 2027
	Bruce Schepler	Jan. 2025
	Rick Dean	Jan. 2025
	Scot Grams	Jan. 2027
Assessor	Linda Dallman	Jan. 2027
Attorney	Henry Schenker	Jan. 2027
Clerk	Marcia Volk Schenker	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court		
Sheriff	Bryon Detlefsen	Jan. 2027
Emergency Manager		
Treasurer	Patricia Schurman	Jan. 2027
Veteran's Service Officer	Robert D. Wistrand	Appointed
Weed Superintendent	Doug Eckhardt	Appointed
Highway Superintendent	Michael Ingram	Appointed
Planning & Zoning		



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 Franklin County, Nebraska, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Franklin County, Nebraska's primary government basic financial statements as listed in the table of contents.

Adverse Opinion on the Discretely Presented Component Unit for the year ended June 30, 2024:

In our opinion, because of the significance of the matter discussed below in the "Basis for Adverse Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly to the financial position of the discretely presented component unit of Franklin County, Nebraska, as of June 30, 2024, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion for the year ended June 30, 2024:

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

Basis for Adverse and Unmodified Opinion

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 Financial Statements section of our report. We are required to be independent of Franklin County, Nebraska, and to meet our ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Adverse Opinion on the Discretely Presented Component Units for the year ended June 30, 2024:

The financial statements referred to above do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require 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 unit. 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 that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the presentation of the financial statement in this circumstance. 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 Responsibility 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 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 Franklin County, Nebraska'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 Franklin County, Nebraska'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 as a whole, which collectively comprise Franklin County, Nebraska's basic financial statements. The supplementary information on pages 25 - 37 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 25 - 37 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. Such 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 supplementary information on pages 25 - 37 is fairly stated, in all material respects, in relation to the basic financial statements as a whole information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of Franklin County, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Franklin County, Nebraska's internal control over financial reporting and compliance.

Dana & Cole + Company, LLP

Minden, Nebraska
June 25, 2025

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

ASSETS

Cash and certificates of deposit	3,142,170
Restricted cash and certificates of deposit	<u>415,486</u>

TOTAL ASSETS

3,557,656

NET POSITION

Restricted for	
Preservation of records	707
Road and bridge projects	277,214
Federal projects	137,565
Unrestricted	<u>3,142,170</u>

TOTAL NET POSITION

3,557,656

See accompanying notes to financial statements.

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

		Program Cash Receipts		Net (Disbursements)
	Cash	Charges	Operating	Receipts
	Disbursements	for	Grants	and
		Services	and	Changes in
			Contributions	Net Position
GOVERNMENTAL ACTIVITIES				
General government	2,020,595	307,896	6,637	(1,706,062)
Public Safety	1,260,709	65,160		(1,195,549)
Public Works	2,079,004	169,605	1,054,963	(854,436)
Public Assistance	17,859			(17,859)
Net program (disbursements) receipts	<u>5,378,167</u>	<u>542,661</u>	<u>1,061,600</u>	<u>(3,773,906)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes, levied for general purposes				2,568,370
Motor vehicle taxes				152,932
Inheritance taxes				916,997
Total taxes				<u>3,638,299</u>
State sources				539,042
Federal sources				50,000
Miscellaneous				3,500
Interest received				94,413
Total general receipts				<u>4,325,254</u>
CHANGE IN NET POSITION				551,348
NET POSITION, beginning of year				<u>3,006,308</u>
NET POSITION, end of year				<u>3,557,656</u>

See accompanying notes to financial statements.

FRANKLIN COUNTY, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major Funds					Total
	General Fund	Road Fund	Inheritance Tax Fund	COVID ARPA Fund	Other Governmental Funds	Governmental Funds
ASSETS						
Cash and certificates of deposit	1,322,451	482,824	1,013,072		323,823	3,142,170
Restricted cash and certificates of deposit				47,817	367,669	415,486
TOTAL ASSETS	<u>1,322,451</u>	<u>482,824</u>	<u>1,013,072</u>	<u>47,817</u>	<u>691,492</u>	<u>3,557,656</u>
FUND BALANCES						
Restricted for:						
Preservation of records					707	707
Road and bridge projects					277,214	277,214
Federal programs				47,817	89,748	137,565
Committed to:						
Law enforcement					2,739	2,739
Road and bridge maintenance		482,824			148,084	630,908
Aid and assistance					126,531	126,531
County buildings and land					7,844	7,844
Property reappraisal					29,291	29,291
Assigned to:						
Other purposes			1,013,072		9,334	1,022,406
Unassigned	<u>1,322,451</u>					<u>1,322,451</u>
TOTAL FUND BALANCES	<u>1,322,451</u>	<u>482,824</u>	<u>1,013,072</u>	<u>47,817</u>	<u>691,492</u>	<u>3,557,656</u>

See accompanying notes to financial statements.

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

	Major Funds					Total Governmental Funds
	General Fund	Road Fund	Inheritance Tax Fund	COVID ARPA Fund	Other Governmental Funds	
RECEIPTS						
Taxes	2,568,370		916,997			3,485,367
Interest	89,371				5,042	94,413
Federal	4,526	2,111			50,000	56,637
Intergovernmental	492,428	1,054,963			199,546	1,746,937
Miscellaneous					3,500	3,500
Charges for services	370,802	169,606			2,253	542,661
Total receipts	<u>3,525,497</u>	<u>1,226,680</u>	<u>916,997</u>		<u>260,341</u>	<u>5,929,515</u>
DISBURSEMENTS						
General government	1,816,692		61,425	32,079	110,399	2,020,595
Public Safety	915,247			345,462		1,260,709
Public Works	44,431	2,024,076			10,497	2,079,004
Public Assistance	17,859					17,859
Total disbursements	<u>2,794,229</u>	<u>2,024,076</u>	<u>61,425</u>	<u>377,541</u>	<u>120,896</u>	<u>5,378,167</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>731,268</u>	<u>(797,396)</u>	<u>855,572</u>	<u>(377,541)</u>	<u>139,445</u>	<u>551,348</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	185,000	702,485			32,880	920,365
Transfers out	<u>(720,365)</u>		<u>(200,000)</u>			<u>(920,365)</u>
Total other financing sources (uses)	<u>(535,365)</u>	<u>702,485</u>	<u>(200,000)</u>		<u>32,880</u>	
NET CHANGE IN FUND BALANCES	195,903	(94,911)	655,572	(377,541)	172,325	551,348
FUND BALANCE, beginning of year	<u>1,126,548</u>	<u>577,735</u>	<u>357,500</u>	<u>425,358</u>	<u>519,167</u>	<u>3,006,308</u>
FUND BALANCE, end of year	<u>1,322,451</u>	<u>482,824</u>	<u>1,013,072</u>	<u>47,817</u>	<u>691,492</u>	<u>3,557,656</u>

See accompanying notes to financial statements.

FRANKLIN COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
CASH BASIS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Cash Balance July 1, 2023	Receipts	Disbursements	Cash Balance June 30, 2024
ASSETS				
Cash and cash equivalents	<u>307,979</u>	<u>14,333,753</u>	<u>14,422,366</u>	<u>219,366</u>
LIABILITIES				
Due to other governments				
State - collected by County Treasurer	149,790	1,139,151	1,219,576	69,365
Schools	97,730	9,268,730	9,280,442	86,018
Educational service units	1,186	156,856	156,820	1,222
Technical college	7,137	909,930	910,090	6,977
Natural resource districts	6,963	1,195,702	1,198,238	4,427
Fire districts	2,649	437,211	436,337	3,523
Municipalities	11,201	492,022	492,114	11,109
Agricultural society	721	90,309	90,341	689
Cemetery districts	18,438	42,996	43,498	17,936
Townships	1,622	213,342	213,399	1,565
Hospital	2,034	256,797	256,877	1,954
Others - collected by County Treasurer	<u>8,508</u>	<u>130,707</u>	<u>124,634</u>	<u>14,581</u>
	<u>307,979</u>	<u>14,333,753</u>	<u>14,422,366</u>	<u>219,366</u>
TOTAL NET POSITION	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying notes to financial statements.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of Franklin County:

Franklin County, Nebraska (the County), which is governed by a seven-member Board of Commissioners, for financial statement purposes, includes all of the funds relevant to the operation of Franklin County, Nebraska. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from Franklin County, Nebraska. The financial statements of the County include those of separately administered organizations that are controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Other individual county offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements.

A. FINANCIAL REPORTING ENTITY

The County's financial reporting entity is composed of the following:

Primary government: County of Franklin, Nebraska

In determining the financial reporting entity, the County complies with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*.

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the County Board, or the component unit provides services entirely to the County. The component unit's funds are blended into those of the County by appropriate fund type to constitute the primary government presentation. The County did not have any blended component units.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

Excluded from the Reporting Entity

The Franklin County Memorial Hospital is a component unit of the County because of the significance of its operational and financial relationship with the County. The financial statements do not include the data of Franklin County Memorial Hospital necessary for reporting in conformity with accounting principles generally accepted in the United States of America. Complete financial statements of Franklin County Memorial Hospital can be obtained from the Franklin County Memorial Hospital's administrative office.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all the nonfiduciary activities of the County. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The County did not have any activities that met the definition of a business-type activity.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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 revenues are reported instead as general receipts.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. The County does not presently have any funds that would meet the definition of a proprietary activity.

A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of the specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the County. The reporting entity includes the following special revenue funds, the first three funds are to be reported as major funds and the remaining are to be reported as nonmajor funds:

Fund	Brief Description
Road Fund	Maintains and improves County roads, bridges, and other county infrastructure. The County is required to match a certain amount of state resources for these purposes.
Inheritance Tax Fund	Collects inheritance tax filed in County Court. The County supervisors determine specific uses from these collections.
COVID ARPA Fund	The COVID ARPA Fund is used to account for aid received from the American Rescue Plan Act and is used for aid and assistance in accordance with Federal guidelines.
Highway Road Buyback Program	These funds account for revenues and expenditures as stated in the fund name.
Bridge Escrow, Highway Bridge Buyback Program, Historical Bridge, Building and Land Improvement, Equip Sheriff Sinking, Reappraisal, Preservation and Modernization, Veterans' Aid, STOP Program, Opioid Recovery, LATCF	

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Fiduciary Fund Types

Custodial Funds are used to account for assets held by the County in a trustee capacity for other governmental units. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are as follows:

<u>Fund</u>	<u>Brief Description</u>
State	Collection of monies for licensing, taxation, and other transactions of which a portion of these collections are for state use and remitted on a monthly basis.
Partial payments	Collection of payments for real estate and personal property taxes that are not paid in full. When collection of total taxes due is satisfied, the amount is transferred to the County Treasurer to reflect the taxpayer's payment of their assessed taxes.
Schools, ESUs, Technical College, NRD, Fire Districts, Municipalities, Agricultural Society, Drainage District, and Townships	These separate autonomous entities adopt a legal budget in accordance with state laws and are submitted to the County. The County is required by law to include these budgets with its own in setting tax levies for each tax county. Upon collection of monies from taxpayers, the County Treasurer accounts for the allocation to each entity based on the set levy. Disbursements to these entities are remitted upon request, usually on a monthly basis.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

In the governmental activities of the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Measurement Focus (Continued)

In the fund financial statements, the "current financial resources" measurement focus, as applied to the cash basis of accounting, is used as appropriate:

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The County's funds are maintained on the cash basis of accounting. Revenues are recognized when cash is received by the County Treasurer rather than when earned. Expenditures are recognized when cash is disbursed rather than when the obligation is incurred. This differs from accounting principles generally accepted in the United States of America, which require governmental funds to follow the modified accrual basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

D. CASH AND CASH EQUIVALENTS

This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts, savings accounts, money market accounts, and other highly liquid temporary investments with original maturities of three months or less, readily convertible to known amounts of cash. It does not include certificates of deposit or treasury notes, which are separately stated.

Certificates of Deposit

Certificates of deposit classified in the financial statements are carried at cost, which approximates fair value, and have an original maturity term exceeding three months.

E. REVENUES

Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES (Continued)

Program Cash Receipts

In the statement of activities and net position, cash basis revenues that are derived directly from each activity or from parties outside the County's taxpayers are reported as program revenues.

The County has the following program revenues in each activity:

General government	Fees, permits, licenses, and commissions
Public Safety	Fines and fees and operating grants from federal and state agencies for law enforcement
Public Works	Highway allocation, motor vehicle fees, operating grants, and other federal and state agencies for road and infrastructure work

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

F. REVENUE RECOGNITION - PROPERTY TAXES

Property taxes are levied by November 1 based on valuations as of May 1. Real estate and personal property taxes become due and attach as an enforceable lien on property as of January 1. Real estate and personal property taxes are payable in two installments and become delinquent May 1 and September 1. Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. 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 accounting principles generally accepted in the United States of America, 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 leave is earned.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CAPITAL ASSETS

Capital assets are not recorded as assets on the government-wide or fund financial statements and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

J. LONG-TERM OBLIGATIONS

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal and interest are reported as disbursements in both the government-wide and fund financial statements.

K. EQUITY CLASSIFICATION

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provision or enabling legislation.

Unrestricted net position consists of net assets that do not meet the definition of restricted.

It is the County's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for purposes in which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The County currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The County currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Supervisors or through the Board delegating this responsibility to the County Clerk through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Fund Financial Statements (Continued)

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

L. INTERFUND ACTIVITIES

In the process of aggregating the financial information government-wide financial statements, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

M. LEASES

Right-to-use assets are not recorded as assets on the government-wide or fund financial statements, and amortization is not recognized. Likewise, the related liabilities for these leases are not recognized in the financial statements. Payment on all leases are recorded as disbursements by function in the financial statements.

Under GASB Statement 87, *Leases*, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Since the County reports on the cash basis of accounting, there was no effect on the financial statements other than note disclosures. Leases that transfer ownership (formerly disclosed as capital leases) are now disclosed in the footnote for long-term debt and other leases are disclosed in a separate footnote. Disclosure of terms and lease obligations are disclosed to maturity for leases with the exception of those leases meeting the criteria of short-term leases. Short-term leases are those with maximum possible terms at inception of 12 months or less. No disclosures are required for these leases. The standard does not apply to intangible assets including subscription-based technology arrangements.

N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

GASB Statement 96, *Subscription-based Information Technology Arrangements*, provides guidance related to accounting and financial reporting for subscription-based information technology arrangements (SBITAs).

The standard generally requires the recording of a right-to-use subscription asset (intangible asset) and a corresponding liability. There is an exception for short-term SBITAs defined as those with maximum possible terms of 12 months or less including options to extend, regardless of their probability of being exercised.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits - including checking accounts, savings accounts, money market accounts, and certificates of deposit - are all classified as cash or cash and cash equivalents on the financial statements.

Custodial Credit Risk - Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County has adopted a resolution stating deposits that are over the amount insured under the Federal Deposit Insurance Act shall have pledged securities in the form of U.S. Treasury Notes, U.S. Bonds, and/or securities authorized by state statute to be used as a pledge for these County monies.

As of June 30, 2024, all of the County's deposits with financial institutions were fully insured or collateralized by securities held in the County's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized.

Nebraska statutes allow the County to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by Governmental Accounting Standards Board Statement 3, the County had no investments as of June 30, 2024.

NOTE 3. RETIREMENT PLAN

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 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. State. §§ 23-2301 through 23-2334 (reissue 2012, Cum. Supp. 2020) 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 4.8% of their total compensation. In addition, the County contributes an amount equal to 147% of the employee's contribution. The contribution rates are established by § 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 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.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

For the year ended June 30, 2024, 67 employees contributed \$87,652, and the County contributed \$128,683. Total covered payroll was \$1,823,598. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan.

NOTE 4. JOINT VENTURE

Franklin County, Nebraska, has entered into agreements with the other counties in Region III (the Region) in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions for the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (the Acts). Region III consists of the following counties: Adams, Blaine, Buffalo, Clay, Custer, Franklin, Furnas, Garfield, Greeley, Hall, Hamilton, Harlan, Howard, Kearney, Loup, Merrick, Nuckolls, Phelps, Sherman, Valley, Webster, and Wheeler. Separate agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under each of the Acts. The governing boards for Region III Services are established by statute and the agreements and include 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 boards and as required by the Acts. Funding is provided by a combination of federal, state, local, and private funding. 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 Public Institutions requires the Region to be audited annually in accordance with state statute. Financial information for the Region is available in those audit reports.

Franklin County, Nebraska, has entered into an agreement with the Two Rivers Health 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. Sections 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. Section 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

NOTE 5. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County 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 113 members throughout Nebraska. NIRMA was created as a result of the Intergovernmental Risk Management Act authorized by State Statute Section 44-4301 R.R.S. 1943, which resulted in two programs being established, NIRMA and NIRMA II. The County has the option of participating in one or both of the programs.

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. RISK MANAGEMENT (Continued)

The County pays annual deposit premiums 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 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.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

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.

NOTE 6. RESTRICTED ASSETS

Restricted assets consist of the following cash deposits restricted for specific projects as of June 30, 2024, which follows:

Capital improvements	277,214
Preservation of records	707
Federal programs	137,565
	<u>415,486</u>

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Bonds

Highway Allocation Bonds - The County issued bonds on October 1, 2021, in the amount of \$600,000 for the purpose of paying the costs of road improvements constructed within the County, and to pay costs of the issuance of the bonds. The bond payable balance, as of June 30, 2024 was \$480,000. 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 highway allocation funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2025	60,000	4,170	64,170
2026	60,000	3,870	63,870
2027	60,000	3,480	63,480
2028	60,000	3,000	63,000
2029	60,000	2,445	62,445
2030-2032	180,000	3,315	183,315
Total Payments	<u>480,000</u>	<u>20,280</u>	<u>500,280</u>

Series 2003 Hospital Bonds - In March, 2008, \$3,945,000 of general obligation and refunding bonds were issued by the County, with the proceeds to be used to: (1) provide for the payment and redemption of Series 2003 Hospital bonds, maturing on or after May 1, 2009; and (2) pay the costs of constructing and addition onto the Hospital. In March 2012, the 2008 bond issue was refinanced for \$3,375,000. In August 2020, the County refunded the Series 2012 general obligation refunding bonds with Series 2020 general obligation refunding bonds, totaling \$1,935,000. The bond payable balance as of June 30, 2024, was \$980,000.

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 in the event the Hospital cannot meet the debt service obligation. As of June 30, 2024, no additional taxes had been levied by the County. Full disclosure of the liability can be found in the separately issued Hospital audit report.

NOTE 8. INTERFUND TRANSFERS

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

<u>Transfers to</u>	<u>Transfers from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Inheritance Fund</u>	
General Fund		185,000	185,000
Road Fund	702,485		702,485
Nonmajor Funds	17,880	15,000	32,880
Total	<u>720,365</u>	<u>200,000</u>	<u>920,365</u>

FRANKLIN COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS (Continued)

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

NOTE 9. SUBSEQUENT EVENTS

On October 24, 2024, an Order for Refund of Inheritance Tax Previously Paid was approved by the Court. Franklin County's share of this refund was \$279,414.

In preparing the financial statements, the County Board of Commissioners has evaluated events and transactions for potential recognition or disclosure through June 25, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

FRANKLIN COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
RECEIPTS			
Taxes	2,876,040	2,568,370	(307,670)
Interest	25,000	89,371	64,371
Federal	3,500	4,526	1,026
State	36,200	336,701	300,501
Local	<u>526,855</u>	<u>526,530</u>	<u>(325)</u>
TOTAL RECEIPTS	<u>3,467,595</u>	<u>3,525,498</u>	<u>57,903</u>
DISBURSEMENTS			
General government			
County Board			
Personnel services	89,933	88,880	1,053
Operating expenses	4,100	2,398	1,702
Supplies and materials	<u>50</u>	<u>6</u>	<u>44</u>
Total County Board	<u>94,083</u>	<u>91,284</u>	<u>2,799</u>
Clerk			
Personnel services	144,441	151,890	(7,449)
Operating expenses	7,659	1,114	6,545
Supplies and materials	3,550	3,188	362
Capital outlay	<u>1,500</u>	<u>958</u>	<u>542</u>
Total Clerk	<u>157,150</u>	<u>157,150</u>	
Treasurer			
Personnel services	142,113	139,203	2,910
Operating expenses	10,880	7,119	3,761
Supplies and materials	5,000	7,081	(2,081)
Capital outlay	<u>700</u>	<u>2,246</u>	<u>(1,546)</u>
Total Treasurer	<u>158,693</u>	<u>155,649</u>	<u>3,044</u>
Assessor			
Personnel services	143,213	143,219	(6)
Operating expenses	6,750	5,067	1,683
Supplies and materials	2,400	2,050	350
Capital outlay	<u>2,300</u>	<u>34</u>	<u>2,266</u>
Total Assessor	<u>154,663</u>	<u>150,370</u>	<u>4,293</u>

SCHEDULE 1
(Continued)

FRANKLIN COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
DISBURSEMENTS (Continued)			
General government (Continued)			
Election Commissioner			
Personnel services	27,350	16,282	11,068
Operating expenses	15,300	12,096	3,204
Supplies and materials	1,500	1,989	(489)
Rent and services rendered	1,000	600	400
Total Election Commissioner	<u>45,150</u>	<u>30,967</u>	<u>14,183</u>
Data Processing Department			
Operating expenses	89,500	82,619	6,881
Supplies and materials	3,400	3,084	316
Capital outlay	5,000		5,000
Total Data Processing Department	<u>97,900</u>	<u>85,703</u>	<u>12,197</u>
Clerk of the District Court			
Personnel services	23,450	29,338	(5,888)
Operating expenses	12,350	836	11,514
Supplies and materials	700	385	315
Capital outlay	1,500	274	1,226
Total Clerk of the District Court	<u>38,000</u>	<u>30,833</u>	<u>7,167</u>
County Court			
Personnel services			
Operating expenses	6,850	1,363	5,487
Supplies and materials	1,900	1,420	480
Capital outlay	1,800	2,205	(405)
Total County Court	<u>10,550</u>	<u>4,988</u>	<u>5,562</u>
Building and Grounds			
Personnel services	44,000	45,883	(1,883)
Operating expenses	41,425	38,213	3,212
Supplies and materials	5,500	3,130	2,370
Capital outlay	1,000	2,029	(1,029)
Total Building and Grounds	<u>91,925</u>	<u>89,255</u>	<u>2,670</u>

SCHEDULE 1
(Continued)

FRANKLIN COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
DISBURSEMENTS (Continued)			
General government (Continued)			
Agricultural Extension Agent			
Personnel services	51,195	48,564	2,631
Operating expenses	6,840	6,375	465
Supplies and materials	1,300	1,714	(414)
Capital outlay	2,500	5,182	(2,682)
Total Agricultural Extension Agent	<u>61,835</u>	<u>61,835</u>	<u></u>
Miscellaneous			
Personnel services	566,075	559,685	6,390
Operating expenses	416,888	378,751	38,137
Supplies and materials	6,500	1,118	5,382
Rent and services rendered	18,500	19,104	(604)
Capital outlay	500		500
Total Miscellaneous	<u>1,008,463</u>	<u>958,658</u>	<u>49,805</u>
Total general government	<u>1,918,412</u>	<u>1,816,692</u>	<u>101,720</u>
Public Safety			
Sheriff			
Personnel services	308,318	325,064	(16,746)
Operating expenses	78,994	27,774	51,220
Supplies and materials	21,000	23,503	(2,503)
Capital outlay	63,000	94,971	(31,971)
Total Sheriff	<u>471,312</u>	<u>471,312</u>	<u></u>
County Attorney			
Personnel services	107,193	107,382	(189)
Operating expenses	27,225	27,189	36
Supplies and materials	500	347	153
Total County Attorney	<u>134,918</u>	<u>134,918</u>	<u></u>

SCHEDULE 1
(Continued)

FRANKLIN COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
DISBURSEMENTS (Continued)			
Public Safety (Continued)			
Jail			
Personnel services	268,625	222,829	45,796
Operating expenses	69,900	83,684	(13,784)
Supplies and materials	1,600	6	1,594
Capital outlay	2,000	2,498	(498)
Total Jail	<u>342,125</u>	<u>309,017</u>	<u>33,606</u>
Total Public Safety	<u>948,355</u>	<u>915,247</u>	<u>33,606</u>
Public Works			
Noxious Weed			
Personnel services	27,200	26,483	717
Operating expenses	43,145	13,549	29,596
Supplies and materials	5,400	4,399	1,001
Capital outlay	1,750		1,750
Total Noxious Weed	<u>77,495</u>	<u>44,431</u>	<u>33,064</u>
Total Public Works	<u>77,495</u>	<u>44,431</u>	<u>33,064</u>
Public Welfare and Social Services			
Veterans Service Officer			
Personnel services	15,500	15,634	(134)
Operating expenses	5,100	2,225	2,875
Supplies and materials	400		400
Capital outlay	2,000		2,000
Total Veterans Service Officer	<u>23,000</u>	<u>17,859</u>	<u>5,141</u>
Total Public Welfare and Social Services	<u>23,000</u>	<u>17,859</u>	<u>5,141</u>
TOTAL DISBURSEMENTS	<u>2,967,262</u>	<u>2,794,229</u>	<u>173,531</u>
RECEIPTS OVER DISBURSEMENTS		731,269	

SCHEDULE 1
(Continued)

FRANKLIN COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Transfers in	260,000	185,000	(75,000)
Transfers out	<u>(1,028,111)</u>	<u>(720,366)</u>	<u>307,745</u>
Total other financing sources (uses)	<u>(768,111)</u>	<u>(535,366)</u>	<u>232,745</u>
NET CHANGE IN FUND BALANCE		195,903	
FUND BALANCE, beginning of year		<u>1,126,548</u>	
FUND BALANCE, end of year		<u>1,322,451</u>	

SCHEDULE 2

FRANKLIN COUNTY, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 SPECIAL REVENUE FUND - MAJOR
 ROAD/BRIDGE FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
RECEIPTS			
Federal	2,000	2,111	111
State	1,043,575	1,054,963	11,388
Local	130,200	169,606	39,406
Total receipts	<u>1,175,775</u>	<u>1,226,680</u>	<u>50,905</u>
DISBURSEMENTS			
Personnel services	974,837	684,778	290,059
Operating expenses	298,740	211,793	86,947
Supplies and materials	888,600	592,045	296,555
Rent and services rendered	10,500	8,500	2,000
Capital outlay	329,000	462,335	(133,335)
Debt service	64,425	64,625	(200)
Total disbursements	<u>2,566,102</u>	<u>2,024,076</u>	<u>542,026</u>
RECEIPTS UNDER DISBURSEMENTS		(797,396)	
OTHER FINANCING SOURCES			
Transfers in	<u>1,002,592</u>	<u>702,485</u>	<u>(300,107)</u>
NET CHANGE IN FUND BALANCE		(94,911)	
FUND BALANCE, beginning of year		<u>577,735</u>	
FUND BALANCE, end of year		<u>482,824</u>	

FRANKLIN COUNTY, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 SPECIAL REVENUE FUND - MAJOR
 INHERITANCE TAX FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
RECEIPTS			
Inheritance taxes	<u>324,000</u>	<u>916,997</u>	<u>592,997</u>
DISBURSEMENTS			
Operating expenses	146,500	1,425	145,075
Capital outlay	<u>60,000</u>	<u>60,000</u>	
Total disbursements	<u>206,500</u>	<u>61,425</u>	<u>145,075</u>
RECEIPTS OVER DISBURSEMENTS		855,572	
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(275,000)</u>	<u>(200,000)</u>	<u>75,000</u>
NET CHANGE IN FUND BALANCE		655,572	
FUND BALANCE, beginning of year		<u>357,500</u>	
FUND BALANCE, end of year		<u>1,013,072</u>	

SCHEDULE 4

FRANKLIN COUNTY, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS - MAJOR
 COVID AMERICAN RESCUE PLAN FUND
 FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Favorable (Unfavorable)
RECEIPTS	<u> </u>	<u> </u>	<u> </u>
DISBURSEMENTS			
Operating expenses	33,958	32,079	1,879
Capital outlay	<u>391,400</u>	<u>345,462</u>	<u>45,938</u>
Total disbursements	<u>425,358</u>	<u>377,541</u>	<u>47,817</u>
NET CHANGE IN FUND BALANCE		(377,541)	
FUND BALANCE, beginning of year		<u>425,358</u>	
FUND BALANCE, end of year		<u>47,817</u>	

SCHEDULE 5

FRANKLIN COUNTY
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
RECEIPTS				
Highway Road Buyback Program Fund				
State	101,613	101,613	101,613	
Highway Bridge Buyback Program Fund				
State	36,727	36,727	36,727	
Historical Bridge Fund				
Local			1,665	1,665
Equip Sinking Sheriff Vehicle Fund				
Local		60,000	52,000	(8,000)
Building and Land Improvement Fund				
Transfers in	15,000	15,000	15,000	
Reappraisal Fund				
Transfers in	25,518	25,518	17,880	(7,638)
Preservation and Modernization Fund				
State	4,512	4,512	2,253	(2,259)
Veterans' Aid Fund				
Local	1,000	1,000	5,043	4,043
STOP Program Fund				
State			845	845
Opioid Recovery Fund				
Local	3,630	3,630	6,695	3,065
LATCF Fund				
Federal	50,000	50,000	50,000	
Local			3,500	3,500
TOTAL RECEIPTS	<u>238,000</u>	<u>298,000</u>	<u>293,221</u>	<u>4,779</u>

SCHEDULE 5
(Continued)

FRANKLIN COUNTY
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
DISBURSEMENTS				
Highway Road Buyback Program Fund				
Capital Outlay	<u>218,983</u>	<u>218,983</u>	<u> </u>	<u>218,983</u>
Bridge Escrow Fund				
Capital Outlay	<u>51,800</u>	<u>51,800</u>	<u> </u>	<u>51,800</u>
Highway Bridge Buyback Program Fund				
Capital Outlay	<u>58,231</u>	<u>58,231</u>	<u> </u>	<u>58,231</u>
Historical Bridge Fund				
Capital Outlay	<u>44,619</u>	<u>44,619</u>	<u> </u>	<u>44,619</u>
Building and Land Improvement Fund				
Operating expenses	<u>26,693</u>	<u>26,693</u>	<u>24,844</u>	<u>1,849</u>
Equip Sinking Sheriff Fund				
Capital Outlay	<u> </u>	<u>60,000</u>	<u>51,117</u>	<u>8,883</u>
Reappraisal Fund				
Personal services	25,800	25,800	8,922	16,878
Operating expense	10,200	10,200	4,195	6,005
Supplies and materials	2,000	2,000	746	1,254
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>10,206</u>	<u>4,794</u>
Total Reappraisal Fund	<u>53,000</u>	<u>53,000</u>	<u>24,069</u>	<u>28,931</u>
Preservation and Modernization Fund				
Operating Expenses	4,600	4,600	1,698	2,902
Equipment rental	<u>400</u>	<u>400</u>	<u>336</u>	<u>64</u>
Total Preservation and Modernization Fund	<u>5,000</u>	<u>5,000</u>	<u>2,034</u>	<u>2,966</u>
Veterans' Aid Fund				
Operating expenses	<u>93,966</u>	<u>93,966</u>	<u>1,478</u>	<u>92,488</u>

SCHEDULE 5
(Continued)

FRANKLIN COUNTY
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
DISBURSEMENTS (Continued)				
STOP Program Fund				
Operating expenses	<u>3,622</u>	<u>3,622</u>	<u>2,611</u>	<u>1,011</u>
OPIOD Recovery Fund				
Operating expenses	<u>7,260</u>	<u>7,260</u>	<u>991</u>	<u>6,269</u>
LATCF Fund				
Operating expenses	<u>100,000</u>	<u>100,000</u>	<u>13,752</u>	<u>86,248</u>
TOTAL DISBURSEMENTS	<u>663,174</u>	<u>723,174</u>	<u>120,896</u>	<u>602,278</u>
RECEIPTS UNDER DISBURSEMENTS			172,325	
FUND BALANCES, beginning of year			<u>519,167</u>	
FUND BALANCES, end of year			<u>691,492</u>	

FRANKLIN COUNTY, NEBRASKA
NOTES TO BUDGETARY SCHEDULES

NOTE 1. BUDGETARY COMPARISON SCHEDULES - CASH BASIS

Budgets

The County follows these procedures in establishing the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1, the finance committee or other designated budget-making authority prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash basis of accounting.

At least one public hearing must be held by the County Board.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. Appropriations lapse at year end.

Basis of Accounting

The accompanying budgetary comparison schedules are presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All unexpended appropriations lapse at the end of the budget year.

Budget Law

The County is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

FRANKLIN COUNTY, NEBRASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Highway Road Buyback Program Fund	Bridge Escrow Fund	Highway Bridge Buyback Program Fund	Historical Bridge Fund	Building and Land Improvement Fund	Equip Sinking Sheriff Vehicle Fund	Reappraisal Fund	Preservation and Modernization Fund	Veterans Aid Fund	STOP Program Fund	Opioid Recovery Fund	LATCF Fund	Total Other Governmental Funds
RECEIPTS													
Interest	101,613		36,727	1,665		52,000			5,042			50,000	5,042
Intergovernmental									1	845	6,695	3,500	249,546
Miscellaneous								2,253					3,500
Charges for services													2,253
TOTAL RECEIPTS	101,613		36,727	1,665		52,000		2,253	5,043	845	6,695	53,500	260,341
DISBURSEMENTS													
General government					14,346	51,117	24,070	2,034	1,478	2,611	991	13,752	110,399
Public Works					10,497								10,497
TOTAL DISBURSEMENTS					24,843	51,117	24,070	2,034	1,478	2,611	991	13,752	120,896
RECEIPTS OVER (UNDER)													
DISBURSEMENTS	101,613		36,727	1,665	(24,843)	883	(24,070)	219	3,565	(1,766)	5,704	39,748	139,445
OTHER FINANCING SOURCES (USES)													
Transfers in (out)					15,000		17,880						32,880
NET CHANGE IN FUND BALANCE	101,613		36,727	1,665	(9,843)	883	(6,190)	219	3,565	(1,766)	5,704	39,748	172,325
FUND BALANCE, beginning of year	117,370	101,800	21,504	44,619	17,687		35,481	488	122,966	3,622	3,630	50,000	519,167
FUND BALANCE, end of year	218,983	101,800	58,231	46,284	7,844	883	29,291	707	126,531	1,856	9,334	89,748	691,492
ASSETS, end of year													
Cash and certificates of deposit	218,983	101,800	58,231	46,284	7,844	883	29,291	707	126,531	1,856	9,334	89,748	691,492
FUND BALANCES, end of year	218,983	101,800	58,231	46,284	7,844	883	29,291	707	126,531	1,856	9,334	89,748	691,492
Restricted for:													
Preservation of records								707					707
Federal programs												89,748	89,748
Road and bridge projects	218,983		58,231										277,214
Committed to:													
Law enforcement						883				1,856			2,739
Road and bridge maintenance		101,800		46,284									148,084
Aid and assistance					7,844				126,531				126,531
County buildings and land													7,844
Property reappraisal							29,291						29,291
Assigned											9,334		9,334
Total fund balances	218,983	101,800	58,231	46,284	7,844	883	29,291	707	126,531	1,856	9,334	89,748	691,492



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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 County Board of Commissioners
Franklin County, Nebraska
Franklin, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County, Nebraska, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Franklin County, Nebraska's basic financial statements, and have issued our report thereon dated June 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Franklin County, Nebraska's internal control over financial reporting (internal control) to determine the 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 Franklin County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin County, Nebraska's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. 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.

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. However, material weaknesses may exist that have not been identified. We did identify a certain 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 Franklin County, Nebraska'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*.

Franklin County, Nebraska's Response to Findings

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

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 Franklin County, Nebraska's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County, Nebraska's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Minden, Nebraska
June 25, 2025

FRANKLIN COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024

2024-001 SEGREGATION OF DUTIES

Criteria

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

Condition

The same individual routinely reconciles the bank statements, makes journal entries, and manages the general ledger functions. Administrative personnel have access to cash receipts, preparing checks, recording the transactions, and making deposits.

Cause

Due to the size of the County, there is limited segregation of duties over accounting functions.

Potential Effect

Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting.

Recommendations

We recommend that the County continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations.

Views of Responsible Officials and Planned Corrective Action

The County, within the constraints of existing time and cost considerations, will continue to review the situation and make improvements as deemed appropriate.

FRANKLIN COUNTY, NEBRASKA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024

2023-001 SEGREGATION OF DUTIES

The County had a limited number of personnel involved in the accounting functions. It was recommended that the County continue to monitor and evaluate its internal controls with the use of limited personnel to provide as much segregation of duties as determined to be feasible within its operations. This is a continuing finding, as noted in the schedule of findings and responses as item 2024-001, for the year ended June 30, 2024.