

**NORTHEAST NEBRASKA PUBLIC HEALTH
DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE
COUNTIES, NEBRASKA**

**Audited Financial Statements for the Year Ended
June 30, 2025
With Independent Auditor's Report**

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTES, NEBRASKA**

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Lengemann & Associates, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Northeast Nebraska Public Health Department
Wayne, Nebraska 68787

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Northeast Nebraska Public Health Department (the "Department"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's modified cash basis financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Department, as of June 30, 2025, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash 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 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 Department and to meet our 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 modified 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 these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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 Department'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 Department's basic financial statements. The accompanying supplementary information including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards 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 April 28, 2026, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Lengemann & Associates, P.C.

Lengemann & Associates, P.C.

Papillion, Nebraska

April 28, 2026

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE/ STATEMENT OF NET
POSITION - MODIFIED CASH BASIS
YEAR ENDED JUNE, 30, 2025**

	<u>General Fund</u>	<u>Statement of Net Position</u>
ASSETS		
Cash -- Unrestricted	\$ 402,819	\$ 402,819
Cash -- Restricted	716,575	716,575
Prepaid benefits	<u>122</u>	<u>122</u>
Total Assets	<u>\$ 1,119,516</u>	<u>\$ 1,119,516</u>
LIABILITIES		
Accounts payable	\$ 1,515	\$ 1,515
Accrued compensation	<u>11,312</u>	<u>11,312</u>
Total Liabilities	<u>12,827</u>	<u>12,827</u>
FUND BALANCE/NET POSITION		
Restricted	716,575	716,575
Unassigned/Unrestricted	<u>390,114</u>	<u>390,114</u>
Total Fund Balance/Net Position	<u>1,106,689</u>	<u>1,106,689</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 1,119,516</u>	<u>\$ 1,119,516</u>

See accompanying notes to financial statements.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**STATEMENT OF RECIEPTS, EXPENDITURES/EXPENSES AND CHANGE IN FUND
BALANCE/ STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION – MODIFIED
CASH BASIS
FOR THE YEAR ENDED JUNE, 30, 2025**

EXPENDITURES/EXPENSES	General Fund	Statement of Activities
Infrastructure/Disease surveillance	\$ 117,138	\$ 117,138
A&A	276,011	276,011
PHEP	102,687	102,687
ARPA	696,937	696,937
APQI	32,946	32,946
Arbovirus	2,542	2,542
Equity	14,209	14,209
Community Response	20,993	20,993
United Way	4,346	4,346
CRCA	15,944	15,944
Environmental	43,708	43,708
ELC	229,975	229,975
Prevention	3,492	3,492
HRSA	23,835	23,835
Immunization	60,765	60,765
Lead	6,038	6,038
Minority Health	49,930	49,930
Mpox	6,301	6,301
NALHD Oral Health	71,383	71,383
NDE	5,998	5,998
NYG	4,928	4,928
Opioid	3,431	3,431
CNS	16,548	16,548
OHR	5,315	5,315
Region 4	34,581	34,581
SDOH	60,343	60,343
STI	31,898	31,898
UNMC Diabetes	104,265	104,265
YMH	3,524	3,524
Total Expenditures/Expenses	<u>2,050,011</u>	<u>2,050,011</u>
PROGRAM RECEIPTS		
Grant Receipts	<u>1,942,057</u>	<u>1,942,057</u>
Total Grant Receipts	<u>1,942,057</u>	<u>1,942,057</u>
GENERAL RECEIPTS AND TRANSFERS		
Infrastructure	162,472	162,472
Disease Surveillance	295,415	295,415
Interest	25,027	25,027
Other Receipts	<u>32,535</u>	<u>32,535</u>
Total General Receipts and Transfers	<u>515,449</u>	<u>515,449</u>
Change in Fund Balance/Net Position	407,495	407,495
Fund Balance/Net Position – Beginning	<u>699,194</u>	<u>699,194</u>
Fund Balance/Net Position – Ending	<u>\$ 1,106,689</u>	<u>\$ 1,106,689</u>

See accompanying notes to financial statements.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by the Northeast Nebraska Public Health Department, Cedar, Dixon, Thurston, and Wayne Counties, Nebraska.

Reporting Entity

The Northeast Nebraska Public Health Department is located in Wayne, Nebraska and operates with a board of ten members. The Department was created pursuant to the power delegated by the Nebraska Legislature as set forth in applicable Nebraska Statutes. The Counties of Cedar, Dixon, Thurston, and Wayne entered into an Interlocal Agreement to establish the Department. The purpose of the Department is to work collaboratively with local providers and statewide organizations to assure that the full range of public health services are provided within the geographic boundaries of the Counties, as prescribed by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services and to carry out core public health functions within the geographic boundaries of the Counties.

The financial statements include all the relevant funds of Northeast Nebraska Public Health Department. There are no component units that are required to be included in these financial statements.

Basis of Accounting

The financial statements of the Northeast Nebraska Public Health Department are prepared on the modified cash basis of accounting. Revenues are recognized when cash is received by the Department rather than when earned. Expenditures are recognized when cash is disbursed rather than when the obligation is incurred. The Department records credit card transactions, payroll tax liabilities and accrued compensation, thus modifying the pure cash basis. This differs from generally accepted accounting principles, 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 generally accepted accounting principles.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation

The accounts of the Northeast Nebraska Public Health Department are organized on the basis of funds, which report on its financial position and the results of its operation. A fund is a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which record revenues, expenses, and fund balances for the purpose of complying with the limitations and restrictions placed on the resources made available to the Department. The Department uses the following funds:

General Fund

This fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in other funds.

Budgets

The Department 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 executive director and/or other designated budget making authority prepares and transmits a budget for each of the Department's Funds showing the requirements, operating reserve to be maintained, cash on hand at the close of the preceding fiscal year, revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the Department's financial statements, is prepared on the cash receipts and disbursements basis of accounting. At least one public hearing must be held by the Department's Board.

Prior to September 20, after the action of the Tax Equalization and Review Commission has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated. The Department's 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 yearend. The budget was not amended in the past year.

NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Fixed assets are recorded as disbursements at the time of purchase. They are not recorded as assets and are not depreciated.

Equity Classification

In government-wide financial statement, equity is classified as net position and is displayed as either restricted, which consists of net position with constraints placed on its use by either external groups (creditors, grantors, or contributors) or laws and regulations of other governments, or unrestricted, which is any net position not meeting the prior definition.

In fund financial statements, equity is classified as fund balance, which can be displayed in five different classifications: 1) non-spendable, which are amounts that cannot be spent because of their form (inventory or prepaid items) or that are legally or contractually required to be maintained; 2) restricted, which is defined in the same manner as previously discussed; 3) committed, which are amounts constrained to specific purposes by the Department itself using its highest level of decision making authority (Board resolution); 4) assigned, which are amounts the Department intends to use for specific purposes; and 5) unassigned, which are amounts available for any purpose. It is the Department's policy to use restricted fund balance/net position first when allowed, followed by committed, assigned, and finally unassigned/unrestricted.

2. DEPOSITS AND INVESTMENTS

For the following disclosure required by Governmental Accounting Standards Board Statement No. 40, deposits include checking accounts, savings accounts, money market accounts and certificates of deposit. The Department had deposits at two financial institutions, located in the Northeast Nebraska Area.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Department had deposits at two financial institutions, located in the Northeast Nebraska Area:

	Financial Institution 1	Financial Institution 2	Total
Bank Balances	\$ 963,473	\$ 250,051	\$ 1,213,524
FDIC	250,000	250,000	500,000
FDIC Over/(Under)	\$ (713,473)	\$ (51)	\$ (713,524)
Carrying Amount	\$ 873,402	\$ 245,993	\$ 1,119,395

3. RESTRICTED CASH/RESTRICTED NET POSITION/FUND BALANCE

Restricted cash and net position/fund balance are available only for use in the specific purposes in each project's grant or contractual agreement.

4. RETIREMENT PROGRAM

The Nebraska Public Employees' Retirement System (NPERS) is a multi-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. NCERS provides retirement and disability benefits to members and beneficiaries based solely on amounts contributed plus investment earnings. NCERS provisions are established under State Statute Section 23-2301 through 23-2325 R.S. Supp 1994 and may be amended through legislative action. Employees contribute 4.5% of their salary, and the Department contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by State Statute Sections 23-2307 and 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is vested 100% after three years participation in the NCERS. For the year ended June 30, 2025, employees contributed \$29,723; the Department contributed \$44,584, all of which consisted of cash contributions.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

5. RISK MANAGEMENT

The Department 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 Department has purchased commercial insurance to cover the above risks. Since creation of the Department, there have been no claims settled in excess of commercial insurance coverage.

6. CONTRACT AND GRANT PROGRAMS

The Department participates in State and Federal contract and grant programs which are governed by various rules and regulations of the grantor agencies. Adjustments can be made by grantor agencies to the extent the Department has not complied with the rules and regulations governing contracts and grants. The adjustments may require the refunding of monies previously received or the ability to collect any related receipt may be impaired. In the opinion of the Department, there are currently no significant contingencies relating to compliance with the rules and regulations governing respective contracts and grants.

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through April 28, 2026, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE – CASH BASIS
YEAR ENDED JUNE 30, 2025**

	<u>Budget</u> <u>(Original)</u>	<u>Budget</u> <u>(Final)</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
CASH RECEIPTS				
Federal	\$ 1,100,000	\$ 1,100,000	\$ 1,568,022	\$ 468,022
State	162,213	162,213	482,036	319,823
Local	1,463,212	1,463,212	407,448	(1,055,764)
Total cash receipts	<u>\$ 2,725,425</u>	<u>\$ 2,725,425</u>	<u>2,457,506</u>	<u>\$ (267,919)</u>
CASH DISBURSEMENTS				
Operating expenses	\$ 2,200,000	\$ 2,200,000	1,321,514	\$ 878,486
Capital outlay	1,100,000	1,100,000	699,666	400,334
Total cash disbursements	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>	<u>2,021,180</u>	<u>\$ 1,278,820</u>
Cash Receipts Over (Under) cash disbursements			<u>\$ 436,326</u>	

The notes are an integral part of these financial statements.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE – CASH BASIS
YEAR ENED JUNE 30, 2025**

NOTE A. BUDGETARY ACCOUNTING

The Department prepares its budget for the Governmental Funds on the cash basis of accounting. In compliance with Nebraska State Statutes, the City adopts a unified budget that encompasses all funds. Under the method of accounting, all unexpended appropriations lapse at the end of the budget year. It is prepared on the cash basis which differs from that used to present the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Such differences and their effect are summarized as follows:

Receipts over (under) disbursements on a budgetary basis	\$ 436,326
Adjustments increase (decrease) for accruals:	
Expenditures	<u>(28,831)</u>
Revenues over (under) expenditures and other financing sources (uses) on a Modified Cash basis	<u>\$ 407,495</u>

NOTE B. BUDGET LAW

The Department 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. Appropriations for expenditures lapse at year-end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

NOTE C. PRESENTATION

Governmental Accounting Standards requires that for reporting purposes, the General fund include all activity of funds that do not generate a significant amount of revenues from outside sources.

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing</u>	<u>Total Federal Expenditures</u>
U.S. Department of the Treasury		
Passed through the Nebraska Department of Health and Human Services		
Coronavirus State and Local Fiscal Recover Funds	21.027	\$ 696,937*
Total U.S. Department of the Treasury		\$ 696,937
U.S. Department of Health and Human Services		
Passed through the Nebraska Department of Health and Human Services:		
Public Health Emergency Preparedness	93.069	100,020
HRSA Rural Health Network Development Program	93.912	71,383
Immunization and Vaccines for Children Programs	93.268	60,765
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	48,546
Preventative Health and Health Services Block Grant	93.991	49,494
CDC Health Disparities	93.391	14,209
Centers for Disease Control and Prevention Collaboration	93.967	338,070
Childhood Lead Poisoning Prevention Projects	93.197	6,038
Sexually Transmitted Diseases (STD)	93.977	31,898
Block Grants for Community Mental Health Services	93.958	35,982
Total U.S. Department of Health and Human Services		756,405
Total Expenditures of Federal Awards		\$ 1,453,342

*Represents Major Program

**NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT
CEDAR, DIXON, THURSTON, AND WAYNE COUNTIES, NEBRASKA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUN 30, 2025**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (schedule) includes the federal grant activity of Northeast Nebraska Public Health Department (NNPHD) under programs of federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of NNPHD, it is not intended to and does not present the financial position, changes in net position, or cash flows of NNPHD. The Department's reporting entity is defined in Note 1 to the Department's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the schedule. Unless otherwise noted on the schedule, all programs are received directly from the respective federal agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Department has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – FEDERAL EXPENDITURES

The federal expenditures listed in the schedule generally are the expenditures recorded to that program with the accounting records that have been reimbursed (federal awards revenue).

ADDITIONAL INFORMATION

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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

Northeast Nebraska Public Health Department Board
Wayne, Nebraska 68787

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 and each major fund of the Northeast Nebraska Public Health Department (the Department), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated April 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over the financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003.

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

Lengemann & Associates, P.C.

Lengemann & Associates P.C.

Papillion, Nebraska

April 28, 2026

Lengemann & Associates, P.C.

Certified Public Accountants

www.lengemanncpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Northeast Nebraska Public Health Department Board
Wayne, Nebraska 68787

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Northeast Nebraska Public Health Department (hereinafter "the Department") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2025. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs.

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Department's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Department's federal programs.

Auditor's Responsibility for the Audit Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Department compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Department's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal

program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lengemann & Associates, P.C.

Lengemann & Associates, P.C.

Papillion, Nebraska

April 28, 2026

Northeast Nebraska Public Health Department
Cedar, Dixon, Thurston, and Wayne Counties, Nebraska
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | |
|---|-------------------|-----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> X </u> Yes | <u> </u> None Reported |
| • Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over major programs:

- | | | |
|---|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> None Reported |

Type of auditor's report issued on compliance for major programs: Unmodified

- | | | |
|--|-------------------|-----------------|
| • Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u> </u> Yes | <u> X </u> No |
|--|-------------------|-----------------|

Identification of major programs:

AI Number(s)
21.027

Name of Federal Program or Cluster
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

Northeast Nebraska Public Health Department
Cedar, Dixon, Thurston, and Wayne Counties, Nebraska
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

II. FINANCIAL STATEMENT FINDINGS

Significant Deficiency of Internal Control Over Financial Reporting Identified
2025 – 001

Criteria (Significant Deficiency)

Internal Controls should be in place to provide for preparation of the financial statements and notes in accordance with modified accrual basis accounting.

Condition (Significant Deficiency)

The Board of Directors has engaged its outside audit firm to prepare the financial statements and notes in accordance with modified accrual basis accounting.

Cause (Significant Deficiency)

The Department does not have an internal control system designed to prepare the financial statements and notes in accordance with modified accrual basis accounting.

Effect (Significant Deficiency)

The Department is not able to prepare the financial statements and notes in accordance with modified accrual basis accounting.

Recommendation

We recommend the Board of Directors stay involved in the process to ensure oversight over the non-audit service of the preparation of the financial statements by its outside audit firm.

Response from the Board of Directors

The Board of Directors agrees with the deficiency but notes this type of entity typically has this lack of oversight due to the size of the Board and cost associated to provide an internal control system to allow the Department to prepare the financial statements and notes in accordance with modified accrual basis accounting. The Board of Directors will accept responsibility and risk associated with this deficiency.

Northeast Nebraska Public Health Department
Cedar, Dixon, Thurston, and Wayne Counties, Nebraska
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

II. FINANCIAL STATEMENT FINDINGS

Compliance – Late filing of report
2025 – 002

Criteria

Financial statement audits must be completed and reports submitted within 6 months after the close of the fiscal year.

Condition

This is a requirement set by the State of Nebraska.

Cause

Management in the Department was unaware of the requirement.

Effect

Lack of timeliness in financial reporting could lead to missing information, possible withholding of funding and other penalties.

Recommendation

We recommend the Board of Directors stay involved in the process to ensure oversight over the requirements and management communicate possible issues in relation to this directly to the Board, CPA and audit team.

Response from the Board of Directors

The Board of Directors agrees with the finding and will work with management to ensure future filings are on time.

Northeast Nebraska Public Health Department
Cedar, Dixon, Thurston, and Wayne Counties, Nebraska
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Compliance – Unsecured deposits
2025 – 003

Criteria

Deposits over the FDIC limit of \$250,000 must be covered by collateral or pledged securities.

Condition

The Department had \$713,473 of unsecured deposits at year end.

Cause

Management in the Department was unaware of the requirement.

Effect

Unsecured deposits are at risk of loss in case of bank failure or otherwise.

Recommendation

We recommend management contact the institution and establish a method set forth above to cover these unsecured balances.

Response from the Board of Directors

The Board of Directors agrees with the finding and will work with management to ensure future deposits are properly secured.

Northeast Nebraska Public Health Department
Cedar, Dixon, Thurston, and Wayne Counties, Nebraska
SCHEDULE OF PRIOR YEAR FINDING AND QUESTIONED COST
Year Ended June 30, 2025

Reference
Number

2024-001: Preparation of financial statements: Repeated