

**AUDIT REPORT
OF
PLATTE COUNTY**

JULY 1, 2016, THROUGH JUNE 30, 2017

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the Auditor of Public Accounts.**

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Issued on November 8, 2017

PLATTE COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Basis Net Position - Fiduciary Funds	9
Notes to Financial Statements	10 - 19
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Major Funds	22
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	23 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	27 - 29
Schedule of Office Activities	30 - 31
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	32
Government Auditing Standards Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33 - 35

PLATTE COUNTY
2610 14th STREET
COLUMBUS, NE 68601

LIST OF COUNTY OFFICIALS

At June 30, 2017

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Jerry Engdahl	Jan. 2021
	Robert Lloyd	Jan. 2019
	Thomas Martens	Jan. 2019
	Jerry Micek	Jan. 2021
	Hollie Olk	Jan. 2019
	Ronald Pfeifer	Jan. 2021
	James Scow	Jan. 2019
Assessor	Tom Placzek	Jan. 2019
Attorney	Carl Hart Jr.	Jan. 2019
Clerk	Diane Pinger	Jan. 2019
Election Commissioner	Diane Olmer	Jan. 2019
Register of Deeds	Diane Kapels	Jan. 2019
Clerk of the District Court	Marlene Vetic	Jan. 2019
Sheriff	Edward Wemhoff	Jan. 2019
Treasurer	Jennifer Reppert	Jan. 2019
Veterans' Service Officer	Eric Mullally	Appointed
Weed Superintendent	Mark Borchers	Appointed
Highway Superintendent	Terry Wicht	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

PLATTE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Platte County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Platte County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Platte County as of June 30, 2017, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-32, are the responsibility of management and were derived from, and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017, on our consideration of Platte County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Platte County's internal control over financial reporting and compliance.

November 6, 2017

A handwritten signature in black ink that reads "Deann Haeffner CPA". The signature is fluid and cursive, with the letters "CPA" written in a slightly more formal, blocky style at the end.

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

PLATTE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 25,870,028
TOTAL ASSETS	<u><u>\$ 25,870,028</u></u>
 NET POSITION	
Restricted for:	
Visitor Promotion	\$ 494,262
Debt Service	1,101,167
Drug Education	1,117
Law Enforcement	73,294
Preservation of Records	21,551
Economic Development	6,799
Library Services	53,138
Child Support Enforcement	134,129
Unrestricted	23,984,571
TOTAL NET POSITION	<u><u>\$ 25,870,028</u></u>

The notes to the financial statements are an integral part of this statement.

PLATTE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2017

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (5,744,643)	\$ 1,063,366	\$ 236,719	\$ (4,444,558)
Public Safety	(4,742,283)	333,735	253,657	(4,154,891)
Public Works	(6,926,544)	14,014	3,161,716	(3,750,814)
Public Assistance	(302,538)	-	44,943	(257,595)
Culture and Recreation	(290,587)	-	-	(290,587)
Debt Payments	(1,129,523)	-	-	(1,129,523)
Total Governmental Activities	<u>\$ (19,136,118)</u>	<u>\$ 1,411,115</u>	<u>\$ 3,697,035</u>	<u>(14,027,968)</u>

General Receipts:

Taxes	13,157,477
Grants and Contributions Not Restricted to Specific Programs	2,102,155
Investment Income	221,117
Licenses and Permits	112,989
Miscellaneous	641,682
Total General Receipts	<u>16,235,420</u>
Increase in Net Position	2,207,452
Net Position - Beginning of year	23,662,576
Net Position - End of year	<u>\$ 25,870,028</u>

The notes to the financial statements are an integral part of this statement.

PLATTE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 5,137,750	\$ 5,997,479	\$ 11,721,714	\$ 3,013,085	\$ 25,870,028
TOTAL ASSETS	<u>\$ 5,137,750</u>	<u>\$ 5,997,479</u>	<u>\$ 11,721,714</u>	<u>\$ 3,013,085</u>	<u>\$ 25,870,028</u>
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	494,262	494,262
Debt Service	-	-	-	1,101,167	1,101,167
Drug Education	-	-	-	1,117	1,117
Law Enforcement	-	-	-	73,294	73,294
Preservation of Records	-	-	-	21,551	21,551
Economic Development	-	-	-	6,799	6,799
Library Services	-	-	-	53,138	53,138
Child Support Enforcement	-	-	-	134,129	134,129
Committed to:					
Law Enforcement	-	-	-	48,674	48,674
Road Maintenance	-	5,997,479	-	-	5,997,479
County Buildings	-	-	-	325,121	325,121
Self Insurance	-	-	-	753,833	753,833
Assigned to:					
Other Purposes	-	-	11,721,714	-	11,721,714
Unassigned	5,137,750	-	-	-	5,137,750
TOTAL CASH BASIS FUND BALANCES	<u>\$ 5,137,750</u>	<u>\$ 5,997,479</u>	<u>\$ 11,721,714</u>	<u>\$ 3,013,085</u>	<u>\$ 25,870,028</u>

The notes to the financial statements are an integral part of this statement.

PLATTE COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 9,957,058	\$ -	\$ 1,686,676	\$ 1,513,743	\$ 13,157,477
Licenses and Permits	112,989	-	-	-	112,989
Investment Income	219,824	-	-	1,293	221,117
Intergovernmental	1,707,355	3,429,701	-	662,134	5,799,190
Charges for Services	1,364,436	14,014	-	32,665	1,411,115
Miscellaneous	106,373	79,748	411,960	43,601	641,682
TOTAL RECEIPTS	<u>13,468,035</u>	<u>3,523,463</u>	<u>2,098,636</u>	<u>2,253,436</u>	<u>21,343,570</u>
DISBURSEMENTS					
General Government	5,279,031	-	244,336	221,276	5,744,643
Public Safety	4,255,579	-	-	486,704	4,742,283
Public Works	116,001	6,810,543	-	-	6,926,544
Public Assistance	302,538	-	-	-	302,538
Culture and Recreation	25,000	-	-	265,587	290,587
Debt Service:					
Principal Payments	-	-	-	874,250	874,250
Interest and Fiscal Charges	-	-	-	255,273	255,273
TOTAL DISBURSEMENTS	<u>9,978,149</u>	<u>6,810,543</u>	<u>244,336</u>	<u>2,103,090</u>	<u>19,136,118</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,489,886</u>	<u>(3,287,080)</u>	<u>1,854,300</u>	<u>150,346</u>	<u>2,207,452</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	681,339	2,805,200	60,000	273,166	3,819,705
Transfers out	(3,071,366)	(60,000)	(7,000)	(681,339)	(3,819,705)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,390,027)</u>	<u>2,745,200</u>	<u>53,000</u>	<u>(408,173)</u>	<u>-</u>
Net Change in Fund Balances	1,099,859	(541,880)	1,907,300	(257,827)	2,207,452
CASH BASIS FUND BALANCES - BEGINNING	<u>4,037,891</u>	<u>6,539,359</u>	<u>9,814,414</u>	<u>3,270,912</u>	<u>23,662,576</u>
CASH BASIS FUND BALANCES - ENDING	<u><u>\$ 5,137,750</u></u>	<u><u>\$ 5,997,479</u></u>	<u><u>\$ 11,721,714</u></u>	<u><u>\$ 3,013,085</u></u>	<u><u>\$ 25,870,028</u></u>

The notes to the financial statements are an integral part of this statement.

PLATTE COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 3,656,605</u>
 LIABILITIES	
Due to other governments	
State	687,417
Schools	1,907,315
Educational Service Units	9,572
Technical College	58,963
Natural Resource Districts	19,815
Fire Districts	44,305
Municipalities	443,916
Agricultural Society	5,813
Drainage Districts	3,869
Townships	152,916
Sanitary and Improvement Districts	184,511
Others	<u>138,193</u>
TOTAL LIABILITIES	<u>3,656,605</u>
 TOTAL NET ASSETS	 <u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies utilized in the accounting system of Platte County.

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$107,444 toward the operation of the Region during fiscal year 2017. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with the East Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2016).

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 2017. 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. § 84-304(4) (Cum. Supp. 2016). Financial information for the Department is available in that report.

Probation Office – The County has entered into an agreement with 10 surrounding counties to operate a probation office. Participating counties are: Boone, Butler, Colfax, Hamilton, Merrick, Nance, Polk, Saunders, Seward, and York. The County pays for the operating costs of the office and is reimbursed by the other participating counties. The budget for the office in fiscal year 2017 was \$240,000 and is reflected in the financial statements as a non-major fund. The County portion for operating the office was \$56,376.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions.

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

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

The County designates fund balances as follows:

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

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

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

C. **Measurement Focus, Basis of Accounting**

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

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

D. **Assets and Net Position**

Cash and Cash Equivalents. The County's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2009) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,885,457 of restricted net position, which is fully restricted by enabling legislation.

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

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2017, disbursements exceeded budgeted appropriations in the Election Commissioner function of the General Fund by \$8,049. These over-expenditures were funded by the available fund balance in the General Fund.

2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$25,870,028 for County funds and \$3,656,605 for Fiduciary funds. The bank balances for all funds totaled \$29,031,541. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2017, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. Property Taxes

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

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

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2016, for the 2016 taxes, which will be materially collected in May and September 2017, was set at \$.198464/\$100 of assessed valuation. The levy set in October 2015, for the 2015 taxes, which were materially collected in May and September 2016, was set at \$.204490/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2016) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 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.

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

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2017, 192 employees contributed \$311,757, and the County contributed \$462,731. Contributions included \$9,775 in cash contributions towards the supplemental law enforcement plan for 21 law enforcement employees. Lastly, the County paid \$564 directly to six retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 89 counties and local governments throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, is sent to each county in writing, and each county has 60 days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such 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 in the last three fiscal years, and no assessments are anticipated for fiscal year 2018. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 2,805,200	\$ -	\$ -	\$ -	\$ 2,805,200
Inheritance Fund	-	-	60,000	-	60,000
General Fund	-	-	-	681,339	681,339
Nonmajor Funds	266,166	7,000	-	-	273,166
Total	<u>\$ 3,071,366</u>	<u>\$ 7,000</u>	<u>\$ 60,000</u>	<u>\$ 681,339</u>	<u>\$ 3,819,705</u>

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. In the year ended June 30, 2017, the County closed the Jail Bond Fund and made a one-time transfer of \$551,339 to the General Fund to close the Fund.

7. Notes Receivable

In 2003, the County received a Community Development Block Grant from the Nebraska Department of Economic Development (DED) in the amount of \$500,000. Over the years, the amount was loaned to various businesses who in turn repaid the money to the County. The DED program has now ended and any money left in the Fund or still being returned to the County is being used as a match to projects approved by the DED. The County only has one loan that is still being repaid, at a rate of \$7,344 a year with expected repayments ending in fiscal year 2022.

8. Road Improvement Districts

Improvement District 3 – The County approved a resolution in February 2010 to finance the construction of a special road improvement project. Property benefiting from the improvement would be assessed a special assessment based on the front footage of the property. Each property owner was given 50 days to pay the amount in full, or was allowed to make payments over a nine-year period with 2% interest. The County paid for the \$207,364 cost of the project from the Inheritance Fund. As of June 30, 2017, there was an uncollected balance of \$17,421.

Improvement District 4 – The County approved a resolution in February 2016 to finance the construction of a special road improvement project. Property benefiting from the improvement would be assessed a special assessment per lot. Each property owner was given 50 days to pay the amount in full, or was allowed to make payments over a 10-year period with 5.5% interest. The County paid for the \$423,696 cost of the project from the Inheritance Fund. As of June 30, 2017, there was an uncollected balance of \$112,003.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. **Long-Term Debt**

Recovery Zone Bonds

The County issued bonds in 2010 in the amount of \$4,640,000 for the purpose of paying the costs of road projects. The bond payable balance, as of June 30, 2017, was \$2,990,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds. Annual payments are due at interest rates ranging from 4.30% to 5.60%.

Future Payments:

Year	Principal	Interest	Total
2018	\$ 300,000	\$ 150,510	\$ 450,510
2019	305,000	136,588	441,588
2020	315,000	121,397	436,397
2021	320,000	105,840	425,840
2022	330,000	88,760	418,760
2023-2026	1,420,000	161,840	1,171,840
Total Payments	<u>\$ 2,990,000</u>	<u>\$ 764,935</u>	<u>\$ 3,754,935</u>

Highway Allocation Bonds

The County issued bonds in 2014 in the amount of \$5,750,000 for the purpose of paying the costs of road projects. The bond payable balance, as of June 30, 2017, was \$4,655,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds. Annual payments are due at interest rates ranging from .45% to 2.75%.

Future Payments:

Year	Principal	Interest	Total
2018	\$ 550,000	\$ 86,615	\$ 636,615
2019	555,000	80,949	635,949
2020	565,000	73,520	638,520
2021	570,000	64,152	634,152
2022	585,000	53,026	638,026
2023-2025	1,830,000	73,750	1,903,750
Total Payments	<u>\$ 4,655,000</u>	<u>\$ 432,012</u>	<u>\$ 5,087,012</u>

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 10,310,345	\$ 10,310,345	\$ 9,957,058	\$ (353,287)
Licenses and Permits	104,001	104,001	112,989	8,988
Interest	200,000	200,000	219,824	19,824
Intergovernmental	1,210,000	1,210,000	1,707,355	497,355
Charges for Services	1,043,600	1,043,600	1,364,436	320,836
Miscellaneous	-	-	106,373	106,373
TOTAL RECEIPTS	12,867,946	12,867,946	13,468,035	600,089
DISBURSEMENTS				
General Government:				
County Board	118,965	118,965	118,109	856
County Clerk	213,616	213,616	207,932	5,684
County Treasurer	361,525	361,525	353,321	8,204
Register of Deeds	198,036	198,036	197,638	398
County Assessor	346,992	346,992	346,480	512
Election Commissioner	159,514	162,281	170,330	(8,049)
Clerk of the District Court	353,380	353,380	308,728	44,652
County Court System	326,500	353,098	334,888	18,210
Public Defender	195,298	195,298	194,918	380
Building and Grounds	505,425	505,425	430,932	74,493
Agricultural Extension Agent	151,533	151,533	151,448	85
Miscellaneous	2,808,378	2,779,013	2,464,307	314,706
Public Safety				
County Sheriff	1,508,645	1,508,645	1,421,579	87,066
County Attorney	431,487	431,487	409,364	22,123
Communication Center	54,000	54,000	36,925	17,075
County Jail	2,336,400	2,336,400	2,158,572	177,828
Emergency Management	102,544	102,544	97,620	4,924
Flood Control	39,657	39,657	-	39,657
Miscellaneous	300,000	300,000	131,519	168,481
Public Works				
County Surveyor	42,012	42,012	41,982	30
Noxious Weed Control	81,675	81,675	74,019	7,656
Public Assistance				
Veterans' Service Officer	111,670	111,670	102,967	8,703
Institutions	383,044	383,044	162,257	220,787
Relief	46,776	46,776	37,314	9,462
Miscellaneous	90,000	90,000	-	90,000
Culture and Recreation				
Miscellaneous	25,000	25,000	25,000	-
TOTAL DISBURSEMENTS	11,292,072	11,292,072	9,978,149	1,313,923

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,575,874	1,575,874	3,489,886	1,914,012
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	681,339	681,339
Transfers out	(2,909,790)	(2,909,790)	(3,071,366)	(161,576)
TOTAL OTHER FINANCING SOURCES (USES)	(2,909,790)	(2,909,790)	(2,390,027)	519,763
Net Change in Fund Balance	(1,333,916)	(1,333,916)	1,099,859	2,433,775
FUND BALANCE - BEGINNING	4,037,891	4,037,891	4,037,891	-
FUND BALANCE - ENDING	<u>\$ 2,703,975</u>	<u>\$ 2,703,975</u>	<u>\$ 5,137,750</u>	<u>\$ 2,433,775</u>

(Concluded)

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 3,335,938	\$ 3,335,938	\$ 3,429,701	\$ 93,763
Charges for Services	-	-	14,014	14,014
Miscellaneous	55,000	55,000	79,748	24,748
TOTAL RECEIPTS	3,390,938	3,390,938	3,523,463	132,525
DISBURSEMENTS	9,644,755	9,644,755	6,810,543	2,834,212
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,253,817)	(6,253,817)	(3,287,080)	2,966,737
OTHER FINANCING SOURCES (USES)				
Transfers in	2,800,000	2,800,000	2,805,200	5,200
Transfers out	-	-	(60,000)	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,800,000	2,800,000	2,745,200	(54,800)
Net Change in Fund Balance	(3,453,817)	(3,453,817)	(541,880)	2,911,937
FUND BALANCE - BEGINNING	6,539,359	6,539,359	6,539,359	-
FUND BALANCE - ENDING	\$ 3,085,542	\$ 3,085,542	\$ 5,997,479	\$ 2,911,937
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 343,825	\$ 343,825	\$ 1,686,676	\$ 1,342,851
Miscellaneous	-	-	411,960	411,960
TOTAL RECEIPTS	343,825	343,825	2,098,636	1,754,811
DISBURSEMENTS	10,058,239	10,058,239	244,336	9,813,903
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(9,714,414)	(9,714,414)	1,854,300	11,568,714
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	60,000	60,000
Transfers out	-	-	(7,000)	(7,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	53,000	53,000
Net Change in Fund Balance	(9,714,414)	(9,714,414)	1,907,300	11,621,714
FUND BALANCE - BEGINNING	9,814,414	9,814,414	9,814,414	-
FUND BALANCE - ENDING	\$ 100,000	\$ 100,000	\$ 11,721,714	\$ 11,621,714

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE DIVERSION PROGRAM FUND				
Receipts	\$ 154,797	\$ 154,797	\$ 145,803	\$ (8,994)
Disbursements	(205,482)	(205,482)	(199,264)	6,218
Transfers in	50,687	50,687	50,687	-
Net Change in Fund Balance	2	2	(2,774)	(2,776)
Fund Balance - Beginning	18,811	18,811	18,811	-
Fund Balance - Ending	<u>\$ 18,813</u>	<u>\$ 18,813</u>	<u>\$ 16,037</u>	<u>\$ (2,776)</u>
VISITOR PROMOTION FUND				
Receipts	\$ 100,000	\$ 100,000	\$ 153,652	\$ 53,652
Disbursements	(141,000)	(141,000)	(122,087)	18,913
Net Change in Fund Balance	(41,000)	(41,000)	31,565	72,565
Fund Balance - Beginning	142,766	142,766	142,766	-
Fund Balance - Ending	<u>\$ 101,766</u>	<u>\$ 101,766</u>	<u>\$ 174,331</u>	<u>\$ 72,565</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ 153,652	\$ 153,652
Disbursements	(150,000)	(150,000)	(3,500)	146,500
Net Change in Fund Balance	(150,000)	(150,000)	150,152	300,152
Fund Balance - Beginning	169,779	169,779	169,779	-
Fund Balance - Ending	<u>\$ 19,779</u>	<u>\$ 19,779</u>	<u>\$ 319,931</u>	<u>\$ 300,152</u>
CHILD SUPPORT ENFORCEMENT FUND				
Receipts	\$ 36,001	\$ 36,001	\$ 89,800	\$ 53,799
Disbursements	(108,414)	(108,414)	(106,674)	1,740
Transfers in	22,294	22,294	22,294	-
Net Change in Fund Balance	(50,119)	(50,119)	5,420	55,539
Fund Balance - Beginning	128,709	128,709	128,709	-
Fund Balance - Ending	<u>\$ 78,590</u>	<u>\$ 78,590</u>	<u>\$ 134,129</u>	<u>\$ 55,539</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ -	\$ -	\$ 21,478	\$ 21,478
Disbursements	(68,448)	(68,448)	(68,375)	73
Net Change in Fund Balance	(68,448)	(68,448)	(46,897)	21,551
Fund Balance - Beginning	68,448	68,448	68,448	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,551</u>	<u>\$ 21,551</u>

(Continued)

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY LIBRARY FUND				
Receipts	\$ 140,301	\$ 140,301	\$ 145,720	\$ 5,419
Disbursements	(140,000)	(140,000)	(140,000)	-
Net Change in Fund Balance	301	301	5,720	5,419
Fund Balance - Beginning	47,418	47,418	47,418	-
Fund Balance - Ending	<u>\$ 47,719</u>	<u>\$ 47,719</u>	<u>\$ 53,138</u>	<u>\$ 5,419</u>
DRUG EDUCATION AND ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,117)	(1,117)	-	1,117
Net Change in Fund Balance	(1,117)	(1,117)	-	1,117
Fund Balance - Beginning	1,117	1,117	1,117	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,117</u>	<u>\$ 1,117</u>
FEDERAL GRANT FUND				
Receipts	\$ 7,394	\$ 7,394	\$ 7,365	\$ (29)
Disbursements	(42,999)	(42,999)	(37,171)	5,828
Net Change in Fund Balance	(35,605)	(35,605)	(29,806)	5,799
Fund Balance - Beginning	36,605	36,605	36,605	-
Fund Balance - Ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 6,799</u>	<u>\$ 5,799</u>
VICTIM ASSISTANCE FUND				
Receipts	\$ 120,283	\$ 120,283	\$ 44,943	\$ (75,340)
Disbursements	(157,093)	(157,093)	(129,499)	27,594
Transfers in	36,809	36,809	133,809	97,000
Net Change in Fund Balance	(1)	(1)	49,253	49,254
Fund Balance - Beginning	8,004	8,004	8,004	-
Fund Balance - Ending	<u>\$ 8,003</u>	<u>\$ 8,003</u>	<u>\$ 57,257</u>	<u>\$ 49,254</u>
LAW ENFORCEMENT SHERIFF FUND				
Receipts	\$ 37,865	\$ 37,865	\$ 23,998	\$ (13,867)
Disbursements	(60,000)	(60,000)	(20,760)	39,240
Net Change in Fund Balance	(22,135)	(22,135)	3,238	25,373
Fund Balance - Beginning	22,135	22,135	22,135	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,373</u>	<u>\$ 25,373</u>

(Continued)

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ADULT PRETRIAL DIVERSION FUND				
Receipts	\$ 26,031	\$ 26,031	\$ 3,987	\$ (22,044)
Disbursements	(26,030)	(26,030)	(23,497)	2,533
Transfers in	-	-	10,000	10,000
Net Change in Fund Balance	1	1	(9,510)	(9,511)
Fund Balance - Beginning	10,764	10,764	10,764	-
Fund Balance - Ending	<u>\$ 10,765</u>	<u>\$ 10,765</u>	<u>\$ 1,254</u>	<u>\$ (9,511)</u>
LAW ENFORCEMENT EQUIPMENT FUND				
Receipts	\$ -	\$ -	\$ 7,200	\$ 7,200
Disbursements	(11,036)	(11,036)	(3,997)	7,039
Net Change in Fund Balance	(11,036)	(11,036)	3,203	14,239
Fund Balance - Beginning	11,036	11,036	11,036	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,239</u>	<u>\$ 14,239</u>
DISTRICT PROBATION FUND				
Receipts	\$ 232,505	\$ 232,505	\$ 183,624	\$ (48,881)
Disbursements	(240,000)	(240,000)	(109,687)	130,313
Transfers in	-	-	56,376	56,376
Transfers out	-	-	(130,000)	(130,000)
Net Change in Fund Balance	(7,495)	(7,495)	313	7,808
Fund Balance - Beginning	7,495	7,495	7,495	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,808</u>	<u>\$ 7,808</u>
HIGHWAY BOND FUND				
Receipts	\$ 1,110,773	\$ 1,110,773	\$ 1,244,137	\$ 133,364
Disbursements	(1,095,273)	(1,095,273)	(1,095,273)	-
Net Change in Fund Balance	15,500	15,500	148,864	133,364
Fund Balance - Beginning	952,303	952,303	952,303	-
Fund Balance - Ending	<u>\$ 967,803</u>	<u>\$ 967,803</u>	<u>\$ 1,101,167</u>	<u>\$ 133,364</u>
JAIL BOND FUND				
Receipts	\$ -	\$ -	\$ 1,272	\$ 1,272
Disbursements	(584,317)	(584,317)	(34,250)	550,067
Transfers out	-	-	(551,339)	(551,339)
Net Change in Fund Balance	(584,317)	(584,317)	(584,317)	-
Fund Balance - Beginning	584,317	584,317	584,317	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLATTE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COURTHOUSE BUILDING FUND				
Receipts	\$ 25,451	\$ 25,451	\$ 26,805	\$ 1,354
Disbursements	(266,373)	(266,373)	-	266,373
Net Change in Fund Balance	(240,922)	(240,922)	26,805	267,727
Fund Balance - Beginning	241,922	241,922	241,922	-
Fund Balance - Ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 268,727</u>	<u>\$ 267,727</u>

HANDICAPPED ACCESSIBILITY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(56,511)	(56,511)	(117)	56,394
Net Change in Fund Balance	(56,511)	(56,511)	(117)	56,394
Fund Balance - Beginning	56,511	56,511	56,511	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,394</u>	<u>\$ 56,394</u>

SELF FUNDED HEALTH INSURANCE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	(8,939)	(8,939)
Net Change in Fund Balance	-	-	(8,939)	(8,939)
Fund Balance - Beginning	762,772	762,772	762,772	-
Fund Balance - Ending	<u>\$ 762,772</u>	<u>\$ 762,772</u>	<u>\$ 753,833</u>	<u>\$ (8,939)</u>

(Concluded)

PLATTE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Juvenile Diversion Program Fund	Visitor Promotion Fund	Visitor Improvement Fund	Child Support Enforcement Fund	Preservation and Modernization Fund	County Library Fund
RECEIPTS						
Taxes	\$ -	\$ 153,652	\$ 153,652	\$ -	\$ -	\$ 131,622
Investment Income	-	-	-	-	-	-
Intergovernmental	133,525	-	-	89,800	-	14,098
Charges for Services	-	-	-	-	21,478	-
Miscellaneous	12,278	-	-	-	-	-
TOTAL RECEIPTS	<u>145,803</u>	<u>153,652</u>	<u>153,652</u>	<u>89,800</u>	<u>21,478</u>	<u>145,720</u>
DISBURSEMENTS						
General Government	-	-	-	106,674	68,375	-
Public Safety	199,264	-	-	-	-	-
Culture and Recreation	-	122,087	3,500	-	-	140,000
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>199,264</u>	<u>122,087</u>	<u>3,500</u>	<u>106,674</u>	<u>68,375</u>	<u>140,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(53,461)</u>	<u>31,565</u>	<u>150,152</u>	<u>(16,874)</u>	<u>(46,897)</u>	<u>5,720</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	50,687	-	-	22,294	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,687</u>	<u>-</u>	<u>-</u>	<u>22,294</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,774)	31,565	150,152	5,420	(46,897)	5,720
FUND BALANCES - BEGINNING	<u>18,811</u>	<u>142,766</u>	<u>169,779</u>	<u>128,709</u>	<u>68,448</u>	<u>47,418</u>
FUND BALANCES - ENDING	<u>\$ 16,037</u>	<u>\$ 174,331</u>	<u>\$ 319,931</u>	<u>\$ 134,129</u>	<u>\$ 21,551</u>	<u>\$ 53,138</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	174,331	319,931	-	-	-
Debt Service	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	16,037	-	-	-	-	-
Preservation of Records	-	-	-	-	21,551	-
Economic Development	-	-	-	-	-	-
Library Services	-	-	-	-	-	53,138
Child Support Enforcement	-	-	-	134,129	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Self Insurance	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 16,037</u>	<u>\$ 174,331</u>	<u>\$ 319,931</u>	<u>\$ 134,129</u>	<u>\$ 21,551</u>	<u>\$ 53,138</u>

(Continued)

PLATTE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Drug Education and Enforcement Fund	Federal Grant Fund	Victim Assistance Fund	Law Enforcement Sheriff Fund	Adult Pretrial Diversion Fund	Law Enforcement Equipment Fund	District Probation Fund
RECEIPTS							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	21	-	-	-	-	-
Intergovernmental	-	-	44,943	19	-	-	183,624
Charges for Services	-	-	-	-	3,987	7,200	-
Miscellaneous	-	7,344	-	23,979	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>7,365</u>	<u>44,943</u>	<u>23,998</u>	<u>3,987</u>	<u>7,200</u>	<u>183,624</u>
DISBURSEMENTS							
General Government	-	37,171	-	-	-	-	-
Public Safety	-	-	129,499	20,760	23,497	3,997	109,687
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>37,171</u>	<u>129,499</u>	<u>20,760</u>	<u>23,497</u>	<u>3,997</u>	<u>109,687</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(29,806)</u>	<u>(84,556)</u>	<u>3,238</u>	<u>(19,510)</u>	<u>3,203</u>	<u>73,937</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	133,809	-	10,000	-	56,376
Transfers out	-	-	-	-	-	-	(130,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>133,809</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(73,624)</u>
Net Change in Fund Balances	-	(29,806)	49,253	3,238	(9,510)	3,203	313
FUND BALANCES - BEGINNING	<u>1,117</u>	<u>36,605</u>	<u>8,004</u>	<u>22,135</u>	<u>10,764</u>	<u>11,036</u>	<u>7,495</u>
FUND BALANCES - ENDING	<u>\$ 1,117</u>	<u>\$ 6,799</u>	<u>\$ 57,257</u>	<u>\$ 25,373</u>	<u>\$ 1,254</u>	<u>\$ 14,239</u>	<u>\$ 7,808</u>
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Drug Education	1,117	-	-	-	-	-	-
Law Enforcement	-	-	57,257	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Economic Development	-	6,799	-	-	-	-	-
Library Services	-	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	25,373	1,254	14,239	7,808
County Buildings	-	-	-	-	-	-	-
Self Insurance	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,117</u>	<u>\$ 6,799</u>	<u>\$ 57,257</u>	<u>\$ 25,373</u>	<u>\$ 1,254</u>	<u>\$ 14,239</u>	<u>\$ 7,808</u>

(Continued)

PLATTE COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Highway Bond Fund	Jail Bond Fund	Courthouse Building Fund	Handicapped Accessibility Fund	Self Funded Health Insurance Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Taxes	\$ 1,050,862	\$ -	\$ 23,955	\$ -	\$ -	\$ 1,513,743
Investment Income	-	1,272	-	-	-	1,293
Intergovernmental	193,275	-	2,850	-	-	662,134
Charges for Services	-	-	-	-	-	32,665
Miscellaneous	-	-	-	-	-	43,601
TOTAL RECEIPTS	<u>1,244,137</u>	<u>1,272</u>	<u>26,805</u>	<u>-</u>	<u>-</u>	<u>2,253,436</u>
DISBURSEMENTS						
General Government	-	-	-	117	8,939	221,276
Public Safety	-	-	-	-	-	486,704
Culture and Recreation	-	-	-	-	-	265,587
Debt Service:						
Principal Payments	840,000	34,250	-	-	-	874,250
Interest and Fiscal Charges	255,273	-	-	-	-	255,273
TOTAL DISBURSEMENTS	<u>1,095,273</u>	<u>34,250</u>	<u>-</u>	<u>117</u>	<u>8,939</u>	<u>2,103,090</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>148,864</u>	<u>(32,978)</u>	<u>26,805</u>	<u>(117)</u>	<u>(8,939)</u>	<u>150,346</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	273,166
Transfers out	-	(551,339)	-	-	-	(681,339)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(551,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(408,173)</u>
Net Change in Fund Balances	148,864	(584,317)	26,805	(117)	(8,939)	(257,827)
FUND BALANCES - BEGINNING	<u>952,303</u>	<u>584,317</u>	<u>241,922</u>	<u>56,511</u>	<u>762,772</u>	<u>3,270,912</u>
FUND BALANCES - ENDING	<u>\$ 1,101,167</u>	<u>\$ -</u>	<u>\$ 268,727</u>	<u>\$ 56,394</u>	<u>\$ 753,833</u>	<u>\$ 3,013,085</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	494,262
Debt Service	1,101,167	-	-	-	-	1,101,167
Drug Education	-	-	-	-	-	1,117
Law Enforcement	-	-	-	-	-	73,294
Preservation of Records	-	-	-	-	-	21,551
Economic Development	-	-	-	-	-	6,799
Library Services	-	-	-	-	-	53,138
Child Support Enforcement	-	-	-	-	-	134,129
Committed to:						
Law Enforcement	-	-	-	-	-	48,674
County Buildings	-	-	268,727	56,394	-	325,121
Self Insurance	-	-	-	-	753,833	753,833
TOTAL FUND BALANCES	<u>\$ 1,101,167</u>	<u>\$ -</u>	<u>\$ 268,727</u>	<u>\$ 56,394</u>	<u>\$ 753,833</u>	<u>\$ 3,013,085</u>

(Concluded)

PLATTE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2016	\$ 1,744	\$ 43,441	\$ 99,812	\$ 44,905	\$ 839	\$ -	\$ 41,825
RECEIPTS							
Licenses and Permits	6,275	-	-	1,255	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	4,572	243,111	44,440	72,039	4,870	26,682	64
Miscellaneous	-	-	3,808	30,703	-	-	93,740
State Fees	6,215	308,775	43,058	460	-	-	-
Other Liabilities	-	-	861,811	714,733	47,099	-	-
TOTAL RECEIPTS	17,062	551,886	953,117	819,190	51,969	26,682	93,804
DISBURSEMENTS							
Payments to County Treasurer	14,001	236,390	44,420	97,663	4,120	26,682	121,092
Payments to State Treasurer	3,225	290,288	44,098	580	-	-	-
Other Liabilities	-	-	834,546	717,959	47,064	-	-
TOTAL DISBURSEMENTS	17,226	526,678	923,064	816,202	51,184	26,682	121,092
BALANCES JUNE 30, 2017	\$ 1,580	\$ 68,649	\$ 129,865	\$ 47,893	\$ 1,624	\$ -	\$ 14,537
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 1,130	\$ 28,058	\$ 7,306	\$ 38,566	\$ 750	\$ -	\$ 14,537
Petty Cash	100	65	200	1,000	550	-	-
Due to State Treasurer	350	40,526	3,060	-	-	-	-
Due to Others	-	-	119,299	8,327	324	-	-
BALANCES JUNE 30, 2017	\$ 1,580	\$ 68,649	\$ 129,865	\$ 47,893	\$ 1,624	\$ -	\$ 14,537

(Continued)

PLATTE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	Veterans' Service Officer	County Historical Society	County Self Insurance	County Election Commissioner	Juvenile Diversion	Adult Diversion	Total
BALANCES JULY 1, 2016	\$ 6,622	\$ 147,043	\$ 762,772	\$ -	\$ 20,130	\$ -	\$ 1,169,133
RECEIPTS							
Licenses and Permits	-	-	-	-	-	-	7,530
Intergovernmental	-	25,000	-	-	-	-	25,000
Charges for Services	-	-	-	62,022	8,944	3,987	470,731
Miscellaneous	-	35,636	1,693,511	-	21,685	-	1,879,083
State Fees	-	-	-	-	-	-	358,508
Other Liabilities	-	-	-	-	-	1,820	1,625,463
TOTAL RECEIPTS	-	60,636	1,693,511	62,022	30,629	5,807	4,366,315
DISBURSEMENTS							
Payments to County Treasurer	-	-	-	62,022	12,278	3,987	622,655
Payments to State Treasurer	-	-	-	-	-	-	338,191
Other Liabilities	4,469	57,810	1,702,450	-	15,195	1,820	3,381,313
TOTAL DISBURSEMENTS	4,469	57,810	1,702,450	62,022	27,473	5,807	4,342,159
BALANCES JUNE 30, 2017	\$ 2,153	\$ 149,869	\$ 753,833	\$ -	\$ 23,286	\$ -	\$ 1,193,289
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 2,153	\$ -	\$ 753,833	\$ -	\$ 23,286	\$ -	\$ 869,619
Petty Cash	-	-	-	-	-	-	1,915
Due to State Treasurer	-	-	-	-	-	-	43,936
Due to Others	-	149,869	-	-	-	-	277,819
BALANCES JUNE 30, 2017	\$ 2,153	\$ 149,869	\$ 753,833	\$ -	\$ 23,286	\$ -	\$ 1,193,289

(Concluded)

PLATTE COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2017

Item	2012	2013	2014	2015	2016
Tax Certified by Assessor					
Real Estate	\$ 49,396,889	\$ 51,050,105	\$ 53,394,727	\$ 54,069,617	\$ 56,693,786
Personal and Specials	5,045,418	4,773,595	5,355,141	5,449,275	5,887,042
Total	<u>54,442,307</u>	<u>55,823,700</u>	<u>58,749,868</u>	<u>59,518,892</u>	<u>62,580,828</u>
Corrections					
Additions	19,913	126,703	60,864	43,921	22,354
Deductions	(52,863)	(69,928)	(29,611)	(13,506)	(13,757)
Net Additions/ (Deductions)	<u>(32,950)</u>	<u>56,775</u>	<u>31,253</u>	<u>30,415</u>	<u>8,597</u>
Corrected Certified Tax	<u>54,409,357</u>	<u>55,880,475</u>	<u>58,781,121</u>	<u>59,549,307</u>	<u>62,589,425</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
Prior to June 30, 2015	54,406,954	55,851,313	36,705,911	-	-
June 30, 2016	1,391	27,144	22,055,807	37,215,391	-
June 30, 2017	652	969	17,927	22,320,350	39,373,806
Total Net Collections	<u>54,408,997</u>	<u>55,879,426</u>	<u>58,779,645</u>	<u>59,535,741</u>	<u>39,373,806</u>
Total Uncollected Tax	<u>\$ 360</u>	<u>\$ 1,049</u>	<u>\$ 1,476</u>	<u>\$ 13,566</u>	<u>\$ 23,215,619</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>37.09%</u>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

PLATTE COUNTY

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*

Board of Supervisors
Platte County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Platte County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Platte County's basic financial statements, and have issued our report thereon dated November 6, 2017. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Platte County'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 Platte County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

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. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The Adult Diversion Program office lacked adequate controls to ensure the Director of the program was adequately accounting for all receipts of the office. This lack of control resulted in missing funds. Good internal controls require adequate segregation of duties to safeguard assets and provide reliable financial records. Inadequate control procedures can lead to fraud and the loss of public funds.

County's Response: We are committed to making all corrections necessary to comply with your requests. Our county finance committee is establishing a schedule to follow-up with each department to insure compliance with changes requested in the audit.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Platte County'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 determination of financial statement amounts. 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*.

Additional Items

We noted certain matters that we reported to the management of Platte County in a separate letter dated November 6, 2017.

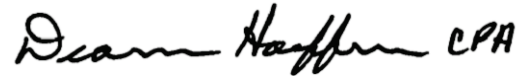
Platte County's Response to Findings

Platte County's response to the findings identified in our audit is described above. Platte County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

November 6, 2017

A handwritten signature in black ink that reads "Deann Haeffner CPA". The signature is written in a cursive, flowing style.

Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

November 6, 2017

Board of Supervisors
Platte County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Platte County (County) for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 6, 2017. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

COUNTY OVERALL

Segregation of Duties

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

COUNTY ADULT DIVERSION

Adult Diversion Accounting Procedures

Platte County began an Adult Diversion Program (Program) on March 25, 2014, and hired Traci Nelsen to be the Director (Director). The County Attorney's office determines eligibility for individuals charged with a crime to participate in the Adult Diversion Program. Eligible individuals are then referred to the Director, who manages the Program. Participation in the Program requires the individual to pay Program fees and any applicable restitution. Program fees include a \$40 application fee and a monthly fee of \$30, with a minimum participation in the Program of four months.

On August 7, 2017, we requested documentation from the Director for all Program fees and money collected for fiscal year 2017. After several attempts to obtain the documentation from the Director, it was finally provided on August 10, 2017. The documentation provided included payment records for only 26 cases. The supporting documentation did not agree to the amounts charged for Program fees and restitution, and the payment records did not accurately reflect the balances due on those cases. It appears that the Director had provided falsified payment records in order to make those records coincide with the amounts deposited with the County Treasurer for the fiscal year. Observing that the records received from the Director appeared inaccurate, we obtained from the County Attorney a listing of cases that had been referred to the Director for participation in the Program for fiscal year 2017; that listing included 137 cases. The County Attorney investigated the concerns we had with the records, and the Director's employment with the County was terminated on August 24, 2017, after admitting to personally retaining money collected from the Program.

Subsequent to the Director's termination from the County, we expanded our audit to include the years since the inception of the Program. After a detailed review of payment records discovered on the Director's tablet and flash drive, records located in a locked file cabinet, and through participant and victim interviews conducted by the County Attorney, we identified what appear to be multiple fraudulent and questionable transactions, as summarized below.

Missing Diversion Fees

Between a listing provided by the County Attorney's office and records located during the audit, we identified 425 cases that were referred to the Program from April 2014 through August 2017. Based on a review of payments recorded by the Director, and through interviews with participants of the Program, \$26,710 in Program fees collected for 246 cases was not deposited with the County Treasurer.

In 50 of the 246 cases, only partial payment records could be located, but court documents support that the participant successfully completed the Program; therefore, it is reasonable to believe that these participants paid all Program fees, which would have totaled an additional \$6,583.

In 142 of the cases, no payment record was found; however, the participant completed diversion and reasonably would have paid all Program fees. Therefore, an additional \$22,720 is projected to be missing based on the minimum Program fee charge of \$160 per case, which includes the \$40 application fee and a \$30 monthly charge for four months.

The remaining 37 cases are for participants who are still in the Program or whose cases related only to restitution; records do not indicate diversion money was received for these cases.

	Cases	Amount
Program Fees Collected per Payment Records	246	\$ 36,709
Less: County Treasurer Remittances		\$ (9,999)
Program Fees Missing per Payment Records		\$ 26,710
Cases Closed – Partial Payment Record Located		\$ 6,583
Cases Closed – No Payment Record Located	142	\$ 22,720
Remaining Open or Restitution Cases	37	
Total Missing Diversion Fees	425	\$ 56,013

Missing Restitution

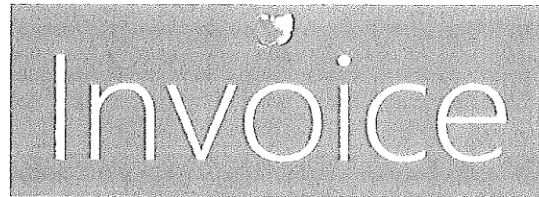
Through participant and victim interviews and review of payment records and supporting case documentation, there appear to be 12 cases, totaling \$7,365, for which restitution payments, collected by the Director, were not given to the appropriate victim in the case. We noted 10 additional cases, totaling \$4,132, that lacked sufficient supporting documentation to allow for an independent determination as to whether the restitution amounts charged by the Director were appropriate, and the payments were distributed correctly.

Possible Fraudulent Claims

The Director submitted six apparently fraudulent claims, totaling \$6,327, from July 2014 through May 2017.

- In May 2017, the Director submitted to the County two claims, totaling \$3,109, related to providing food for the Nebraska Coalition for the Victims of Crime Conference (NCVC) held in Omaha in April 2017. The Director received a \$500 payment for claim reimbursement for cookies and cupcakes, and the second claim of \$2,609 was paid to HyVee. The Director was also paid \$3,500 by NCVC to cover the costs of the food for the conference; therefore, the claims should not have been submitted to the County.
- In April 2017, the Director submitted and received a claim of \$177 in meal reimbursements for non-County employees who attended a Speaking of Children Conference in Omaha with the Director; however, these individuals received reimbursements from their own company, making the County funding unnecessary.
- In July 2016, the Director submitted and received a \$1,979.50 claim for reimbursement for the cost of printing 5,000 pamphlets for the Program. The invoice attached to the claim included an address of a printing company in Lincoln, Nebraska; however, that address does not exist. Additionally, the invoice included the wrong sales tax rate for Lincoln, indicating that someone unfamiliar with the sales tax rate completed the form. The invoice appears to have been fabricated.

From
Off The Wall Printing
5239 Revere Ln, Lincoln 68516N



No.: 00001/2016

To
Platte Co Victims Asst.
2601 14th St, Columbus 68601

Payment Data
Method of payment: Visa
Date: 7/20/2016
Due date: 7/20/2016

Description Note	Quantity/Unit	Rate	Amount
Design fee	4 hour	\$ 75.00	\$ 300.00
Set up fee	1 hour	\$ 100.00	\$ 100.00
Special design Pamphlet Folders Special design approved by Tracy via email 6/15/16	5,000 pcs	\$ 0.29	\$ 1,450.00
Subtotal			\$ 1,850.00
Tax			\$ 129.50
Total			\$ 1,979.50
Paid			\$ 1,979.50

Balance Due \$ 0.00

- The Director submitted and received a \$285 claim for reimbursement in April 2015 for a one-night hotel stay and meals for attending a conference in Omaha from April 20th to April 23rd. There is no documentation to support a County business purpose for the date of the hotel stay and meal on April 20, 2015, as the conference the Director attended did not begin until April 22, 2015. Therefore, the claim is questioned.
- In July 2014, the Director submitted and received a claim, totaling \$776, for reimbursement. The invoice attached to the claim included the purchase of Program material for the diversion program. The name of the company on the invoice was misspelled and, per a representative of the company, there was no charge for the Program material.

Additional Control Issues Noted

- No receipts were issued for Program fees and restitution payments collected.
- The Director claimed to have shredded records after the case was dismissed or closed.

Overall Questionable Missing Funds

Missing Diversion Fees	\$ 56,013
Missing Restitution	\$ 11,497
Possible Fraudulent Claims	\$ 6,327
Total	\$ 73,837

A good internal control plan requires that receipts be issued for all payments collected and adequate supporting documentation be maintained for all office activity. Furthermore, good internal controls require procedures to be in place to review adequately the waiving or charging of all Program fees and restitution amounts to ensure payments are accurate, appropriate, and reasonable. Without adequate controls, including reviews of diversion case activity, there is an increased risk of loss or misuse of County funds.

We recommend the Program implement procedures to ensure all Program fees and restitution amounts assessed are proper, including verifying original receipts and documentation on file to support all fees. We further recommend the Program establish criteria for the waiving of any Program fees. Additionally, we recommend the County Board and County Attorney determine a fee schedule of the amounts to be charged for participation in the Program.

COUNTY BOARD

Inventory Policy

During review of County inventory procedures, the following was noted:

- The County does not have an inventory policy outlining the types and value of items to be included on the inventory statements.
- Testing of the completeness and accuracy of the inventory statements filed in 2016 noted a cash register in the office of the County Sheriff that was not included on that office's inventory statement.
- The County Board lacks procedures for ensuring that it is informed of items removed from the inventory statements.

Neb. Rev. Stat. § 23-347 (Reissue 2012) states, in relevant part, the following:

Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer.

The same statute makes the County Board responsible for examining and filing the inventory statements in the County Clerk's office, as follows:

The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.

Sound accounting practices dictate that the County Board have an inventory policy that determines which items should be included on the inventory listings at which dollar thresholds, so the officials will be aware of what items need to be included on their inventory listings. Furthermore, good internal controls require the County Board to be informed of any items removed from the inventory listing to ensure the Board is aware of all changes to the listings from year to year.

When complete and accurate inventory statements are not filed in accordance with State statute, there is an increased risk of loss, theft, or misuse of County-owned assets.

We recommend the County Board implement an inventory policy to assist County officials in the compilation of their inventory statements, including the notification of all items removed. We further recommend the County implement procedures to ensure the complete and accurate filing of inventory statements.

Claims Documentation

During the audit, we noted one claim, totaling \$25,000, paid to the Platte County Historical Society (Society). The Society requests a dollar amount from Platte County each year to help alleviate budgeted expenditures; however, the County did not have agreements on file to ensure the money would be spent appropriately or require documentation for how the money was spent.

Good internal controls and sound accounting practices require a documented agreement or other original supporting documentation to be on file to ensure payments made to non-profit agencies or other non-County entities are made for appropriate purposes. When documentation is not on file to support amounts claimed, there is an increased risk that incorrect or unsubstantiated amounts may be paid by the County.

We recommend, when making payments to any vendor or nonprofit entity, the County Board obtain a contract and/or sufficient documentation for how the money was spent.

County Clerk's Response: The County Clerk sent a letter on October 13, 2017 to the Platte County Historical Society informing them of money requested over \$5,000.00 to supply the County a copy of the their budget and audit that will be included in the county's audit and requested copies of the invoices supporting how the money requested was spent.

Duplicate Payment

During our audit, we noted the County did not have adequate procedures in place to prevent duplicate payments being charged to the County. We noted two instances of the County Board approving and paying duplicate payments in the amounts of \$12 and \$175. At the time of our testing, the County had not received a refund or credit to its account.

Good internal controls and sound business practice require procedures for an adequate review of all claims prior to approval to prevent duplicate payments. Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Board implement procedures to prevent the payment of duplicate claims and to obtain a refund of any such claims paid.

Publishing of Minutes and Audit

During testing, it was noted that none of the 28 County Board meeting minutes, or a summary thereof, were published within 10 days of the meeting. Additionally, the County's audit report, or a summary thereof, was not published.

Neb. Rev. Stat. § 23-122 (Reissue 2012) states, in part, the following:

The county board of all counties having a population of less than one hundred fifty thousand inhabitants shall cause to be published, within ten working days after the close of each annual, regular, or special meeting of the board, a brief statement of the proceeding thereof. . . .

Neb. Rev. Stat. § 23-1608(2) (Reissue 2012) provides the following:

The county board shall cause to be published in the same manner as the proceedings of the county board a brief statement disclosing the conclusion of the examination and audit and that such audit report is on file with the county clerk.

When the County Board's meeting minutes and the County's audits, or summaries thereof, are not published timely, the County is not compliant with State statute. Additionally, the lack of such publications hampers public awareness of important governmental activities.

We recommend the County Board publish both its meeting minutes and audit reports, or summaries thereof, as required by State statute.

County Clerk's Response: The County Clerk is in the process of changing the procedure to make sure the minutes are published within the 10 days of the meeting along with a statement inform the public the audit report is on file with the County Clerk and the State Auditors Office.

Health Insurance Account

The County maintained a self-insurance bank account in order to pay vendors timely and a service provider for paying health claims that arose between the County Board's regular monthly meetings. The account was authorized by the County Board as petty cash. During our audit, we noted the following:

- The bank account had an excess of \$553,833 over the \$200,000 amount that the County Board authorized at June 30, 2017.
- Two authorized signers on the bank account were employees of a third-party health care organization that managed the County's self-insurance fund.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

When a petty cash fund is not maintained at the authorized amount, or authorized signers on that account are not County employees, there is an increased risk of loss, theft, or misuse of public funds.

We recommend any petty cash fund approved by the County Board be maintained at the authorized amount, and only County employees be designated as authorized signers on such account.

County Clerk's Response: On August 22, 2017 the Platte County Board of Supervisors meeting, the County Board approved an increase of the Self-Funding Insurance petty cash fund from \$200,000.00 to \$400,000.00.

On August 22, 2017 the Platte County Board of Supervisors passed Resolution No. 17.34 establishing the Self-Funding Insurance Fund in the county budget eliminating the signatures of employees of a third-party health care organization.

COUNTY CLERK

Occupation Tax

The County Clerk collects license fees, occupation taxes, and publication costs in connection with each liquor license approved. During testing, we noted throughout the fiscal year, with the exception of May 2017, occupation taxes, totaling \$600, were distributed to the school districts. During May 2017, the entire amount of \$1,500 collected for license fees and occupation taxes was coded to the County General Fund, resulting in that fund receiving \$900 that should have been distributed to the school districts.

Additionally, the County Clerk was unable to provide a copy of any formal authorization received from the County Board to collect the occupation tax.

Good internal control requires procedures to be in place to ensure monies collected are coded to the correct funds and records to be maintained to support the authority for the amounts collected. Without such procedures, there is an increased risk of loss or misuse of County funds.

We recommend the County Clerk implement procedures to ensure that monies collected for the issuance of liquor licenses are coded to the appropriate fund. We further recommend the County Board re-approve the occupation tax for the County so that the current approval will be on file.

County Clerk's Response: On August 22, 2017 the Platte County Board of Supervisors passed a motion dated August 24, 2017 to establish an occupation tax on liquor licenses out in the county.

CLERK OF THE DISTRICT COURT

Petty Cash – District Court

During our audit, we noted that the Clerk of the District Court (Court) had a bank account that was used for petty cash purchases. During the fiscal year, disbursements from that account totaled \$3,726 and at June 30, 2017, the account had a balance of \$2,479. In July 2017, the County Board had authorized the account for only \$200; however, as of August 22, 2017, no action had been taken to deliver the excess fund amount to the County Treasurer.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

When a petty cash fund is not maintained at the amount authorized by the County Board, and any excess money therein is not delivered to the County Treasurer, there is an increased risk of loss, theft, or misuse of public funds.

We recommend all petty cash funds be maintained at the authorized amount and any excess money therein be delivered to the County Treasurer.

District Court's Response: At the August 22, 2017, Board of Supervisors meeting, the Platte County Board authorized an increase to the Clerk of District Court's Petty Cash fund from \$200.00 to \$1,000.00.

On August 23, 2017, the balance of funds in excess of \$1,000.00, were paid the Platte County Treasurer, check no.1250, in the amount of \$1584.42, determined as follows:

<i>Checking account balance as of 8-23-17:</i>	<i>\$2213.24</i>
<i>Cash on hand as of 8-23-17:</i>	<i>\$12.60</i>
<i>Outstanding claimed funds to be received:</i>	<i>\$176.67</i>
<i>Outstanding invoices to be claimed:</i>	<i>\$181.91</i>
<i>Less \$1000.00 petty cash maximum</i>	<i><u>-\$1,000.00</u></i>
<i>Payout amount to Platte County Treasurer: =</i>	<i><u>\$1584.42</u></i>

Non-Monetary Receipt Documentation

We noted two instances of non-monetary receipts, totaling \$1,135, being completed without supporting documentation on file to substantiate the jail time served.

Good internal control requires each non-monetary receipt issued to have supporting documentation to substantiate the reason for eliminating the obligation. Such documentation should include the signed County Sheriff's return documenting the dates and case for which the jail time is being served. Without that documentation, the County is at an increased risk of loss, theft, or misuse of funds.

We recommend the Court implement procedures to ensure all nonmonetary receipts issued are supported by documentation to substantiate the reason for eliminating the obligation.

District Court's Response: The Court has implemented the procedure to issue a Commitment to the Platte County Jail which directs the Jailor to retain custody of a defendant until the time required to "sit out" the payment of costs due has been completed and make a return of service upon the Commitment to the District Court Clerk's office, all as allowed pursuant to an Order entered by the District Judge in a criminal District Court case. Upon completion of the required "sit out" time, the Jailor will make a return of service upon the Commitment indicating that the defendant has served his time as allowed by law. Upon filing of the return of service document with the District Court Clerk's office, the District Court Clerk will issue a non-monetary receipt for the costs due in the case based upon the District Judge's Order and the return of service document provided by the Platte County Jailor. The Clerk of District Court will also write the non-monetary receipt number issued upon the Jailor's return of service document, as an additional cross reference to substantiate the non-monetary amount receipted and the reason for eliminating the obligation.

COUNTY ELECTION COMMISSIONER

Expenditures in Excess of Budget

Expenditures in the Election Commissioner function exceeded the adopted budget by \$8,049, with no budget amendment adopted by the County Board.

Neb. Rev. Stat. § 23-916 (Reissue 2012) states the following:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.

Allowing expenditures to exceed adopted budget amounts increases the risk of not only non-compliance with State statute but also the public remaining unaware of important budgetary activity.

We recommend the County Board implement procedures to monitor expenditures throughout the year and, if necessary or determined appropriate, to amend the County's budget.

COUNTY HIGHWAY

Accounts Receivable

During our audit, we noted numerous delinquent accounts receivable in the Highway Department that remained uncollected. At June 30, 2017, the Highway Department had three receivables, totaling \$3,963, which ranged from two to five years old.

Date	Amount
4/10/2012	\$ 2,113
10/18/2013	\$ 1,747
2/3/2015	\$ 103
Total	\$ 3,963

Sound accounting practice and good internal control require procedures to be in place to maintain complete and adequate records and to review overdue accounts receivable on a regular basis to determine what action should be taken on those accounts. Without a regular review of delinquent receivables, there is an increased risk that delinquent amounts will not be collected and/or resolved in a timely manner.

We recommend the Highway Department implement procedures that include, at a minimum, annual discussions with the County Board to consider the feasibility of collection and/or the need for write-off approval if accounts receivable appear to be uncollectible.

COUNTY JUVENILE DIVERSION

Juvenile Diversion Accounting Procedures

During our audit, we noted the following:

- Non-County employees had access to the Juvenile Diversion bank accounts, including writing checks and completing monthly bank reconciliations. A bank employee maintained three bank accounts for the Juvenile Diversion Program that were outside of the County Treasurer.
- Disbursements through the three bank accounts, totaling \$9,477, did not go through the claim and warrant process. During testing, we noted no receipt was maintained for a \$39 purchase at Pizza Hut.
- Checks were signed by the Juvenile Diversion Director in advance of being filled out completely.
- Program fees were not remitted timely to the County Treasurer, and fees were also used to pay for other purchases.
- As of June 30, 2017, the County Juvenile Diversion Program was using one of the bank accounts as a petty cash fund that was not authorized by the County Board and was not maintained at the authorized amount. During testing, we noted that one disbursement included payment of \$35 in sales tax for an in-State hotel stay.
- Two donation checks, totaling \$200, were deposited and subsequently withdrawn as cash with no receipts maintained to support how the funds were spent.
- Program fees were not approved by the County Board.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) requires all money received by the County, from whatever source, to be deposited with the County Treasurer and paid out only on warrants issued by the County Board. In addition, good internal control and sound accounting practice require fees to be set by the County Board and documented in meeting minutes and adequate supporting documentation to be maintained for all purchases. Furthermore, good business practice requires the County to use direct billing when possible to avoid paying unnecessary sales tax.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states, in part, the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

When all funds are not properly turned over to the County Treasurer and all purchases are not approved by the County Board, the County Juvenile Diversion Program is not in compliance with State statute. In addition, there is an increased risk of loss or misuse of County funds. Furthermore, when petty cash funds are not properly established at a set amount by the County Board and disclosed in the budget message of the County budget document, the County is not in compliance with State statute and is exposed to an increased risk of loss, theft, or misuse of County funds.

We recommend the Juvenile Diversion Program turn over all funds to the County Treasurer and all disbursements be submitted to the County Board for approval. We further recommend the County Board determine the authority for petty cash funds and work with the County Attorney to determine the amount of fees to be charged for participation. Additionally we recommend the Juvenile Diversion Program implement procedures to ensure checks are not signed before being completely filled out, original receipts are maintained for all purchases, and direct billing is utilized for lodging in order to avoid paying unnecessary sales tax.

COUNTY SHERIFF

Unauthorized Bank Account

During the audit, we noted that the County Sheriff was maintaining a bank account for a dive team in which receipts of \$100 were not deposited with the County Treasurer, and \$2,582 was paid out without County Board authorization. As of June 30, 2017, the balance of the account was \$7,005.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states the following:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.

The failure to remit large amounts of cash to the County Treasurer or to receive the approval of the County Board for fund disbursements not only conflicts with State statute but also increases the risk of loss, theft, or misuse of County funds.

We recommend the dive team account, along with all future donation and other money deposited to it, be turned over to the County Treasurer. We further recommend all payments of County funds be made through the claims and warrants process.

Detention Center Balancing Procedures

During the audit, we noted multiple issues with the County Sheriff's balancing and reconciliation procedures in the Detention Center, as described below.

- Petty cash in the amount of \$500 is kept in the office. No log is kept of expenses and reimbursements; therefore, no reconciliation could be performed back to the authorized amount. As of June 30, 2017, a long of \$1,109 was noted.
- The checkbook balance recorded in the inmate accounting system is not reconciled to the bank balance. As of June 30, 2017, an unknown variance, totaling \$3,704, was maintained in the account. The County Sheriff's office was unable to support to whom these funds are owed.
- During the reconciliation of the account, we noted two outstanding deposits, totaling \$5,084, from 2011 that had not been pursued.
- Each month, a balance sheet is run from the inmate accounting system; however, an adequate review is not performed to ensure the balances showing in the system are accurate, and any improper or unknown balances are pursued. Unknown balances in the system noted as checkbook expenses for \$3 and checkbook interest for \$3 remained on the balance sheet for the entire fiscal year.
- The Detention Center writes monthly fee remittance checks to the County Sheriff's office, which are then deposited into the a separate bank account. A second check is then issued and remitted to the County Treasurer. We noted that the Detention Center issued a check on June 1, 2017, for \$311 to the County Sheriff's office; however, the check was not receipted until July 24, 2017, and then remitted to the County Treasurer in August 2017.
- Commissions received on commissary sales have not been remitted to the County Treasurer. As of June 30, 2017, \$18,248 was held in the Inmate Trust Bank Account for accumulated commissions.

As previously noted, Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) requires the County Treasurer to receive all money belonging to the County.

Furthermore, sound accounting practices and good internal controls require comprehensive, detailed reconciliation procedures to be utilized, at least on a monthly basis, to ensure proper balancing and reconciliation of petty cash accounts and any other accounts maintained by the Sheriff's Office. Reconciliation procedures should include timely identification and resolution of all variances noted, as well as timely remittance of checks to the appropriate parties.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of public funds but also errors being allowed to go undetected more easily.

We recommend the County Sheriff implement procedures to ensure the following:

- Reconciliations are completed for the petty cash account to the authorized amount. Reconciliation procedures would require a log is maintained documenting all petty cash purchases and reimbursements received;
- The checkbook balance in the inmate accounting system is reconciled to the bank balance monthly, and any reconciling items are followed-up on and resolved in a timely manner;
- Checks written by the Detention Center, payable to the County Sheriff, are taken to the Sheriff's office in the Courthouse and given to the bookkeeper in a timely manner or remitted directly to the County Treasurer; and
- Commissions earned on commissary sales are paid out monthly.

Unclaimed Property

During the audit, we noted that the County Sheriff's office had not appropriately remitted unclaimed funds to the State Treasurer as unclaimed property. At June 30, 2017, the County Sheriff had 1,269 outstanding checks, totaling \$6,896, past due to the State Treasurer.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009), which is found in the Uniform Disposition of Unclaimed Property Act, presumes intangible personal property held by a county and unclaimed for more than three years to be abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009), directs any property presumed to be abandoned, as of June 30 each year, to be reported and remitted to the State Treasurer by November 1 of each year.

When unclaimed property is not properly remitted to the State Treasurer, there is an increased risk of noncompliance with the Unclaimed Property Act. There is also an increased risk of loss or misuse of funds.

We recommend the County Sheriff implement procedures to ensure unclaimed property is properly remitted to the State Treasurer in accordance with State statute.

COUNTY TREASURER

Untimely Reconciliations

During our audit, we noted complete and accurate bank reconciliations were not performed on a consistent, monthly basis. As of June 30, 2017, we noted the following:

- Three months were noted in which reconciliations were not completed in a timely manner. These bank reconciliations were completed from 33 to 50 days after the month's end.
- Two reconciling items were not reviewed, or corrected, in a timely manner.
 - A bank error from September 2015, totaling \$45, was included in the book balance; however, no funds were received to correct this error, nor were additional inquiries made.
 - One check, totaling \$27, was returned for insufficient funds in November 2015; however, no corrective action was taken to recover the funds.
- March, April, and May 2017 interest earned on one bank account, totaling \$7,618, was not receipted until July 2017.

Furthermore, we noted issues related to maintaining an accurate accounts receivable balance, as follows:

- The accounts receivable in Quickbooks was not being used appropriately. The Treasurer's office was using this account as an overflow account when the office did not have adequate time to enter in all activity for the day into the accounting system. Furthermore, the Treasurer's office was not able to provide a full listing of the balance in accounts receivable as of June 30, 2017. The APA noted several items that were carried for a significant period of time with no additional follow-up:
 - The book balance was carrying an additional \$10,043 since January 2015; however, this balance was entered as an experiment by the former County Treasurer. No activity related to this balance was noted until March 2017, when it was deleted from the accounting system.
 - An insufficient funds check was noted from October 2014; however, the individual still owed \$494 as of June 30, 2017.
 - Insufficient checks from four individuals, totaling \$205, dated in 2014, had not been pursued to determine appropriate action.

Sound accounting practice and good internal controls require comprehensive, detailed reconciliation procedures to be utilized, at least on a monthly basis, to ensure proper balancing and reconciliation of the County Treasurer's book and bank balances. Reconciliation procedures should include the timely identification and resolution of all variances noted. Failure to perform accurate and timely bank reconciliations leaves the County susceptible to intentional and/or unintentional errors or omissions and increases the risk of loss, theft, or misuse of public funds.

We recommend the County Treasurer implement procedures to ensure a complete and accurate reconciliation of the County Treasurer's accounts is performed monthly, and any variances are identified and resolved in a timely manner.

Trust Balances

The County Treasurer had not followed up on trust fund balances in a timely manner. At June 30, 2017, we noted the following:

- Road Improvement District Funds were maintaining a balance of \$411,960; however, this money was owed to the County Inheritance Fund.
- The Tentative Inheritance Tax Fund had \$54,052 of funds held in which the cases were previously closed; however, no transfer to the County Inheritance Fund had been made. Of that balance, \$49,034 was related to cases closed in fiscal year 2015.
- The Partial Payment Fund balance contained \$895 held by the County for eight accounts without proper follow-up to ensure that these payments were active. The last activity noted in these accounts ranged from May 2007 to August 2015.

Good internal control and sound accounting practice require that trust fund balances be reviewed on a routine basis, and any appropriate transfers or refunds be made in a timely manner. When trust fund balances are not distributed or accurately maintained, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Treasurer review all trust balances on a routine basis to ensure distributions are made in a timely manner and that all balances are current and accurate.

Untimely Distributions

Distributions made to political subdivisions of the County were not made in accordance with State statute. During our audit, we noted the following:

- The County Treasurer was consistently holding multiple funds to pay out on the 24th of the month, instead of the 15th, as required by statute.
- The County Treasurer had made a determination that 10 funds should be held and paid only annually in June, as the amounts were inconsequential. However, as of May 2017, seven of those funds had balances greater than \$25.
- For three funds tested, the balance disbursed to the subdivisions did not agree to the previous month's collections for those entities; therefore, the County was holding funds that should have been paid to the subdivisions.
- The Fines and Licenses Fund is distributed annually in February; however, the balance distributed in February 2017 totaled \$214,770.

Neb. Rev. Stat. § 23-1601(4) (Reissue 2012) states, in relevant part:

(a) On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district the previous calendar month . . .

(b) If all such funds received or collected are less than twenty-five dollars, the county treasurer may hold such funds until such time as they are equal to or exceed twenty-five dollars.

When payments are not remitted to the subdivisions in a timely manner, there is an increased risk of not only noncompliance with State statute but also the loss or misuse of public funds.

We recommend that the County Treasurer implement procedures to ensure funds are distributed to political subdivisions of the County in compliance with State statute.

Unrecorded Financial Activity

The County Treasurer is receiving funds and disbursing them to the City of Columbus without recording the financial activity into the accounting system.

- The County received 911 surcharges from telephone companies, estimated at \$33,803 for the fiscal year, and endorsed those checks over to the City of Columbus without depositing or receipting the funds.
- The County received diversion fees, totaling \$1,150 for the fiscal year, for individuals participating in the traffic STOP program. The fees were deposited into the County Treasurer's bank account and subsequently paid to the City of Columbus without receipting the funds in the records.

Sound accounting practices and good internal controls require the County Treasurer to have one comprehensive accounting system, which contains all financial activity of the office. When financial activity is not recorded in that system, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Treasurer implement procedures to ensure that all funds received, deposited, and disbursed are properly recorded into the accounting system.

Disbursements Without Board Approval

During the fiscal year, the County Treasurer disbursed \$58,741 out of the Inheritance Fund without County Board approval.

Neb. Rev. Stat. § 23-1601 (Reissue 2012) states, in relevant part, "All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law"

When proper approval for County fund disbursements is not obtained, there is an increased risk for not only noncompliance with State statute but also the loss or misuse of public funds.

We recommend the County Treasurer receive approval from the County Board for all disbursements from County funds.

Incorrect Tax Corrections

During our audit, we noted 12 tax corrections that were entered into the system at a different amount than that approved by the County Board. See the table below for details:

Tax Year	Parcel/ PP Schedule	Date Approved	Approved Amount	Amount Entered	Variance
2016	PP 501846	1/3/2017	\$ (843)	\$ (1,053)	\$ (210)
2016	PP 502126	4/14/2017	\$ 606	\$ 787	\$ 181
2016	PP 502193	5/8/2017	\$ 305	\$ 366	\$ 61
2016	PP 502236	5/16/2017	\$ 527	\$ 518	\$ (9)
2016	PP 19993	6/1/2017	\$ 76	\$ 91	\$ 15
2015	710113694	3/23/2016	\$ 497	\$ 464	\$ (33)
2015	PP 7029	11/3/2016	\$ 1,885	\$ 1,877	\$ (8)
2015	PP 501846	1/3/2017	\$ (1,054)	\$ (1,318)	\$ (264)
2015	PP 65775	4/24/2017	\$ 761	\$ 637	\$ (124)
2015	PP 500581	5/8/2017	\$ 335	\$ 402	\$ 67
2014	PP 7029	11/3/2016	\$ 1,240	\$ 1,149	\$ (91)
2014	710104489	11/21/2016	\$ 493	\$ 503	\$ 10

Sound accounting practices and good internal controls require that comprehensive, detailed reconciliation procedures be utilized, at least on a monthly basis, to ensure proper balancing and reconciliation of the County Treasurer and County Assessor's tax records. Reconciliation procedures should include timely identification and resolution of all variances noted. When balancing and reconciliation procedures are not performed on a routine basis, there is an increased risk of error, fraud, or incorrect adjustment of taxes owed by taxpayers.

We recommend the County Treasurer implement procedures to ensure tax corrections are entered correctly into the system.

Gross In-Lieu Distribution

During the audit, we noted the County Treasurer was not accurately distributing \$1,551,204 of gross in lieu taxes in accordance with State statute. The error was caused by the use of improper tax levy rates and incorrect school districts in the calculation. The following table summarizes the distribution error:

Entity	Over (Under) Payment	Entity	Over (Under) Payment
County	\$ 4,764	Madison School District	\$ (30)
Co. Library	\$ 92	Lakeview School District	\$ (22)
Newman Grove School District	\$ (23,417)	Lindsay	\$ 9,737
Humphrey School District	\$ 8,915	Creston	\$ (14)
Leigh School District	\$ (25)		

Neb. Rev. Stat. § 70-651.04 (Cum. Supp. 2016) states the following:

All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies

When distributions are not calculated correctly, political subdivisions do not receive the correct amount of revenue.

We recommend the County Treasurer implement procedures to ensure that gross in-lieu of tax is properly distributed to the appropriate entities.

Motor Vehicle Pro-Rate Distribution

During the audit, we noted the County Treasurer was using a preliminary tax requirement to calculate motor vehicle pro-rate distribution instead of using the final tax requirements provided in the Certified Taxes Levied (CTL). See the table below for the breakout of all subdivisions and the amount of over/underpayment for the March and June 2017 distributions:

Fund	Over (Under) Payment	Fund	Over (Under) Payment
County	\$ (90)	Duncan Rural Fire District	\$ 63
Humphrey School District	\$ 93	Creston Rural Fire District	\$ 23
Columbus School District	\$ 93	Lindsay Rural Fire District	\$ 16
Lakeview School District	\$ (63)	City of Columbus	\$ (38)
Twin River School District	\$ (23)	Village of Humphrey	\$ 18
Leigh School District	\$ (14)	Village of Lindsay	\$ 8
St. Edward School District	\$ (8)	Lower Loup NRD	\$ (8)
Newman Grove School District	\$ (7)	Multiple*	\$ (13)
Central Community College	\$ (43)	*This contains 46 funds with pro-rate adjustments of less than \$5.	
ESU #7	\$ (7)		

Neb. Rev. Stat. § 60-3,202 (Cum. Supp. 2016), states, in relevant part, the following:

(2) On or before the last day of each quarter of the calendar year, the State Treasurer shall distribute all funds in the Motor Vehicle Tax Fund to the county treasurer of each county

* * * *

(3) Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.

When accurate tax requirements are not used to calculate the motor vehicle pro-rate allocation, there is an increased risk for the loss of funds.

We recommend the County Treasurer implement procedures to ensure that motor vehicle pro-rate is properly distributed to the political subdivisions of the County.

Property Tax Commission

The County Treasurer incorrectly calculated the property tax commission for the sanitary improvement districts (SID). For collections on eight of the nine SID funds, the property tax commission rate was calculated incorrectly for a total overpayment to the SIDs of \$1,007 during fiscal year 2017. For one of the funds noted above, a commission was not charged at all. For the remaining seven funds, the County Treasurer was calculating the commission at one and-a-half percent instead of two percent, as required by Neb. Rev. Stat. § 33-114 (Reissue 2016). That statute says, in relevant part, the following:

Each county treasurer shall receive for and on behalf of the county for services rendered to other governmental subdivisions and agencies, when fees for services rendered by him or her are not otherwise specifically provided, the following fees . . . (3) for the collection of all ad valorem taxes and special assessments, general or bonded, of sanitary and improvement districts, two percent of the sums so collected[.]

When the correct commission is not being taken on SID property tax receipts, the County is not in compliance with State statute.

We recommend the County Treasurer ensure the property tax commission for SIDs is calculated in accordance with State statute.

Motor Vehicle Tax Distribution

During the audit, we noted that one tax district was not receiving the appropriate amount of motor vehicle taxes. That district contains the Village of Cornlea, which did not set a tax levy for 2016; however, the Village is still entitled to its portion of motor vehicle taxes collected. For one month tested, the Village should have received \$155, but those funds were partially paid to the Humphrey School District and partially retained by the County.

Neb. Rev. Stat. § 60-3,186(2)(c)(i) (Cum. Supp. 2016) states, in relevant part, the following:

Twenty-two percent of the remaining motor vehicle tax proceeds shall be allocated to the county, (ii) sixty percent shall be allocated to the local school system or school district, and (iii) eighteen percent shall be allocated to the city or village

When motor vehicle tax distributions are not calculated correctly, political subdivisions do not receive the correct amount of funds due to them.

We recommend the County Treasurer implement procedures to ensure that all motor vehicle tax distributions are appropriately distributed according to State statute.

County Board's Overall Response: We are committed to making all corrections necessary to comply with your requests. Our county finance committee is establishing a schedule to follow-up with each department to insure compliance with changes requested in the audit.

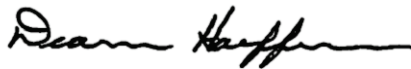
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Deann Haeffner", with a stylized, flowing script.

Deann Haeffner
Assistant Deputy Auditor