

**AUDIT REPORT
OF
JEFFERSON COUNTY**

JULY 1, 2018, THROUGH JUNE 30, 2019

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
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Issued on November 7, 2019

JEFFERSON COUNTY

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JEFFERSON COUNTY

411 4th St.

Fairbury, NE 68352

LIST OF COUNTY OFFICIALS

At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Mark Schoenrock	Jan. 2023
	Michael Dux	Jan. 2023
	Gale Pohlmann	Jan. 2021
Assessor	Mary Banahan	Jan. 2023
Attorney	Joseph Casson	Jan. 2023
Clerk	Kristina Riggle	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Shawna Taylor	Jan. 2023
Sheriff	Nels Sorensen	Jan. 2023
Treasurer	Leroy Bast	Jan. 2023
Veterans' Service Officer	Kenneth Dodge	Appointed
Weed Superintendent	John McKee	Appointed
Planning and Zoning		
Emergency Manager		



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JEFFERSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson 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 Jefferson County, as of and for the year ended June 30, 2019, 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 Jefferson County as of June 30, 2019, 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.

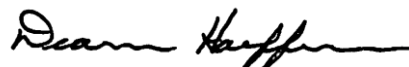
Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which 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 20-37, 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 7, 2019, on our consideration of Jefferson 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 Jefferson County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

November 7, 2019

JEFFERSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2019

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,025,192
Investments (Note 1.D)	1,536,966
TOTAL ASSETS	\$ 5,562,158
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 16,422
911 Emergency Services	102,766
Drug Education	39
Law Enforcement/Public Safety	203,278
Preservation of Records	20,396
Debt Service	416,275
Road/Bridge Projects	461,328
Community Development	233,764
Unrestricted	4,107,890
TOTAL NET POSITION	\$ 5,562,158

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

JEFFERSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2019

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	\$ (2,547,170)	\$ 351,238	\$ 48,381	\$ (2,147,551)
Public Safety	(3,263,653)	375,295	91,865	(2,796,493)
Public Works	(3,590,213)	120	1,772,445	(1,817,648)
Public Assistance	(75,208)	-	-	(75,208)
Culture and Recreation	(228,494)	-	-	(228,494)
Debt Payments	(969,312)	-	-	(969,312)
Capital Outlay	(80,367)	-	-	(80,367)
Total Governmental Activities	<u>\$ (10,754,417)</u>	<u>\$ 726,653</u>	<u>\$ 1,912,691</u>	<u>(8,115,073)</u>

General Receipts:

Property Taxes	6,961,978
Grants and Contributions Not Restricted to Specific Programs	1,274,549
Investment Income	79,021
Licenses and Permits	40,448
Historic Tax Credit	224,340
Miscellaneous	112,254
Total General Receipts	<u>8,692,590</u>

Increase in Net Position	577,517
Net Position - Beginning of year	4,984,641
Net Position - End of year	<u>\$ 5,562,158</u>

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

JEFFERSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 414,217	\$ 729,342	\$ -	\$ 2,881,633	\$ 4,025,192
Investments (Note 1.D)	390,711	-	1,146,255	-	1,536,966
TOTAL ASSETS	\$ 804,928	\$ 729,342	\$ 1,146,255	\$ 2,881,633	\$ 5,562,158
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	16,422	16,422
911 Emergency Services	-	-	-	102,766	102,766
Drug Education	-	-	-	39	39
Law Enforcement/Public Safety	-	-	-	203,278	203,278
Preservation of Records	-	-	-	20,396	20,396
Debt Service	-	-	-	416,275	416,275
Road/Bridge Projects	-	-	-	461,328	461,328
Community Development	-	-	-	233,764	233,764
Committed to:					
Law Enforcement	-	-	-	556,231	556,231
Road Maintenance	-	729,342	-	275,190	1,004,532
County Buildings	-	-	-	352,663	352,663
Equipment	-	-	-	96,810	96,810
Culture & Recreation	-	-	-	146,471	146,471
Assigned to:					
Other Purposes	-	-	1,146,255	-	1,146,255
Unassigned	804,928	-	-	-	804,928
TOTAL CASH BASIS FUND BALANCES	\$ 804,928	\$ 729,342	\$ 1,146,255	\$ 2,881,633	\$ 5,562,158

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

JEFFERSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$ 5,252,139	\$ -	\$ 668,327	\$ 1,041,512	\$ 6,961,978
Licenses and Permits	30,748	9,700	-	-	40,448
Investment Income	79,021	-	-	-	79,021
Intergovernmental	1,105,089	1,483,615	-	598,536	3,187,240
Charges for Services	383,542	120	-	342,991	726,653
Miscellaneous	17,777	34,060	224,340	60,417	336,594
TOTAL RECEIPTS	<u>6,868,316</u>	<u>1,527,495</u>	<u>892,667</u>	<u>2,043,456</u>	<u>11,331,934</u>
DISBURSEMENTS					
General Government	2,466,878	-	264	80,028	2,547,170
Public Safety	1,992,211	-	-	1,271,442	3,263,653
Public Works	101,096	3,161,487	-	327,630	3,590,213
Public Assistance	75,208	-	-	-	75,208
Culture and Recreation	-	-	-	228,494	228,494
Debt Service:					
Principal Payments	-	-	-	715,000	715,000
Interest and Fiscal Charges	-	-	-	254,312	254,312
Capital Outlay	-	-	-	80,367	80,367
TOTAL DISBURSEMENTS	<u>4,635,393</u>	<u>3,161,487</u>	<u>264</u>	<u>2,957,273</u>	<u>10,754,417</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,232,923</u>	<u>(1,633,992)</u>	<u>892,403</u>	<u>(913,817)</u>	<u>577,517</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,200,000	2,207,194	55,891	1,186,001	4,649,086
Transfers out	(2,717,561)	(361,912)	(1,335,180)	(234,433)	(4,649,086)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,517,561)</u>	<u>1,845,282</u>	<u>(1,279,289)</u>	<u>951,568</u>	<u>-</u>
Net Change in Fund Balances	715,362	211,290	(386,886)	37,751	577,517
CASH BASIS FUND BALANCES - BEGINNING					
	<u>89,566</u>	<u>518,052</u>	<u>1,533,141</u>	<u>2,843,882</u>	<u>4,984,641</u>
CASH BASIS FUND BALANCES - ENDING					
	<u>\$ 804,928</u>	<u>\$ 729,342</u>	<u>\$ 1,146,255</u>	<u>\$ 2,881,633</u>	<u>\$ 5,562,158</u>

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

JEFFERSON COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
 June 30, 2019

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 451,552
 LIABILITIES	
Due to other governments	
State	177,803
Schools	198,319
Educational Service Units	3,175
Technical College	19,169
Natural Resource Districts	4,694
Fire Districts	9,588
Municipalities	37,606
Historical Society	629
Others	569
TOTAL LIABILITIES	451,552
 TOTAL NET ASSETS	 \$ -

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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 V – 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 V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

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 \$30,065 toward the operation of the Region during fiscal year 2019. 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Public Health Solutions (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 2018).

The Department’s governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2019. 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. 2018). Financial information for the Department is available in that report.

Southeast Region 911 Communication Services (911 Region) – The County has entered into an agreement with the governing boards of Public Safety Answering Points (PSAPs) of the City of Lincoln, City of Beatrice, City of Crete, City of Falls City, Cass County, Clay County, Fillmore County, Johnson County, Pawnee County, Nemaha County, Nuckolls County, Otoe County, Seward County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2019. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

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 Net Position presents the County’s non-fiduciary assets in two categories:

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

The County reports the following major governmental funds:

General Fund. 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 Funds. The Law Enforcement Building Bond Fund, Highway Bond Fund, and Highway Bond – PWF Road Fund account 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.

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2018) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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 \$1,454,268 of restricted net position, which is fully restricted by enabling legislation.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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.

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 2018).

At year end, the County's carrying amount of deposits was \$4,025,192 for County funds and \$451,552 for fiduciary funds. The bank balances for all funds totaled \$4,467,550. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$1,536,966 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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.

The levy set in October 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.307732/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.291898/\$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 (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. 2018) 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. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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.

For the year ended June 30, 2019, 104 employees contributed \$169,881, and the County contributed \$251,065. Contributions included \$7,417 in cash contributions towards the supplemental law enforcement plan for 20 law enforcement employees. Lastly, the County paid \$144 directly to one retired employee 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 96 counties and local governments throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. 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.

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

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2019, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 2,207,194	\$ -	\$ -	\$ -	\$ 2,207,194
Inheritance Fund	-	-	-	55,891	55,891
General Fund	-	1,200,000	-	-	1,200,000
Nonmajor Funds	510,367	135,180	361,912	178,542	1,186,001
Total	<u>\$ 2,717,561</u>	<u>\$ 1,335,180</u>	<u>\$ 361,912</u>	<u>\$ 234,433</u>	<u>\$ 4,649,086</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, 2019, the County made a one-time transfer of \$361,912 from the Road Fund to the Highway Bond Fund to insure adequate funds were available for a bond payment. Additionally, the County transferred \$28,581 from the Law Enforcement Building Fund, and \$27,310 from the Ambulance Service Fund to the Inheritance Fund to repay interfund loans. Transfers of \$16,000 from Non-Major Funds to the Computer IT Fund and \$62,542 to the Law Enforcement Building Fund were also made to reimburse costs originally paid from those funds.

7. **Capital Leases Payable**

Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are as follows:

	John Deere Road Equipment	Caterpillar Road Equipment	Total
Balance July 1, 2018	\$ 279,037	\$ 214,360	\$ 493,397
Purchases	-	-	-
Payments	122,545	88,684	211,229
Balance June 30, 2019	<u>\$ 156,492</u>	<u>\$ 125,676</u>	<u>\$ 282,168</u>
Future Payments:			
Year			
2020	\$ 56,363	\$ 86,730	\$ 143,093
2021	36,784	41,079	77,863
2022	36,784	-	36,784
2023	36,783	-	36,784
Total Payments	166,714	127,809	294,524
Less Interest	10,222	2,133	12,355
Present Value of Future Minimum Lease Payments	<u>\$ 156,492</u>	<u>\$ 125,676</u>	<u>\$ 282,168</u>
Carrying Value of the Related Fixed Asset	<u>\$ 578,498</u>	<u>\$ 410,811</u>	<u>\$ 989,309</u>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Capital Leases Payable** (Concluded)

The John Deere Road Equipment column includes one crawler loader, and three motor graders. The Caterpillar Road Equipment column includes one wheel loader and two motor graders.

8. **Interfund Loans**

Receivable Fund	Payable Fund	Amount
Inheritance Fund	Ambulance Service Fund	\$ 52,450
Inheritance Fund	Law Enforcement Building Fund	\$ 27,475

The County experienced a cash flow problem in its Ambulance Fund in 2015, and a promissory note was created authorizing a loan of \$104,900. The County’s intent was for the loan to be repaid to the Inheritance Fund over four years, with interest to accrue at the rate of 2% per annum. Two annual payments were remaining as of June 30, 2019.

In fiscal year 2017, the County experienced a cash flow problem in its Law Enforcement Building Fund; a promissory note from the Inheritance Fund, totaling \$82,425, was created to allow for the purchase of computer equipment. The County’s intent was for the loan to be repaid to the Inheritance Fund over three years, with interest to accrue at 2% per annum. One annual payment was remaining as of June 30, 2019.

9. **Long-Term Debt**

Highway Allocation Bond

The County issued bonds on June 23, 2016, in the amount of \$4,030,000 for the purpose of refinancing the Series 2011 Highway Allocation Bonds. The bond payable balance, as of June 30, 2019, was \$3,110,000. 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.

Future Payments:

Year	Principal	Interest	Total
2020	\$ 315,000	\$ 53,463	\$ 368,463
2021	315,000	49,997	364,997
2022	320,000	46,218	366,218
2023	325,000	39,817	364,817
2024	330,000	35,430	365,430
2025-2029	1,505,000	86,905	1,591,905
Total Payments	<u>\$ 3,110,000</u>	<u>\$ 311,830</u>	<u>\$ 3,421,830</u>

Highway Bond – PWF Road Bond

The County issued bonds on December 16, 2015, in the amount of \$8,000,000 for the purpose of paying the costs of improving and/or repaving certain highways and roads of the County. The bond payable balance, as of June 30, 2019, was \$6,985,000. 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Long-Term Debt (Concluded)

Future Payments:

Year	Principal	Interest	Total
2020	\$ 345,000	\$ 181,416	\$ 526,416
2021	345,000	176,673	521,673
2022	350,000	171,023	521,023
2023	360,000	164,450	524,450
2024	365,000	157,016	522,016
2025-2029	1,960,000	646,752	2,606,752
2030-2034	2,255,000	349,886	2,604,886
2035-2036	1,005,000	33,795	1,038,795
Total Payments	<u>\$ 6,985,000</u>	<u>\$ 1,881,011</u>	<u>\$ 8,866,011</u>

Limited Tax Refunding Bond

The County issued bonds on June 5, 2015, in the amount of \$815,000 for the purpose of paying the costs of refinancing Tax Obligation Bonds, Series 2010. The bond payable balance, as of June 30, 2019, was \$530,000. 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.

Future Payments:

Year	Principal	Interest	Total
2020	\$ 70,000	\$ 10,300	\$ 80,300
2021	70,000	9,250	79,250
2022	75,000	7,994	82,994
2023	75,000	6,531	81,531
2024	80,000	4,860	84,860
2025-2026	160,000	4,000	164,000
Total Payments	<u>\$ 530,000</u>	<u>\$ 42,935</u>	<u>\$ 572,935</u>

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 5,736,071	\$ 5,736,071	\$ 5,252,139	\$ (483,932)
Licenses and Permits	28,750	28,750	30,748	1,998
Interest	51,100	51,100	79,021	27,921
Intergovernmental	215,110	215,110	1,105,089	889,979
Charges for Services	1,015,650	1,015,650	383,542	(632,108)
Miscellaneous	300	300	17,777	17,477
TOTAL RECEIPTS	<u>7,046,981</u>	<u>7,046,981</u>	<u>6,868,316</u>	<u>(178,665)</u>
DISBURSEMENTS				
General Government:				
County Board	84,439	84,439	84,146	293
County Clerk	134,777	135,977	135,927	50
County Treasurer	187,037	187,037	183,280	3,757
Register of Deeds	38,490	38,490	34,833	3,657
County Assessor	225,435	225,435	196,261	29,174
Election Commissioner	25,362	25,362	20,080	5,282
Building and Zoning	48,748	50,248	50,149	99
Clerk of the District Court	107,777	121,777	121,567	210
County Court System	11,860	11,860	6,187	5,673
Building and Grounds	137,588	137,588	128,297	9,291
Agricultural Extension Agent	65,675	65,675	55,416	10,259
Employment Security	26,163	26,163	-	26,163
Miscellaneous	1,505,372	1,507,372	1,450,735	56,637
Public Safety				
County Sheriff	1,167,605	1,167,605	1,040,810	126,795
County Attorney	239,644	239,644	213,716	25,928
County Jail	708,300	742,300	564,509	177,791
Emergency Management	153,000	153,000	146,181	6,819
Child Support Enforcement	27,500	27,500	26,995	505
Public Works				
County Surveyor	37,000	38,000	37,972	28
Noxious Weed Control	89,344	89,344	63,124	26,220
Public Assistance				
Veterans Aid	19,000	19,000	18,057	943
Veterans Service Officer	56,028	56,028	54,198	1,830
Medical Relief	73,000	19,300	2,953	16,347
Institutional	17,000	17,000	-	17,000
TOTAL DISBURSEMENTS	<u>5,186,144</u>	<u>5,186,144</u>	<u>4,635,393</u>	<u>550,751</u>

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,860,837	1,860,837	2,232,923	372,086
OTHER FINANCING SOURCES (USES)				
Transfers in	1,003,451	1,003,451	1,200,000	196,549
Transfers out	(2,435,550)	(2,435,550)	(2,717,561)	(282,011)
TOTAL OTHER FINANCING SOURCES (USES)	(1,432,099)	(1,432,099)	(1,517,561)	(85,462)
Net Change in Fund Balance	428,738	428,738	715,362	286,624
FUND BALANCE - BEGINNING	52,586	52,586	89,566	36,980
FUND BALANCE - ENDING	\$ 481,324	\$ 481,324	\$ 804,928	\$ 323,604

(Concluded)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Licenses and Permits	\$ 5,000	\$ 5,000	\$ 9,700	\$ 4,700
Intergovernmental	1,487,256	1,487,256	1,483,615	(3,641)
Charges for Services	120	120	120	-
Miscellaneous	25,000	25,000	34,060	9,060
TOTAL RECEIPTS	1,517,376	1,517,376	1,527,495	10,119
DISBURSEMENTS	3,804,095	3,804,095	3,161,487	642,608
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,286,719)	(2,286,719)	(1,633,992)	652,727
OTHER FINANCING SOURCES (USES)				
Transfers in	2,498,453	2,498,453	2,207,194	(291,259)
Transfers out	(361,913)	(361,913)	(361,912)	1
TOTAL OTHER FINANCING SOURCES (USES)	2,136,540	2,136,540	1,845,282	(291,258)
Net Change in Fund Balance	(150,179)	(150,179)	211,290	361,469
FUND BALANCE - BEGINNING	518,052	518,052	518,052	-
FUND BALANCE - ENDING	\$ 367,873	\$ 367,873	\$ 729,342	\$ 361,469
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 100,000	\$ 100,000	\$ 668,327	\$ 568,327
Miscellaneous	200,000	200,000	224,340	24,340
TOTAL RECEIPTS	300,000	300,000	892,667	592,667
DISBURSEMENTS	857,000	857,000	264	856,736
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(557,000)	(557,000)	892,403	1,449,403
OTHER FINANCING SOURCES (USES)				
Transfers in	27,310	27,310	55,891	28,581
Transfers out	(1,003,451)	(1,003,451)	(1,335,180)	(331,729)
TOTAL OTHER FINANCING SOURCES (USES)	(976,141)	(976,141)	(1,279,289)	(303,148)
Net Change in Fund Balance	(1,533,141)	(1,533,141)	(386,886)	1,146,255
FUND BALANCE - BEGINNING	1,533,141	1,533,141	1,533,141	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,146,255	\$ 1,146,255

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY STREET BUYBACK PROGRAM				
FUND				
Receipts	\$ 119,817	\$ 119,817	\$ 119,817	\$ -
Disbursements	(134,677)	(134,677)	-	134,677
Net Change in Fund Balance	(14,860)	(14,860)	119,817	134,677
Fund Balance - Beginning	14,860	14,860	14,860	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,677</u>	<u>\$ 134,677</u>
HIGHWAY BRIDGE BUYBACK PROGRAM				
FUND				
Receipts	\$ 169,044	\$ 169,044	\$ 169,044	\$ -
Disbursements	(465,573)	(465,573)	(138,922)	326,651
Net Change in Fund Balance	(296,529)	(296,529)	30,122	326,651
Fund Balance - Beginning	296,529	296,529	296,529	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,651</u>	<u>\$ 326,651</u>
ROAD BRIDGE ESCROW FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(213,898)	(213,898)	(188,708)	25,190
Transfers in	-	-	-	-
Transfers out	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	(463,898)	(463,898)	(188,708)	275,190
Fund Balance - Beginning	463,898	463,898	463,898	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,190</u>	<u>\$ 275,190</u>
EQUIPMENT RESERVE FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 5,250	\$ (9,750)
Disbursements	(17,596)	(17,596)	(3,756)	13,840
Net Change in Fund Balance	(2,596)	(2,596)	1,494	4,090
Fund Balance - Beginning	2,596	2,596	2,596	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,090</u>	<u>\$ 4,090</u>
COMMUNICATION EQUIPMENT FUND				
Receipts	\$ 9,000	\$ 9,000	\$ 12,813	\$ 3,813
Disbursements	(35,620)	(35,620)	(10,338)	25,282
Net Change in Fund Balance	(26,620)	(26,620)	2,475	29,095
Fund Balance - Beginning	26,620	26,620	26,620	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,095</u>	<u>\$ 29,095</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMPUTER IT FUND				
Receipts	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Disbursements	(85,900)	(85,900)	(79,911)	5,989
Transfers in	51,397	51,397	83,397	32,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(16,503)	(16,503)	3,486	19,989
Fund Balance - Beginning	16,503	16,503	16,600	97
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,086</u>	<u>\$ 20,086</u>
EQUIPMENT VEHICLE FUND				
Receipts	\$ 40,000	\$ 40,000	\$ 41,000	\$ 1,000
Disbursements	(80,000)	(80,000)	(37,461)	42,539
Transfers in	39,039	39,039	39,039	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(961)	(961)	42,578	43,539
Fund Balance - Beginning	961	961	961	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,539</u>	<u>\$ 43,539</u>
FAIR FUND				
Receipts	\$ 11,000	\$ 11,000	\$ 10,293	\$ (707)
Disbursements	(127,000)	(127,000)	(122,841)	4,159
Transfers in	160,000	160,000	160,000	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(6,000)	(6,000)	(2,548)	3,452
Fund Balance - Beginning	22,381	22,381	20,670	(1,711)
Fund Balance - Ending	<u>\$ 16,381</u>	<u>\$ 16,381</u>	<u>\$ 18,122</u>	<u>\$ 1,741</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 4,850	\$ 4,850	\$ 4,650	\$ (200)
Disbursements	(20,713)	(20,713)	(117)	20,596
Net Change in Fund Balance	(15,863)	(15,863)	4,533	20,396
Fund Balance - Beginning	15,863	15,863	15,863	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,396</u>	<u>\$ 20,396</u>
ATTORNEY GRANT FUND				
Receipts	\$ 971	\$ 971	\$ 1,500	\$ 529
Disbursements	(4,500)	(4,500)	-	4,500
Net Change in Fund Balance	(3,529)	(3,529)	1,500	5,029
Fund Balance - Beginning	3,529	3,529	3,529	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,029</u>	<u>\$ 5,029</u>

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 24,961	\$ 24,961	\$ -	\$ (24,961)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(39)	(39)	-	39
Fund Balance - Beginning	39	39	39	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
INTOXILYZER FUND				
Receipts	\$ 2,000	\$ 2,000	\$ 1,143	\$ (857)
Disbursements	(4,510)	(4,510)	(2,386)	2,124
Net Change in Fund Balance	(2,510)	(2,510)	(1,243)	1,267
Fund Balance - Beginning	2,510	2,510	2,510	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 1,267</u>
SHERIFF GRANT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	(51,796)	(51,796)	-	51,796
Net Change in Fund Balance	(1,796)	(1,796)	-	1,796
Fund Balance - Beginning	1,796	1,796	1,796	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,796</u>	<u>\$ 1,796</u>
CANINE FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 1,250	\$ (2,750)
Disbursements	(6,950)	(6,950)	(1,681)	5,269
Net Change in Fund Balance	(2,950)	(2,950)	(431)	2,519
Fund Balance - Beginning	2,950	2,950	2,950	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,519</u>	<u>\$ 2,519</u>
COMMUNITY DEVELOPMENT GRANT FUND				
Receipts	\$ 16,978	\$ 16,978	\$ 17,532	\$ 554
Disbursements	(233,210)	(233,210)	-	233,210
Net Change in Fund Balance	(216,232)	(216,232)	17,532	233,764
Fund Balance - Beginning	216,232	216,232	216,232	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,764</u>	<u>\$ 233,764</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY FUND				
Receipts	\$ 34,000	\$ 34,000	\$ 32,937	\$ (1,063)
Disbursements	(51,529)	(51,529)	(19,890)	31,639
Transfers in	-	-	-	-
Transfers out	-	-	(14,792)	(14,792)
Net Change in Fund Balance	(17,529)	(17,529)	(1,745)	15,784
Fund Balance - Beginning	17,529	17,529	17,529	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,784</u>	<u>\$ 15,784</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 49,000	\$ 49,000	\$ 48,563	\$ (437)
Disbursements	(139,113)	(139,113)	(24,236)	114,877
Transfers in	-	-	-	-
Transfers out	-	-	(27,458)	(27,458)
Net Change in Fund Balance	(90,113)	(90,113)	(3,131)	86,982
Fund Balance - Beginning	90,113	90,113	90,113	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,982</u>	<u>\$ 86,982</u>
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 111,200	\$ 111,200	\$ 101,612	\$ (9,588)
Disbursements	(563,107)	(563,107)	(110,326)	452,781
Net Change in Fund Balance	(451,907)	(451,907)	(8,714)	443,193
Fund Balance - Beginning	451,907	451,907	451,906	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,192</u>	<u>\$ 443,193</u>
LAW ENFORCEMENT BUILDING FUND				
Receipts	\$ 533,008	\$ 533,008	\$ 67,380	\$ (465,628)
Disbursements	(546,568)	(546,568)	(292,633)	253,935
Transfers in	-	-	273,359	273,359
Transfers out	-	-	(28,581)	(28,581)
Net Change in Fund Balance	(13,560)	(13,560)	19,525	33,085
Fund Balance - Beginning	13,560	13,560	13,560	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,085</u>	<u>\$ 33,085</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT BUILDING BOND FUND				
Receipts	\$ -	\$ -	\$ 16,416	\$ 16,416
Disbursements	(198,375)	(198,375)	(81,558)	116,817
Transfers in	75,000	75,000	75,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(123,375)	(123,375)	9,858	133,233
Fund Balance - Beginning	123,375	123,375	123,375	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,233</u>	<u>\$ 133,233</u>
HIGHWAY BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(363,239)	(363,239)	(361,712)	1,527
Transfers in	361,913	361,913	361,912	(1)
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,326)	(1,326)	200	1,526
Fund Balance - Beginning	1,326	1,326	1,326	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,526</u>	<u>\$ 1,526</u>
NATURAL DISASTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(100,000)	(100,000)	-	100,000
Transfers in	-	-	-	-
Transfers out	(96,453)	(96,453)	-	96,453
Net Change in Fund Balance	(196,453)	(196,453)	-	196,453
Fund Balance - Beginning	196,453	196,453	196,453	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,453</u>	<u>\$ 196,453</u>
FAIR BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(208,600)	(208,600)	(80,250)	128,350
Transfers in	58,114	58,114	58,114	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(200,486)	(200,486)	(72,136)	128,350
Fund Balance - Beginning	200,486	200,486	200,485	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,349</u>	<u>\$ 128,350</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(198,642)	(198,642)	-	198,642
Net Change in Fund Balance	(198,642)	(198,642)	-	198,642
Fund Balance - Beginning	198,642	198,642	198,642	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,642</u>	<u>\$ 198,642</u>
LAW ENFORCEMENT ADDITION REMODEL FUND				
Receipts	\$ -	\$ -	\$ 3,750	\$ 3,750
Disbursements	(164,458)	(164,458)	(14,187)	150,271
Net Change in Fund Balance	(164,458)	(164,458)	(10,437)	154,021
Fund Balance - Beginning	164,458	164,458	164,458	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,021</u>	<u>\$ 154,021</u>
VISITOR PROMOTION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 17,727	\$ (2,273)
Disbursements	(44,098)	(44,098)	(25,403)	18,695
Net Change in Fund Balance	(24,098)	(24,098)	(7,676)	16,422
Fund Balance - Beginning	24,098	24,098	24,098	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,422</u>	<u>\$ 16,422</u>
AMBULANCE SERVICE FUND				
Receipts	\$ 809,325	\$ 809,325	\$ 807,582	\$ (1,743)
Disbursements	(819,189)	(819,189)	(754,548)	64,641
Transfers in	-	-	-	-
Transfers out	(27,310)	(27,310)	(63,602)	(36,292)
Net Change in Fund Balance	(37,174)	(37,174)	(10,568)	26,606
Fund Balance - Beginning	77,174	77,174	77,174	-
Fund Balance - Ending	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 66,606</u>	<u>\$ 26,606</u>
AMBULANCE EQUIPMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(9,562)	(9,562)	-	9,562
Net Change in Fund Balance	(9,562)	(9,562)	-	9,562
Fund Balance - Beginning	9,562	9,562	9,562	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,562</u>	<u>\$ 9,562</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>HIGHWAY BOND - PWF ROAD FUND</u>				
Receipts	\$ 557,600	\$ 557,600	\$ 563,197	\$ 5,597
Disbursements	(747,148)	(747,148)	(606,409)	140,739
Transfers in	-	-	135,180	135,180
Transfers out	-	-	-	-
Net Change in Fund Balance	<u>(189,548)</u>	<u>(189,548)</u>	<u>91,968</u>	<u>281,516</u>
Fund Balance - Beginning	189,548	189,548	189,548	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,516</u>	<u>\$ 281,516</u>

(Concluded)

JEFFERSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road Bridge Escrow Fund	Equipment Reserve Fund	Communication Equipment Fund	Computer IT Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	119,817	169,044	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	5,250	12,813	-
TOTAL RECEIPTS	<u>119,817</u>	<u>169,044</u>	<u>-</u>	<u>5,250</u>	<u>12,813</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	79,911
Public Safety	-	-	-	3,756	10,338	-
Public Works	-	138,922	188,708	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>138,922</u>	<u>188,708</u>	<u>3,756</u>	<u>10,338</u>	<u>79,911</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>119,817</u>	<u>30,122</u>	<u>(188,708)</u>	<u>1,494</u>	<u>2,475</u>	<u>(79,911)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	83,397
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,397</u>
Net Change in Fund Balances	119,817	30,122	(188,708)	1,494	2,475	3,486
FUND BALANCES - BEGINNING	<u>14,860</u>	<u>296,529</u>	<u>463,898</u>	<u>2,596</u>	<u>26,620</u>	<u>16,600</u>
FUND BALANCES - ENDING	<u>\$ 134,677</u>	<u>\$ 326,651</u>	<u>\$ 275,190</u>	<u>\$ 4,090</u>	<u>\$ 29,095</u>	<u>\$ 20,086</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement/Public Safety	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	134,677	326,651	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	275,190	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	4,090	29,095	20,086
Culture & Recreation	-	-	-	-	-	-
Assigned to:						
TOTAL FUND BALANCES	<u>\$ 134,677</u>	<u>\$ 326,651</u>	<u>\$ 275,190</u>	<u>\$ 4,090</u>	<u>\$ 29,095</u>	<u>\$ 20,086</u>

(Continued)

JEFFERSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Equipment Vehicle Fund	Fair Fund	Preservation and Modernization Fund	Attorney Grant Fund	Drug Law Enforcement Fund	Intoxilyzer Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	41,000	1	-	-	-	-
Charges for Services	-	-	4,650	1,500	-	1,143
Miscellaneous	-	10,292	-	-	-	-
TOTAL RECEIPTS	41,000	10,293	4,650	1,500	-	1,143
DISBURSEMENTS						
General Government	-	-	117	-	-	-
Public Safety	37,461	-	-	-	-	2,386
Public Works	-	-	-	-	-	-
Culture and Recreation	-	122,841	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	37,461	122,841	117	-	-	2,386
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,539	(112,548)	4,533	1,500	-	(1,243)
OTHER FINANCING SOURCES (USES)						
Transfers in	39,039	160,000	-	-	-	-
Transfers out	-	(50,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	39,039	110,000	-	-	-	-
Net Change in Fund Balances	42,578	(2,548)	4,533	1,500	-	(1,243)
FUND BALANCES - BEGINNING	961	20,670	15,863	3,529	39	2,510
FUND BALANCES - ENDING	\$ 43,539	\$ 18,122	\$ 20,396	\$ 5,029	\$ 39	\$ 1,267
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	39	-
Law Enforcement/Public Safety	-	-	-	5,029	-	-
Preservation of Records	-	-	20,396	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	1,267
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	43,539	-	-	-	-	-
Culture & Recreation	-	18,122	-	-	-	-
Assigned to:						
TOTAL FUND BALANCES	\$ 43,539	\$ 18,122	\$ 20,396	\$ 5,029	\$ 39	\$ 1,267

(Continued)

JEFFERSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Sheriff Grant Fund	Canine Fund	Community Development Grant Fund	911 Emergency Fund	911 Wireless Service Fund	Emergency Management Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ 32,937	\$ 48,563	\$ -
Intergovernmental	-	-	-	-	-	91,198
Charges for Services	-	-	-	-	-	1,750
Miscellaneous	-	1,250	17,532	-	-	8,664
TOTAL RECEIPTS	<u>-</u>	<u>1,250</u>	<u>17,532</u>	<u>32,937</u>	<u>48,563</u>	<u>101,612</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	1,681	-	19,890	24,236	110,326
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>1,681</u>	<u>-</u>	<u>19,890</u>	<u>24,236</u>	<u>110,326</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(431)</u>	<u>17,532</u>	<u>13,047</u>	<u>24,327</u>	<u>(8,714)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(14,792)	(27,458)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,792)</u>	<u>(27,458)</u>	<u>-</u>
Net Change in Fund Balances	-	(431)	17,532	(1,745)	(3,131)	(8,714)
FUND BALANCES - BEGINNING	<u>1,796</u>	<u>2,950</u>	<u>216,232</u>	<u>17,529</u>	<u>90,113</u>	<u>451,906</u>
FUND BALANCES - ENDING	<u>\$ 1,796</u>	<u>\$ 2,519</u>	<u>\$ 233,764</u>	<u>\$ 15,784</u>	<u>\$ 86,982</u>	<u>\$ 443,192</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	15,784	86,982	-
Drug Education	-	-	-	-	-	-
Law Enforcement/Public Safety	1,796	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	233,764	-	-	-
Committed to:						
Law Enforcement	-	2,519	-	-	-	443,192
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Assigned to:						
TOTAL FUND BALANCES	<u>\$ 1,796</u>	<u>\$ 2,519</u>	<u>\$ 233,764</u>	<u>\$ 15,784</u>	<u>\$ 86,982</u>	<u>\$ 443,192</u>

(Continued)

JEFFERSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	Law Enforcement Building Fund	Law Enforcement Building Bond Fund	Highway Bond Fund	Natural Disaster Fund	Fair Building Fund	County Building Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	66,968	16,416	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	412	-	-	-	-	-
TOTAL RECEIPTS	67,380	16,416	-	-	-	-
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	292,633	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	80,250	-
Debt Service:						
Principal Payments	-	70,000	305,000	-	-	-
Interest and Fiscal Charges	-	11,558	56,712	-	-	-
Capital Projects	-	-	-	-	-	-
TOTAL DISBURSEMENTS	292,633	81,558	361,712	-	80,250	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(225,253)	(65,142)	(361,712)	-	(80,250)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	273,359	75,000	361,912	-	58,114	-
Transfers out	(28,581)	-	-	-	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	244,778	75,000	361,912	-	8,114	-
Net Change in Fund Balances	19,525	9,858	200	-	(72,136)	-
FUND BALANCES - BEGINNING	13,560	123,375	1,326	196,453	200,485	198,642
FUND BALANCES - ENDING	\$ 33,085	\$ 133,233	\$ 1,526	\$ 196,453	\$ 128,349	\$ 198,642
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement/Public Safety	-	-	-	196,453	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	133,233	1,526	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Law Enforcement	33,085	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	198,642
Equipment	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	128,349	-
Assigned to:						
TOTAL FUND BALANCES	\$ 33,085	\$ 133,233	\$ 1,526	\$ 196,453	\$ 128,349	\$ 198,642

(Continued)

JEFFERSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Law Enforcement Addition Remodel Fund	Visitor Promotion Fund	Ambulance Service Fund	Ambulance Equipment Fund	Highway Bond - PWF Road Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ -	\$ 17,727	\$ 433,477	\$ -	\$ 508,808	\$ 1,041,512
Intergovernmental	-	-	39,703	-	54,389	598,536
Charges for Services	-	-	333,948	-	-	342,991
Miscellaneous	3,750	-	454	-	-	60,417
TOTAL RECEIPTS	3,750	17,727	807,582	-	563,197	2,043,456
DISBURSEMENTS						
General Government	-	-	-	-	-	80,028
Public Safety	14,187	-	754,548	-	-	1,271,442
Public Works	-	-	-	-	-	327,630
Culture and Recreation	-	25,403	-	-	-	228,494
Debt Service:						
Principal Payments	-	-	-	-	340,000	715,000
Interest and Fiscal Charges	-	-	-	-	186,042	254,312
Capital Projects	-	-	-	-	80,367	80,367
TOTAL DISBURSEMENTS	14,187	25,403	754,548	-	606,409	2,957,273
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(10,437)	(7,676)	53,034	-	(43,212)	(913,817)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	135,180	1,186,001
Transfers out	-	-	(63,602)	-	-	(234,433)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(63,602)	-	135,180	951,568
Net Change in Fund Balances	(10,437)	(7,676)	(10,568)	-	91,968	37,751
FUND BALANCES - BEGINNING	164,458	24,098	77,174	9,562	189,548	2,843,882
FUND BALANCES - ENDING	\$ 154,021	\$ 16,422	\$ 66,606	\$ 9,562	\$ 281,516	\$ 2,881,633
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	16,422	-	-	-	16,422
911 Emergency Services	-	-	-	-	-	102,766
Drug Education	-	-	-	-	-	39
Law Enforcement/Public Safety	-	-	-	-	-	203,278
Preservation of Records	-	-	-	-	-	20,396
Debt Service	-	-	-	-	281,516	416,275
Road/Bridge Projects	-	-	-	-	-	461,328
Community Development	-	-	-	-	-	233,764
Committed to:						
Law Enforcement	-	-	66,606	9,562	-	556,231
Road Maintenance	-	-	-	-	-	275,190
County Buildings	154,021	-	-	-	-	352,663
Equipment	-	-	-	-	-	96,810
Culture & Recreation	-	-	-	-	-	146,471
Assigned to:						-
TOTAL FUND BALANCES	\$ 154,021	\$ 16,422	\$ 66,606	\$ 9,562	\$ 281,516	\$ 2,881,633

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2018	\$ 545	\$ 8,330	\$ 31,039	\$ 19,502	\$ 3,290	\$ 3,818	\$ 500
RECEIPTS							
Property Taxes	-	-	-	20,043	-	-	-
Licenses and Permits	1,063	-	-	800	-	-	9,700
Intergovernmental	-	-	-	439,684	-	-	-
Charges for Services	8,226	53,690	10,468	56,932	1,875	24,912	-
Miscellaneous	-	-	-	11,819	155	-	25,297
State Fees	437	62,863	13,410	294	-	-	584
Other Liabilities	-	-	443,202	69,087	6,031	-	-
TOTAL RECEIPTS	9,726	116,553	467,080	598,659	8,061	24,912	35,581
DISBURSEMENTS							
Payments to County Treasurer	9,493	52,896	11,077	516,456	1,500	21,747	34,993
Payments to State Treasurer	570	57,900	13,981	264	-	-	584
Other Liabilities	-	-	452,492	90,106	5,360	-	4
TOTAL DISBURSEMENTS	10,063	110,796	477,550	606,826	6,860	21,747	35,581
BALANCES JUNE 30, 2019	<u>\$ 208</u>	<u>\$ 14,087</u>	<u>\$ 20,569</u>	<u>\$ 11,335</u>	<u>\$ 4,491</u>	<u>\$ 6,983</u>	<u>\$ 500</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 178	\$ 5,736	\$ 848	\$ 8,278	\$ 750	\$ 6,933	\$ -
Petty Cash	-	-	100	2,700	1,000	50	500
Due to State Treasurer	30	8,351	743	52	-	-	-
Due to Others	-	-	18,878	305	2,741	-	-
BALANCES JUNE 30, 2019	<u>\$ 208</u>	<u>\$ 14,087</u>	<u>\$ 20,569</u>	<u>\$ 11,335</u>	<u>\$ 4,491</u>	<u>\$ 6,983</u>	<u>\$ 500</u>

(Continued)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	Veterans' Service Officer	County Fair	County Ambulance	County Planning and Zoning	Employee Cafeteria Plan	County Emergency Manager	County Assessor	Total
BALANCES JULY 1, 2018	\$ 3,937	\$ 1,117	\$ 185,315	\$ -	\$ 20,108	\$ 98	\$ 27	\$ 277,626
RECEIPTS								
Property Taxes	-	-	-	-	-	-	-	20,043
Licenses and Permits	-	-	-	2,475	-	-	-	14,038
Intergovernmental	-	-	-	-	-	-	-	439,684
Charges for Services	-	-	328,375	-	-	-	14	484,492
Miscellaneous	18,116	27,367	454	-	24,908	23,241	-	131,357
State Fees	-	-	-	-	-	-	-	77,588
Other Liabilities	-	-	-	-	-	-	-	518,320
TOTAL RECEIPTS	18,116	27,367	328,829	2,475	24,908	23,241	14	1,685,522
DISBURSEMENTS								
Payments to County Treasurer	-	10,292	334,402	2,450	-	10,414	10	1,005,730
Payments to State Treasurer	-	-	-	-	-	-	-	73,299
Other Liabilities	15,234	16,120	-	-	25,856	-	-	605,172
TOTAL DISBURSEMENTS	15,234	26,412	334,402	2,450	25,856	10,414	10	1,684,201
BALANCES JUNE 30, 2019	\$ 6,819	\$ 2,072	\$ 179,742	\$ 25	\$ 19,160	\$ 12,925	\$ 31	\$ 278,947
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 6,819	\$ 2,072	\$ 179,242	\$ 25	\$ 13,992	\$ 12,925	\$ 6	\$ 237,804
Petty Cash	-	-	500	-	3,000	-	25	7,875
Due to State Treasurer	-	-	-	-	-	-	-	9,176
Due to Others	-	-	-	-	2,168	-	-	24,092
BALANCES JUNE 30, 2019	\$ 6,819	\$ 2,072	\$ 179,742	\$ 25	\$ 19,160	\$ 12,925	\$ 31	\$ 278,947

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2019

Item	2014	2015	2016	2017	2018
Tax Certified by Assessor					
Real Estate	\$ 17,260,577	\$ 18,714,758	\$ 20,300,165	\$ 20,755,385	\$ 21,348,754
Personal and Specials	4,336,494	4,363,407	4,031,839	4,201,297	4,229,570
Total	21,597,071	23,078,165	24,332,004	24,956,682	25,578,324
Corrections					
Additions	20,057	14,479	22,656	15,018	2,622
Deductions	(27,568)	(19,397)	(38,668)	(4,368)	(12)
Net Additions/ (Deductions)	(7,511)	(4,918)	(16,012)	10,650	2,610
Corrected Certified Tax	21,589,560	23,073,247	24,315,992	24,967,332	25,580,934
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2015	13,135,113	-	-	-	-
June 30, 2016	8,394,078	14,084,431	-	-	-
June 30, 2017	16,148	8,919,828	14,823,724	-	-
June 30, 2018	15,255	30,355	9,433,622	15,034,871	-
June 30, 2019	19,573	12,867	19,679	9,863,059	15,341,147
Total Net Collections	21,580,167	23,047,481	24,277,025	24,897,930	15,341,147
Total Uncollected Tax	\$ 9,393	\$ 25,766	\$ 38,967	\$ 69,402	\$ 10,239,787
Percentage Uncollected Tax	0.04%	0.11%	0.16%	0.28%	40.03%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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JEFFERSON 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 Commissioners
Jefferson 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 Jefferson County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated November 7, 2019. 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 Jefferson 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 Jefferson 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.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson 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

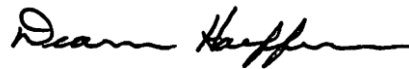
We also noted certain matters that we reported to the management of Jefferson County in a separate letter dated November 7, 2019.

Jefferson County’s Response to Findings

Jefferson County declined to respond to the finding described above.

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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

November 7, 2019



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 7, 2019

Board of Commissioners
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 7, 2019. 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 CLERK OF THE DISTRICT COURT

Personal Credit Card Charges

During our audit, we became aware of concerns regarding alleged personal charges made by Shawna Taylor, County Clerk of the District Court (CDC), on her County-issued credit card through First National Bank of Fairbury – Card Service Center. Consequently, we reviewed all activity on the card for the period January 2017 through the September 10, 2019, statement and noted apparent personal charges, totaling \$1,454, and interest and late fees of \$63. Of this total, \$179 was credited back to the card for returns, and the remaining \$1,338 was paid personally by the CDC.

The following table provides details of the transactions noted:

Date	Vendor	Amount
7/7/2017	Westlake Hardware Beatrice, NE - Credit	\$ (50.00)
7/7/2017	Westlake Hardware Beatrice, NE	\$ 97.08
7/9/2017	Walmart Fairbury, NE	\$ 102.52
7/10/2017	Scherbarth Ace Hdwe Fairbury, NE	\$ 98.20
7/9/2017	Walmart Fairbury, NE - Credit	\$ (96.62)
7/12/2017	Target Lincoln NE	\$ 10.89
7/12/2017	HF Crave Lincoln NE	\$ 27.90

Date	Vendor	Amount
9/29/2017	Menards Lincoln, NE	\$ 38.88
11/8/2017	Menards Grand Island, NE	\$ 7.58
12/27/2017	Bed Bath and Beyond	\$ 55.89
12/8/2018	Perkins Council Bluffs, IA	\$ 58.10
12/7/2018	Quality Inn Council Bluffs	\$ 62.52
12/21/2018	Loves Travel Belleville KS	\$ 29.33
12/22/2018	Hobby Lobby Salina, KS	\$ 47.88
12/23/2018	Buffalo Wild Wings	\$ 25.73
12/24/2018	Loves Travel Belleville KS	\$ 27.27
12/26/2018	Maatsches Express Fairbury, NE	\$ 28.06
12/31/2018	JCPenny Lincoln NE	\$ 80.23
12/31/2018	Casey's General Store Fairbury, NE	\$ 31.55
1/20/2019	Kwik Shop Salina, KS	\$ 26.00
1/20/2019	Perkins Salina, KS	\$ 26.05
2/5/2019	JC Penny Grand Island - Credit	\$ (32.09)
2/5/2019	Arby's Kearney, NE	\$ 9.72
2/6/2019	SOZO American Cuisine Kearney, NE	\$ 19.36
6/4/2019	Amigo's Lincoln, NE	\$ 7.63
6/7/2019	Vet Health Ctr KSU Manhattan, KS	\$ 441.37
6/8/2019	Walmart Fairbury, NE	\$ 27.07
6/11/2019	Taco Bell Grand Island, NE	\$ 25.68
8/21/2019	Phillips 66 Lincoln, NE	\$ 41.35
	Late Fees and Interest	\$ 63.22
Total		\$ 1,338.35

*Per the CDC, these charges were paid personally because the receipt was lost, not because they were personal in nature.

**Per the CDC, she did file a claim with the County for these charges; however, there is no record of the County ever issuing the claim. It appears they were paid by the CDC.

No County funds were used to pay for these charges.

According to the CDC, these charges occurred because her personal credit card was also issued through First National Bank of Fairbury – Card Service Center, and she mistakenly used the wrong card. Also, specifically for the charge at Kansas State Vet Health Center, the CDC said that she was required to use her personal funds to pay for lodging expenses while attending a Clerk of the District Court Workshop in Lincoln, NE, as the County credit card was denied. These additional, unanticipated expenses prohibited her from having sufficient personal funds available when her dog became sick.

Neb. Rev. Stat. § 13-610 (Reissue 2012), states the following, in relevant part:

* * * *

(2) Any political subdivision may utilize its purchasing card program for the purchase of goods and services for and on behalf of the political subdivision.

* * * *

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

* * * *

(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

(Emphasis added.) It should be noted that, despite being required to adopt rules and regulations for its purchasing card program, as highlighted in § 13-610(4) above, the County had no such formal guidelines.

Neb. Rev. Stat. § 28-620 (Reissue 2016), provides the following, in relevant part, regarding the offense of “unauthorized use of a financial device”:

(1) A person commits the offense of unauthorized use of a financial transaction device if such person uses such device in an automated banking device, to imprint a sales form, or in any other manner:

* * * *

(d) When for any reason his or her use of the financial transaction device is unauthorized either by the issuer or by the account holder.

Such personal charges also appear problematic in light of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-14-101 to 49-14,142 (Reissue 2010, Cum. Supp. 2018). Specifically, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2010) of the Act provides the following:

A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

Under Neb. Rev. Stat. § 49-1443 (Reissue 2010) of the Act, the definition of “public official” includes the following: “[A]n official in the executive branch, an official in the legislative branch, or an elected or appointed official in the judicial branch of the state government or a political subdivision thereof”

In addition to the above statutory concerns, good internal control and sound business practice require the County to establish formal policies and procedures for the allowable use of its credit cards. Among other things, those policies and procedures should restrict the use of County credit cards to official business only, expressly prohibiting their use for personal purchases.

Without such policies and procedures, there is an increased risk for not only loss or misuse of County funds but also violation of State statute.

We recommend the County Board implement formal policies and procedures for the appropriate use of its credit cards. Among other things, those policies and procedures should restrict the use of County credit cards to official business only, expressly prohibiting their use for personal purchases. Because this comment addresses possible violations of law, including the Act, we are forwarding the information herein to both the Jefferson County Attorney and the Nebraska Accountability and Disclosure Commission for further review.

Review of Overdue Case Balance Report

We noted that the CDC was not adequately reviewing the Overdue Case Balance Report (Report) to ensure the balances therein were proper, and timely action to collect or resolve those balances was taken during fiscal year 2019.

As of August 23, 2019, the Report contained 84 balances on criminal cases, totaling \$54,496. The following table provides details of those balances:

Year Case Filed	# of Cases	Total Overdue Balance
1999	1	\$ 5
2007	1	\$ 30
2010	3	\$ 585
2011	3	\$ 3,390
2012	1	\$ 586
2013	3	\$ 660
2014	6	\$ 6,704
2015	9	\$ 4,320
2016	11	\$ 7,726
2017	23	\$ 17,986
2018	20	\$ 11,454
2019	3	\$ 1,050
Total	84	\$ 54,496

Good internal control and sound business practice require procedures to ensure that overdue balances of the District Court are reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve those balances.

Without such procedures, there is an increased risk for the loss of funds.

We recommend the Clerk of the District Court implement procedures to ensure the Overdue Case Balance Report is reviewed on an ongoing basis, and appropriate follow-up action is taken. Potential courses of action for follow-up would include issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a declaration of certain balances as uncollectible.

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 that 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.

Unclaimed Property

The following table details the County offices that held unclaimed funds for more than three years, failing to remit them to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act (Act):

Office	# of Checks	Amount	Fiscal Year Issued
Fair	178	\$ 1,111	2009 - 2015
Sheriff	40	\$ 672	2007 - 2015
Attorney	5	\$ 202	2014 - 2015
District Court	2	\$ 44	2015

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act presumes abandoned any intangible personal property held by certain public entities, including political subdivisions, that has remained unclaimed for more than three years. Neb. Rev. Stat. § 69-1310(d) (Reissue 2018) requires any such abandoned property, as of June 30 each year, to be reported and remitted to the State Treasurer before November 1 annually.

In addition, good internal control requires procedures that provide for an ongoing, detailed review of all County accounts to determine the appropriate action for any unclaimed property identified therein. This was also noted in prior audits.

We recommend the County implement procedures to ensure all intangible personal property held by County offices that has remained unclaimed for more than three years is remitted to the State Treasurer, as required by the Act.

COUNTY AMBULANCE

Ambulance Office Procedures

The following issues were noted with the County Ambulance's office procedures at June 30, 2019:

- The County Ambulance maintains \$500 in petty cash that was neither approved by the County Board nor included in the fiscal policy of the annual budget message.
- The County Ambulance did not perform a reconciliation between its bank account, the financial records of the office, and the records of EMS Billing Services, Inc. (EMS), with whom the County has contracted to perform billing and collection services. This lack of reconciliation procedures resulted in the following concerns:
 - Reconciling items, totaling \$5,499, noted during prior audits were not corrected during fiscal year 2019.
 - Four ACH payments from the State of Nebraska, totaling \$182, were not adjusted into EMS' records.

- Five checks, totaling \$1,780, were received directly by the County Ambulance office; however, these were never adjusted into EMS' records.
- Two adjustments, totaling \$291, were made in EMS' records; however, this money was never received in the bank account.
- Fees of \$560 incurred in September 2017 had not been submitted to the County Board for reimbursement.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states 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.

Additionally, good internal control and sound accounting practices require procedures to ensure that an accurate and complete bank reconciliation is completed. Such reconciliation should include the timely resolution of all variances noted.

Without such procedures, there is an increased risk for the loss or misuse of County funds. A similar issue was also noted in the prior audit.

We recommend the County Ambulance ensure its \$500 petty cash amount is approved and included in the fiscal policy of the County Board's budget message, as required by law. We also recommend the County Ambulance implement a monthly reconciliation of its bank account.

COUNTY ATTORNEY

Attorney Office Procedures

The following issues were noted with the County Attorney's office procedures at June 30, 2019:

- Monthly reconciliations between the bank balance and the financial records were not completed for the trust accounts, resulting in an unidentified trust balance of \$1,266. The County Attorney could not identify to whom these funds were owed. Additionally, when attempting to reconcile one account, we noted a negative book balance of \$153, indicating that more funds were paid out than were originally collected. Documentation of a completed reconciliation could not be provided prior to July 2016.
- Petty cash expenses consisting of purchases from September 2014, October 2014, and October 2015, totaling \$42, were not submitted for reimbursement as of September 2019. Also, one claim, totaling \$8, was reimbursed in June 2016; however, no documentation was on file to support that this money was actually spent.
- Two receipts, totaling \$52, were not deposited to the bank account in a timely manner. Forty-nine dollars was received in May 2019, but it was not deposited until July 2019. Three dollars was received in April 2019, but it had not been deposited as of audit fieldwork in September 2019.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, the following:

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed

Good internal control requires procedures to ensure the following: 1) bank reconciliations are performed monthly, at a minimum; 2) complete and accurate financial records are maintained to identify the proper recipients of all trust balances owed; 3) reimbursement claims are submitted timely; and 4) receipts are recorded and deposited timely.

Without such procedures, there is an increased risk of not only loss, theft, or misuse of County funds but also undetected errors. This was also noted in prior audits.

We recommend the County Attorney implement procedures to ensure the performance of monthly bank reconciliations, the maintenance of complete and accurate financial records to identify the proper recipient of all trust balances owed, the timely submittal of reimbursement claims, and the expeditious recording and deposit of all monies received.

COUNTY BOARD

Incorrect Payroll Withholdings

We noted that tax withholdings were not in accordance with the Internal Revenue Service W-4 forms completed by three of five employees tested. All three of the employees had elected a status of “Married, but withhold at higher Single rate” on their W-4 forms; however, the County withheld taxes at the lower “Married” rate. Consequently, tax withholdings were \$50 to \$104 less than what they should have been, based on the correct withholding status.

Good internal control requires procedures to ensure that payroll taxes are withheld using the status requested by employees on their respective W-4 forms.

Without such procedures, there is an increased risk of improper tax withholdings that could result in potential tax consequences for the employee.

We recommend the County implement procedures to ensure employee tax withholding statuses are correctly entered into the payroll system.

Claims Procedures

The County lacked adequate procedures over the payment of claims. In particular, we noted the following:

- During testing of credit card payments, we noted that the County paid \$184 in interest and late fees due to payments not being remitted timely.
- Claim 18070068, issued to Derry Mayfield for \$8,000 in July 2018, pertained to the County Fair rodeo; however, no supporting documentation was attached to the claim when it was submitted to the County Board. The County was able to provide supporting documentation for this claim after our inquiry during the audit, but this was not provided to the County Board at the time the claim was approved.

- Claim 18080302, issued to Card Service Center for \$3,118 in August 2018 for payment of the County Fair’s credit card bill, did not have the credit card statement attached to the claim to support the actual charges incurred. Instead, only receipts from the vendors for the items purchased were attached. We also noted this claim included \$46 in interest and fees for late payment.
- Claim 18100193, issued to Pinnacle Bank in October 2018 for payment on the County Sheriff’s office credit card, included a charge to “Whiskey Creek,” a restaurant in Kearney, Nebraska, for \$138. An itemized receipt was not attached to the claim; instead, the payment was supported only by a credit card receipt.

Neb. Rev. Stat. § 13-610 (Reissue 2012) authorizes political subdivisions to implement a credit card program and establishes requirements, including an itemized purchase receipt directive, for the use of such cards, as follows:

(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card

(2) Any political subdivision may utilize its purchasing card program for the purchase of goods and services for and on behalf of the political subdivision.

* * * *

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

(Emphasis added.) Further, good internal control requires procedures to ensure that adequate supporting documentation is submitted with all claims, and the documentation is reviewed to verify the expenses incurred. Those same procedures should ensure also that claims are paid timely to avoid interest charges and late fees.

Without such procedures, there is an increased risk for not only loss or misuse of County funds but also noncompliance with State statute.

We recommend the County Board implement procedures to ensure all claims are adequately supported and paid timely to avoid interest charges and late fees.

COUNTY CLERK

Cafeteria Account

The County Clerk maintains a Cafeteria bank account for paying expenditures related to employees’ flexible spending account funds. We noted the following regarding this account:

- The Cafeteria bank account had a balance of \$16,160 at June 30, 2019. Additionally, \$2,500 was held as a balance at Infinisource, the vendor responsible for administering the cafeteria plan. Documentation could not be provided to support that the County Board approved these accounts to be maintained outside of the County Treasurer. Likewise, the amount of such accounts has not been stated in the County Board budget message.

- Interest of \$54 received in the Cafeteria bank account from fiscal years 2016 through 2019 had not been properly remitted to the County Treasurer.
- Infinisource had direct access to the Cafeteria bank account to pay claims on behalf of employees.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) provides 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.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the only authority for allowing the County fund to be held by anyone other than the County Treasurer, as follows:

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 message.

Unless the County Board designates the Cafeteria bank account as a “petty cash fund” under § 23-106(2), there is no authority for allowing it to be maintained by the County Clerk.

If the Cafeteria bank account is to be treated as a “petty cash fund” under § 23-106(2), moreover, the failure of the County Board budget message to reflect the authorized petty cash amounts both conflicts with State statute and effectively withholds from the public the approved funds available to officials.

Additionally, good internal control requires procedures for ensuring that the Cafeteria bank account balances are approved by the County Board, all authorized signers are County employees, and all interest received is deposited with the County Treasurer in a timely manner.

Without such procedures, there is an increased risk for the loss, theft, or misuse of County funds and errors being allowed to go undetected more easily. This was also noted in prior audits.

We recommend the County Board make a formal determination as to whether the Cafeteria bank account should be treated as a “petty cash fund” under § 23-106(2), effectively resolving the issue of who is responsible for maintaining it. Should the County Board designate the Cafeteria bank account as a “petty cash fund,” we recommend that procedures be implemented to ensure the County Board budget message reflects the amounts authorized for that fund. Such procedures should also ensure the remittance of all interest amounts to the County Treasurer and a review of the third-party vendor’s access to the account.

Insufficient Pledged Collateral

During our audit, we noted that the vendor imprest bank account was not fully insured by the Federal Deposit Insurance Corporation (FDIC) or additional pledged securities.

The County did not maintain or review monthly pledged collateral reports for the imprest bank account. Based on the monthly pledged collateral reports received from the bank, the account was uncollateralized for 25 days during the year, in amounts ranging between \$53,413 and \$583,326.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2018) states, in part, the following:

[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation, unless and until the depository has provided a deposit guaranty bond or furnished securities, or any combination thereof, to the custodial official, and the total value of such deposit guaranty bond and the market value of such securities are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.

When deposits are not fully secured at all times, the County is not in compliance with State statute, and there is an increased risk of loss should the financial institutions holding the County deposits fail. This was also noted in prior audits.

We recommend the County Clerk implement procedures to ensure bank deposits are adequately secured at all times.

COUNTY FAIR

Petty Cash Supporting Documentation

In July 2018, a \$7,000 claim was submitted to the County Board for County Fair premiums. In order for the recipients to be paid in a timely manner, the County Board approved that claim before the expenses were incurred; however, documentation for the expenses was not subsequently received by the County Board.

Additionally, we noted that the premium checks paid out for the 2018 County Fair totaled \$6,677, leaving unused \$323 of the amount requested. The excess money was not remitted back to the County Treasurer, remaining instead in the County Fair checking account.

Furthermore, the County Fair did not perform a bank reconciliation during the audit period. Due to the lack of reconciliations, we noted that reconciling items from fiscal years 2015 and 2016, totaling \$14, were not resolved.

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.

Good internal control and sound accounting practices require procedures to ensure that accurate bank reconciliations are performed timely. Those same procedures should ensure also that adequate documentation is presented to the County Board to support all claims.

Without such procedures, there is an increased risk for the loss or misuse of County funds. A similar comment was noted in prior audits.

We recommend the County Fair perform bank reconciliations on a timely basis and ensure the petty cash fund is maintained at the authorized amount. Furthermore, we recommend the County Board consider whether the authorized petty cash amount is too high, given the practice of advancing money prior to the fair.

COUNTY SHERIFF

Balancing Procedures

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2019:

- Accurate monthly bank reconciliations were not performed for one of the County Sheriff's bank accounts, resulting in a \$75 shortage between the book and bank balances at June 30, 2019.
- Fees were not remitted timely to the County Treasurer. Canine donations of \$836 received in May and June 2018 had not been remitted to the County Treasurer as of audit fieldwork in October 2019.
- A monthly asset-to-liability reconciliation was not performed. A cash long was noted at June 30, 2019, in the amount of \$3,007.
- The County Sheriff was authorized to utilize a \$1,200 Smartcard to pay out inmate accounts; however, the balance on the card at June 30, 2019, was \$1,404, an excess of \$204. Documentation was not available to support this overage.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) provides 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.

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.

Sound accounting practices and good internal control require procedures to ensure that the County Sheriff's office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Such procedures should include timely bank reconciliations and the prompt identification and resolution of all variance noted.

Those same procedures should ensure also that petty cash funds are reconciled periodically back to the authorized amount, and donations received are remitted timely to the County Treasurer.

Without such procedures, there is an increased risk of loss, theft, or misuse of County funds and errors going undetected more easily. A similar comment was noted in prior audits.

We recommend the County Sheriff implement procedures to ensure the following: 1) office assets agree to office liabilities on at least a monthly basis, and any variances identified are resolved in a timely manner; 2) monthly bank reconciliations are performed, and any variances noted are resolved timely; 3) petty cash funds are maintained at the authorized amount; and 4) donations are remitted timely to the County Treasurer.

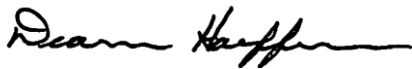
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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. The County declined to respond.

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,



Deann Haeffner, CPA
Assistant Deputy Auditor