

**AUDIT REPORT
OF
CASS COUNTY**

JULY 1, 2018, THROUGH JUNE 30, 2019

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Issued on February 19, 2020

CASS COUNTY

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CASS COUNTY
346 Main Street
Plattsmouth, NE 68048

LIST OF COUNTY OFFICIALS
At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Janet McCartney	Jan. 2023
	Dale Sharp	Jan. 2021
	Duane Murdoch	Jan. 2021
	Dan Henry	Jan. 2021
	Jim Peterson	Jan. 2023
Assessor	Teresa Salinger	Jan. 2023
Attorney	S. Colin Palm	Jan. 2023
Clerk	Geri Draper	Jan. 2023
Register of Deeds	Laura Pohlmeier	Jan. 2023
Clerk of the District Court	Barbara Prokupek	Jan. 2023
Sheriff	William Brueggeman	Jan. 2023
Surveyor	Charles Jordan	Jan. 2023
Treasurer	Cindy Fenton	Jan. 2023
Election Commissioner	Linn Moore	Appointed
Veterans' Service Officer	Brian Coffman	Appointed
Weed Superintendent	Rand Group	Appointed
Highway Superintendent	Lenny Thorne	Appointed
Emergency Manager	Sandy Weyers	Appointed
Planning and Zoning	Mike Jensen	Appointed



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CASS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cass 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 Cass 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 Cass 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.

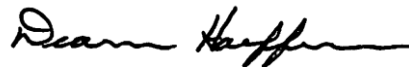
Report on Supplementary Information

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 17-33, 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 February 18, 2020, on our consideration of Cass 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 Cass County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 18, 2020

CASS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2019

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	5,155,126
Investments (Note 1.D)		7,044,575
TOTAL ASSETS	\$	12,199,701
NET POSITION		
Restricted for:		
Visitor Promotion	\$	279,176
911 Emergency Services		318,566
Drug Education		9,734
Preservation of Records		73,213
Road Maintenance		349,846
Emergency Management		95,623
Unrestricted		11,073,543
TOTAL NET POSITION	\$	12,199,701

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

CASS 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	\$ (8,663,744)	\$ 1,127,175	\$ 126,829	\$ (7,409,740)
Public Safety	(6,908,119)	1,955,112	143,234	(4,809,773)
Public Works	(7,842,079)	-	3,498,441	(4,343,638)
Public Assistance	(126,044)	-	-	(126,044)
Culture and Recreation	(165,698)	-	-	(165,698)
Total Governmental Activities	<u>\$ (23,705,684)</u>	<u>\$ 3,082,287</u>	<u>\$ 3,768,504</u>	<u>(16,854,893)</u>

General Receipts:

Property Taxes	16,015,244
Grants and Contributions Not Restricted to Specific Programs	1,607,748
Investment Income	242,437
Licenses and Permits	242,157
Miscellaneous	159,418
Total General Receipts	<u>18,267,004</u>

Increase in Net Position	1,412,111
Net Position - Beginning of year	10,787,590
Net Position - End of year	<u>\$ 12,199,701</u>

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

CASS 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)	\$ 3,649,787	\$ 242,447	\$ -	\$ 1,262,892	\$ 5,155,126
Investments (Note 1.D)	1,110,856	-	5,923,491	10,228	7,044,575
TOTAL ASSETS	\$ 4,760,643	\$ 242,447	\$ 5,923,491	\$ 1,273,120	\$ 12,199,701
 FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	279,176	279,176
911 Emergency Services	-	-	-	318,566	318,566
Drug Education	-	-	-	9,734	9,734
Preservation of Records	-	-	-	73,213	73,213
Road Maintenance	-	-	-	349,846	349,846
Emergency Management	-	-	-	95,623	95,623
Committed to:					
Law Enforcement	-	-	-	13,407	13,407
Road Maintenance	-	242,447	-	130,831	373,278
Aid and Assistance	-	-	-	2,761	2,761
Assigned to:					
Other Purposes	-	-	5,923,491	-	5,923,491
Unassigned	4,760,643	-	-	(37)	4,760,606
TOTAL CASH BASIS FUND BALANCES	\$ 4,760,643	\$ 242,447	\$ 5,923,491	\$ 1,273,120	\$ 12,199,701

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

CASS 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	\$ 13,625,146	\$ -	\$ 1,963,016	\$ 427,082	\$ 16,015,244
Licenses and Permits	242,157	-	-	-	242,157
Investment Income	242,232	-	-	205	242,437
Intergovernmental	1,379,437	3,497,716	-	499,099	5,376,252
Charges for Services	3,057,149	-	-	25,138	3,082,287
Miscellaneous	116,080	4,172	-	39,166	159,418
TOTAL RECEIPTS	<u>18,662,201</u>	<u>3,501,888</u>	<u>1,963,016</u>	<u>990,690</u>	<u>25,117,795</u>
DISBURSEMENTS					
General Government	8,258,556	-	381,590	23,598	8,663,744
Public Safety	6,682,606	-	-	225,513	6,908,119
Public Works	182,053	7,660,026	-	-	7,842,079
Public Assistance	117,044	-	-	9,000	126,044
Culture and Recreation	-	-	-	165,698	165,698
TOTAL DISBURSEMENTS	<u>15,240,259</u>	<u>7,660,026</u>	<u>381,590</u>	<u>423,809</u>	<u>23,705,684</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,421,942</u>	<u>(4,158,138)</u>	<u>1,581,426</u>	<u>566,881</u>	<u>1,412,111</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	195,148	3,500,000	-	18,651	3,713,799
Transfers out	(3,518,651)	-	-	(195,148)	(3,713,799)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,323,503)</u>	<u>3,500,000</u>	<u>-</u>	<u>(176,497)</u>	<u>-</u>
Net Change in Fund Balances	98,439	(658,138)	1,581,426	390,384	1,412,111
CASH BASIS FUND BALANCES - BEGINNING					
	<u>4,662,204</u>	<u>900,585</u>	<u>4,342,065</u>	<u>882,736</u>	<u>10,787,590</u>
CASH BASIS FUND BALANCES - ENDING					
	<u>\$ 4,760,643</u>	<u>\$ 242,447</u>	<u>\$ 5,923,491</u>	<u>\$ 1,273,120</u>	<u>\$ 12,199,701</u>

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 4,404,143
Investments	1,581,048
TOTAL ASSETS	\$ 5,985,191
LIABILITIES	
Due to other governments	
State	577,923
Schools	2,002,637
Educational Service Units	2,124
Technical College	12,730
Natural Resource Districts	4,169
Fire Districts	6,179
Municipalities	89,277
Agricultural Society	608
Cemetery	261
Sanitary and Improvement Districts	3,203,377
Others	85,906
TOTAL LIABILITIES	5,985,191
TOTAL NET ASSETS	\$ -

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

CASS 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 Cass County.

A. Reporting Entity

Cass 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 VI – 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 VI (Region) consists of the following counties: Dodge, Washington, Douglas, Sarpy, and Cass.

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 \$68,517 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.

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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:

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.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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. 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.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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 \$1,126,158 of restricted net position, which is fully restricted by enabling legislation.

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2019, disbursements exceeded budgeted appropriations in the Poor Relief, Institutions, Net Grant, and Noxious Weed Funds by \$32,823, \$43,134, \$10,000, and \$13,691, respectively. In fiscal year 2019, the County approved to close these funds; however, the transfers out of these funds were not budgeted for by the County.

Deficit Fund Balance. The Historical Society fund had a deficit fund balance of (\$37) as of June 30, 2019. The deficit balance is a result of actual receipts being less than expected. The County plans to use future tax proceeds to cover the deficit or a transfer of funds if future tax proceeds are insufficient.

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 \$5,155,126 for County funds and \$4,404,143 for Fiduciary funds. The bank balances for all funds totaled \$9,516,524. 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 did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$7,044,575 for County funds and \$1,581,048 for Fiduciary funds 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.

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.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.372490/\$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 \$.388348/\$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.

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, 240 employees contributed \$438,574, and the County contributed \$650,530. Contributions included \$24,644 in cash contributions towards the supplemental law enforcement plan for 48 law enforcement employees. Lastly, the County paid \$1,534 directly to seven retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 96 counties and local governments throughout Nebraska.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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.

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

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

6. **Interfund Transfers**

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

Transfers to	Transfers from		Total
	General Fund	Nonmajor Funds	
General Fund	\$ -	\$ 195,148	\$ 195,148
Road Fund	3,500,000	-	3,500,000
Nonmajor Funds	18,651	-	18,651
Total	<u>\$ 3,518,651</u>	<u>\$ 195,148</u>	<u>\$ 3,713,799</u>

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

During the fiscal year ended June 30, 2019, the County closed the Employment Security, Poor Relief, Institutions, DARE, Homeland Security, Net Grant, NDEQ Grant, Noxious Weed, and FEMA Grant funds and transferred the remaining fund balances, totaling \$195,148, to the General Fund.

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:

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Capital Leases Payable (Concluded)

	Motorola Radio System	Motorola Consoles	Total
Balance July 1, 2018	\$ -	\$ -	\$ -
Purchases	1,700,000	376,820	2,076,820
Payments	303,105	117,877	420,982
Balance June 30, 2019	<u>\$ 1,396,895</u>	<u>\$ 258,943</u>	<u>\$ 1,655,838</u>
Future Payments:			
Year			
2020	\$ 303,105	\$ 69,929	\$ 373,034
2021	303,105	69,929	373,034
2022	303,105	69,929	373,034
2023	303,105	69,930	373,035
2024	303,105	-	303,105
Total Payments	<u>1,515,525</u>	<u>279,717</u>	<u>1,795,242</u>
Less Interest	<u>118,630</u>	<u>20,774</u>	<u>139,404</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,396,895</u>	<u>\$ 258,943</u>	<u>\$ 1,655,838</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,700,000</u>	<u>\$ 446,749</u>	<u>\$ 2,146,749</u>

CASS 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	\$ 14,688,475	\$ 14,688,475	\$ 13,625,146	\$(1,063,329)
Licenses and Permits	213,075	213,075	242,157	29,082
Interest	125,000	125,000	242,232	117,232
Intergovernmental	466,500	466,500	1,379,437	912,937
Charges for Services	2,980,266	2,980,266	3,057,149	76,883
Miscellaneous	154,875	154,875	116,080	(38,795)
TOTAL RECEIPTS	18,628,191	18,628,191	18,662,201	34,010
DISBURSEMENTS				
General Government:				
County Board	150,458	150,458	144,256	6,202
County Clerk	262,717	262,717	228,887	33,830
County Treasurer	460,110	460,110	409,082	51,028
Register of Deeds	205,682	207,182	205,946	1,236
County Assessor	313,258	313,258	251,722	61,536
Election Commissioner	155,564	175,564	169,474	6,090
Building and Zoning	157,507	168,507	166,363	2,144
Clerk of the District Court	206,061	206,061	197,874	8,187
County Court System	27,100	27,100	22,953	4,147
District Judge	59,649	59,649	55,588	4,061
Public Defender	273,042	273,042	273,000	42
Building and Grounds	161,238	161,238	148,050	13,188
Reappraisal	451,510	451,510	251,343	200,167
Agricultural Extension Agent	116,718	116,718	110,935	5,783
GIS Department	148,342	148,342	132,613	15,729
Data Processing Department	332,100	332,100	251,325	80,775
Miscellaneous	5,567,696	5,535,196	5,239,145	296,051
Public Safety				
County Sheriff	3,272,685	3,272,685	2,886,570	386,115
County Attorney	544,273	544,273	518,709	25,564
County Jail	2,834,168	2,834,168	2,434,708	399,460
Emergency Management	824,726	824,726	793,005	31,721
Child Support	62,748	62,748	49,614	13,134
Public Works				
County Surveyor	68,702	68,702	66,463	2,239
Noxious Weed Control	132,736	132,736	106,655	26,081
Recycle	21,300	21,300	8,935	12,365
Public Assistance				
Veterans' Service Officer	98,193	98,193	94,579	3,614
State Institutions	47,000	47,000	18,105	28,895
Poor Relief	32,980	32,980	4,360	28,620
TOTAL DISBURSEMENTS	16,988,263	16,988,263	15,240,259	1,748,004

CASS COUNTY
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,639,928	1,639,928	3,421,942	1,782,014
OTHER FINANCING SOURCES (USES)				
Transfers in	227,643	227,643	195,148	(32,495)
Transfers out	(4,994,980)	(4,994,980)	(3,518,651)	1,476,329
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,767,337)</u>	<u>(4,767,337)</u>	<u>(3,323,503)</u>	<u>1,443,834</u>
Net Change in Fund Balance	(3,127,409)	(3,127,409)	98,439	3,225,848
FUND BALANCE - BEGINNING	<u>4,589,129</u>	<u>4,589,129</u>	<u>4,662,204</u>	<u>73,075</u>
FUND BALANCE - ENDING	<u><u>\$ 1,461,720</u></u>	<u><u>\$ 1,461,720</u></u>	<u><u>\$ 4,760,643</u></u>	<u><u>\$ 3,298,923</u></u>

(Concluded)

CASS 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				
Intergovernmental	\$ 3,039,849	\$ 3,039,849	\$3,497,716	\$ 457,867
Miscellaneous	700	700	4,172	3,472
TOTAL RECEIPTS	<u>3,040,549</u>	<u>3,040,549</u>	<u>3,501,888</u>	<u>461,339</u>
DISBURSEMENTS	<u>9,636,098</u>	<u>9,636,098</u>	<u>7,660,026</u>	<u>1,976,072</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(6,595,549)</u>	<u>(6,595,549)</u>	<u>(4,158,138)</u>	<u>2,437,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,779,964	5,779,964	3,500,000	(2,279,964)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,779,964</u>	<u>5,779,964</u>	<u>3,500,000</u>	<u>(2,279,964)</u>
Net Change in Fund Balance	(815,585)	(815,585)	(658,138)	157,447
FUND BALANCE - BEGINNING	<u>900,585</u>	<u>900,585</u>	<u>900,585</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 242,447</u>	<u>\$ 157,447</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 800,000	\$ 800,000	\$1,963,016	\$ 1,163,016
TOTAL RECEIPTS	<u>800,000</u>	<u>800,000</u>	<u>1,963,016</u>	<u>1,163,016</u>
DISBURSEMENTS	<u>2,238,105</u>	<u>2,238,105</u>	<u>381,590</u>	<u>1,856,515</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,438,105)</u>	<u>(1,438,105)</u>	<u>1,581,426</u>	<u>3,019,531</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,000,000)	(1,000,000)	-	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Net Change in Fund Balance	(2,438,105)	(2,438,105)	1,581,426	4,019,531
FUND BALANCE - BEGINNING	<u>4,342,065</u>	<u>4,342,065</u>	<u>4,342,065</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,903,960</u>	<u>\$ 1,903,960</u>	<u>\$5,923,491</u>	<u>\$ 4,019,531</u>

CASS 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)
ROAD SINKING FUND				
Receipts	\$ -	\$ -	\$ 32,935	\$ 32,935
Disbursements	(97,896)	(97,896)	-	97,896
Net Change in Fund Balance	(97,896)	(97,896)	32,935	130,831
Fund Balance - Beginning	97,896	97,896	97,896	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,831</u>	<u>\$ 130,831</u>
ROAD BUYBACK FUND				
Receipts	\$ 389,868	\$ 389,868	\$ 348,900	\$ (40,968)
Disbursements	(390,814)	(390,814)	-	390,814
Net Change in Fund Balance	(946)	(946)	348,900	349,846
Fund Balance - Beginning	946	946	946	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,846</u>	<u>\$ 349,846</u>
JUVENILE DIVERSION FUND				
Receipts	\$ 33,732	\$ 33,732	\$ 35,535	\$ 1,803
Disbursements	(39,196)	(39,196)	(31,660)	7,536
Net Change in Fund Balance	(5,464)	(5,464)	3,875	9,339
Fund Balance - Beginning	5,464	5,464	5,331	(133)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,206</u>	<u>\$ 9,206</u>
VISITOR PROMOTION FUND				
Receipts	\$ 85,000	\$ 85,000	\$ 89,544	\$ 4,544
Disbursements	(148,019)	(148,019)	(77,931)	70,088
Net Change in Fund Balance	(63,019)	(63,019)	11,613	74,632
Fund Balance - Beginning	63,019	63,019	63,019	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,632</u>	<u>\$ 74,632</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ 85,000	\$ 85,000	\$ 89,544	\$ 4,544
Disbursements	(247,767)	(247,767)	(47,767)	200,000
Net Change in Fund Balance	(162,767)	(162,767)	41,777	204,544
Fund Balance - Beginning	162,767	162,767	162,767	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,544</u>	<u>\$ 204,544</u>

(Continued)

CASS 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)
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 22,000	\$ 22,000	\$ 21,108	\$ (892)
Disbursements	(84,608)	(84,608)	(10,503)	74,105
Net Change in Fund Balance	(62,608)	(62,608)	10,605	73,213
Fund Balance - Beginning	62,608	62,608	62,608	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,213</u>	<u>\$ 73,213</u>
EMPLOYMENT SECURITY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(34,520)	(34,520)	(13,095)	21,425
Transfers in	-	-	-	-
Transfers out	-	-	(21,425)	(21,425)
Net Change in Fund Balance	(34,520)	(34,520)	(34,520)	-
Fund Balance - Beginning	34,520	34,520	34,520	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
POOR RELIEF FUND				
Receipts	\$ 217	\$ 217	\$ 60	\$ (157)
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(32,823)	(32,823)
Net Change in Fund Balance	217	217	(32,763)	(32,980)
Fund Balance - Beginning	32,763	32,763	32,763	-
Fund Balance - Ending	<u>\$ 32,980</u>	<u>\$ 32,980</u>	<u>\$ -</u>	<u>\$ (32,980)</u>
INSTITUTIONS FUND				
Receipts	\$ -	\$ -	\$ 9,420	\$ 9,420
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(43,134)	(43,134)
Net Change in Fund Balance	-	-	(33,714)	(33,714)
Fund Balance - Beginning	33,714	33,714	33,714	-
Fund Balance - Ending	<u>\$ 33,714</u>	<u>\$ 33,714</u>	<u>\$ -</u>	<u>\$ (33,714)</u>

(Continued)

CASS 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)
VETERANS' AID FUND				
Receipts	\$ 10,445	\$ 10,445	\$ 10,206	\$ (239)
Disbursements	(12,000)	(12,000)	(9,000)	3,000
Net Change in Fund Balance	(1,555)	(1,555)	1,206	2,761
Fund Balance - Beginning	1,555	1,555	1,555	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,761</u>	<u>\$ 2,761</u>
DRUG LAW ENFORCEMENT & EDUCATION FUND				
Receipts	\$ 80	\$ 80	\$ 205	\$ 125
Disbursements	(9,609)	(9,609)	-	9,609
Net Change in Fund Balance	(9,529)	(9,529)	205	9,734
Fund Balance - Beginning	9,529	9,529	9,529	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,734</u>	<u>\$ 9,734</u>
DARE FUND				
Receipts	\$ -	\$ -	\$ 5,959	\$ 5,959
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(12,627)	(12,627)	(5,959)	6,668
Net Change in Fund Balance	(12,627)	(12,627)	-	12,627
Fund Balance - Beginning	12,627	12,627	-	(12,627)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
JUVENILE DIVERSION GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(4,201)	(4,201)	-	4,201
Net Change in Fund Balance	(4,201)	(4,201)	-	4,201
Fund Balance - Beginning	4,201	4,201	4,201	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ 4,201</u>

(Continued)

CASS 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)
HOMELAND SECURITY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(57)	(57)	-	57
Transfers in	-	-	-	-
Transfers out	-	-	(57)	(57)
Net Change in Fund Balance	(57)	(57)	(57)	-
Fund Balance - Beginning	57	57	57	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FEMA GRANT FUND				
Receipts	\$ 150,000	\$ 150,000	\$ 112,385	\$ (37,615)
Disbursements	(206,959)	(206,959)	(23,721)	183,238
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
Net Change in Fund Balance	(56,959)	(56,959)	38,664	95,623
Fund Balance - Beginning	56,959	56,959	56,959	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,623</u>	<u>\$ 95,623</u>
PRIVATE GRANT FUND				
Receipts	\$ -	\$ -	\$ 550	\$ 550
Disbursements	(7,404)	(7,404)	(7,390)	14
Net Change in Fund Balance	(7,404)	(7,404)	(6,840)	564
Fund Balance - Beginning	7,404	7,404	7,404	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564</u>	<u>\$ 564</u>
NET GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	(10,000)
Net Change in Fund Balance	-	-	(10,000)	(10,000)
Fund Balance - Beginning	-	-	10,000	10,000
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CASS 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)
NDEQ GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(18,059)	(18,059)	-	18,059
Transfers in	-	-	-	-
Transfers out	-	-	(18,059)	(18,059)
Net Change in Fund Balance	(18,059)	(18,059)	(18,059)	-
Fund Balance - Beginning	18,059	18,059	18,059	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CRIME COMMISSION FUND				
Receipts	\$ 91,890	\$ 91,890	\$ 30,849	\$ (61,041)
Disbursements	(107,659)	(107,659)	(65,269)	42,390
Transfers in	-	-	18,651	18,651
Transfers out	-	-	-	-
Net Change in Fund Balance	(15,769)	(15,769)	(15,769)	-
Fund Balance - Beginning	15,769	15,769	15,769	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
E911 WIRELESS FUND				
Receipts	\$ 82,359	\$ 82,359	\$ 83,184	\$ 825
Disbursements	(224,286)	(224,286)	(40,493)	183,793
Net Change in Fund Balance	(141,927)	(141,927)	42,691	184,618
Fund Balance - Beginning	141,927	141,927	141,927	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,618</u>	<u>\$ 184,618</u>
NOXIOUS WEED FUND				
Receipts	\$ -	\$ -	\$ 978	\$ 978
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(13,691)	(13,691)
Net Change in Fund Balance	-	-	(12,713)	(12,713)
Fund Balance - Beginning	-	-	12,713	12,713
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CASS 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>HISTORICAL SOCIETY FUND</u>				
Receipts	\$ 37,453	\$ 37,453	\$ 37,416	\$ (37)
Disbursements	(40,000)	(40,000)	(40,000)	-
Net Change in Fund Balance	(2,547)	(2,547)	(2,584)	(37)
Fund Balance - Beginning	2,547	2,547	2,547	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37)</u>	<u>\$ (37)</u>
<u>E911 SERVICE FUND</u>				
Receipts	\$ 67,249	\$ 67,249	\$ 81,912	\$ 14,663
Disbursements	(175,791)	(175,791)	(56,980)	118,811
Net Change in Fund Balance	(108,542)	(108,542)	24,932	133,474
Fund Balance - Beginning	108,542	108,542	108,452	(90)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,384</u>	<u>\$ 133,384</u>

(Concluded)

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

	Road Sinking Fund	Road Buyback Fund	Juvenile Diversion Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 28,961	\$ 89,544	\$ 89,544
Investment Income	-	-	-	-	-
Intergovernmental	266	348,900	2,544	-	-
Charges for Services	-	-	4,030	-	-
Miscellaneous	32,669	-	-	-	-
TOTAL RECEIPTS	<u>32,935</u>	<u>348,900</u>	<u>35,535</u>	<u>89,544</u>	<u>89,544</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	31,660	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	77,931	47,767
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>31,660</u>	<u>77,931</u>	<u>47,767</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>32,935</u>	<u>348,900</u>	<u>3,875</u>	<u>11,613</u>	<u>41,777</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	32,935	348,900	3,875	11,613	41,777
FUND BALANCES - BEGINNING	<u>97,896</u>	<u>946</u>	<u>5,331</u>	<u>63,019</u>	<u>162,767</u>
FUND BALANCES - ENDING	<u>\$ 130,831</u>	<u>\$ 349,846</u>	<u>\$ 9,206</u>	<u>\$ 74,632</u>	<u>\$ 204,544</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	74,632	204,544
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	349,846	-	-	-
Emergency Management	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	9,206	-	-
Road Maintenance	130,831	-	-	-	-
Aid and Assistance	-	-	-	-	-
Unassigned					
TOTAL FUND BALANCES	<u>\$ 130,831</u>	<u>\$ 349,846</u>	<u>\$ 9,206</u>	<u>\$ 74,632</u>	<u>\$ 204,544</u>

(Continued)

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

	Register of Deeds Preservation Fund	Employment Security Fund	Poor Relief Fund	Institutions Fund	Veterans' Aid Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 3	\$ 9,277	\$ 9,341
Investment Income	-	-	-	-	-
Intergovernmental	-	-	57	143	865
Charges for Services	21,108	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>21,108</u>	<u>-</u>	<u>60</u>	<u>9,420</u>	<u>10,206</u>
DISBURSEMENTS					
General Government	10,503	13,095	-	-	-
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	9,000
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>10,503</u>	<u>13,095</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>10,605</u>	<u>(13,095)</u>	<u>60</u>	<u>9,420</u>	<u>1,206</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(21,425)	(32,823)	(43,134)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(21,425)</u>	<u>(32,823)</u>	<u>(43,134)</u>	<u>-</u>
Net Change in Fund Balances	10,605	(34,520)	(32,763)	(33,714)	1,206
FUND BALANCES - BEGINNING	<u>62,608</u>	<u>34,520</u>	<u>32,763</u>	<u>33,714</u>	<u>1,555</u>
FUND BALANCES - ENDING	<u>\$ 73,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,761</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	73,213	-	-	-	-
Road Maintenance	-	-	-	-	-
Emergency Management	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	2,761
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 73,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,761</u>

(Continued)

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

	Drug Law Enforcement & Education Fund	DARE Fund	Juvenile Diversion Grant Fund	Homeland Security Fund	FEMA Grant Fund
RECEIPTS					
Property Taxes	\$ -	\$ 12	\$ -	\$ -	\$ -
Investment Income	205	-	-	-	-
Intergovernmental	-	-	-	-	112,385
Charges for Services	-	-	-	-	-
Miscellaneous	-	5,947	-	-	-
TOTAL RECEIPTS	<u>205</u>	<u>5,959</u>	<u>-</u>	<u>-</u>	<u>112,385</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	23,721
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,721</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>205</u>	<u>5,959</u>	<u>-</u>	<u>-</u>	<u>88,664</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(5,959)	-	(57)	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(5,959)</u>	<u>-</u>	<u>(57)</u>	<u>(50,000)</u>
Net Change in Fund Balances	205	-	-	(57)	38,664
FUND BALANCES - BEGINNING	<u>9,529</u>	<u>-</u>	<u>4,201</u>	<u>57</u>	<u>56,959</u>
FUND BALANCES - ENDING	<u>\$ 9,734</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ -</u>	<u>\$ 95,623</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	9,734	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Emergency Management	-	-	-	-	95,623
Committed to:					
Law Enforcement	-	-	4,201	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 9,734</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ -</u>	<u>\$ 95,623</u>

(Continued)

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

	Private Grant Fund	Net Grant Fund	NDEQ Grant Fund	Crime Commission Fund	E911 Wireless Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 83,184
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	30,849	-
Charges for Services	-	-	-	-	-
Miscellaneous	550	-	-	-	-
TOTAL RECEIPTS	<u>550</u>	<u>-</u>	<u>-</u>	<u>30,849</u>	<u>83,184</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	7,390	-	-	65,269	40,493
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,390</u>	<u>-</u>	<u>-</u>	<u>65,269</u>	<u>40,493</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(6,840)</u>	<u>-</u>	<u>-</u>	<u>(34,420)</u>	<u>42,691</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	18,651	-
Transfers out	-	(10,000)	(18,059)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(10,000)</u>	<u>(18,059)</u>	<u>18,651</u>	<u>-</u>
Net Change in Fund Balances	(6,840)	(10,000)	(18,059)	(15,769)	42,691
FUND BALANCES - BEGINNING	<u>7,404</u>	<u>10,000</u>	<u>18,059</u>	<u>15,769</u>	<u>141,927</u>
FUND BALANCES - ENDING	<u>\$ 564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,618</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	564	-	-	-	184,618
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Emergency Management	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,618</u>

(Continued)

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

	Noxious Weed Fund	Historical Society Fund	E911 Service Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ 978	\$ 34,326	\$ 81,912	\$ 427,082
Investment Income	-	-	-	205
Intergovernmental	-	3,090	-	499,099
Charges for Services	-	-	-	25,138
Miscellaneous	-	-	-	39,166
TOTAL RECEIPTS	<u>978</u>	<u>37,416</u>	<u>81,912</u>	<u>990,690</u>
DISBURSEMENTS				
General Government	-	-	-	23,598
Public Safety	-	-	56,980	225,513
Public Assistance	-	-	-	9,000
Culture and Recreation	-	40,000	-	165,698
TOTAL DISBURSEMENTS	<u>-</u>	<u>40,000</u>	<u>56,980</u>	<u>423,809</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>978</u>	<u>(2,584)</u>	<u>24,932</u>	<u>566,881</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	18,651
Transfers out	(13,691)	-	-	(195,148)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,691)</u>	<u>-</u>	<u>-</u>	<u>(176,497)</u>
Net Change in Fund Balances	(12,713)	(2,584)	24,932	390,384
FUND BALANCES - BEGINNING	<u>12,713</u>	<u>2,547</u>	<u>108,452</u>	<u>882,736</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (37)</u>	<u>\$ 133,384</u>	<u>\$ 1,273,120</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	279,176
911 Emergency Services	-	-	133,384	318,566
Drug Education	-	-	-	9,734
Preservation of Records	-	-	-	73,213
Road Maintenance	-	-	-	349,846
Emergency Management	-	-	-	95,623
Committed to:				
Law Enforcement	-	-	-	13,407
Road Maintenance	-	-	-	130,831
Aid and Assistance	-	-	-	2,761
Unassigned	-	(37)	-	(37)
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ (37)</u>	<u>\$ 133,384</u>	<u>\$ 1,273,120</u>

(Concluded)

CASS 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	Election Commissioner
BALANCES JULY 1, 2018	\$ 10,164	\$ 55,273	\$ 119,779	\$ 168,652	\$ 630	\$ -
RECEIPTS						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	18,846	-	-	-	-	-
Intergovernmental	-	-	-	143,472	-	29,902
Charges for Services	55,338	233,017	31,699	1,868,660	270	18
Miscellaneous	30	100	1	103,506	78	1,653
State Fees	-	295,333	40,238	-	-	-
Other Liabilities	-	-	639,333	219,680	14,712	-
TOTAL RECEIPTS	74,214	528,450	711,271	2,335,318	15,060	31,573
DISBURSEMENTS						
Payments to County Treasurer	66,992	236,899	31,678	1,993,917	270	31,573
Payments to State Treasurer	-	298,938	40,963	-	-	-
Other Liabilities	16,341	-	596,722	324,412	13,132	-
TOTAL DISBURSEMENTS	83,333	535,837	669,363	2,318,329	13,402	31,573
BALANCES JUNE 30, 2019	<u>\$ 1,045</u>	<u>\$ 47,886</u>	<u>\$ 161,687</u>	<u>\$ 185,641</u>	<u>\$ 2,288</u>	<u>\$ -</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 945	\$ 20,861	\$ 2,499	\$ 158,124	\$ 1,788	\$ -
Petty Cash	100	100	103	3,250	500	-
Due to State Treasurer	-	26,925	1,979	-	-	-
Due to Others	-	-	157,106	24,267	-	-
BALANCES JUNE 30, 2019	<u>\$ 1,045</u>	<u>\$ 47,886</u>	<u>\$ 161,687</u>	<u>\$ 185,641</u>	<u>\$ 2,288</u>	<u>\$ -</u>

(Continued)

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

	Highway Superintendent	Veterans' Service Officer	County Planning and Zoning	GIS Office	Keno Function	CASA	Total
BALANCES JULY 1, 2018	\$ 275	\$ 12,155	\$ 846	\$ 30	\$ 32,637	\$ -	\$ 400,441
RECEIPTS							
Property Taxes	-	-	-	-	-	-	-
Licenses and Permits	-	-	165,555	-	-	-	184,401
Intergovernmental	-	-	-	-	-	-	173,374
Charges for Services	6,413	-	-	75	-	-	2,195,490
Miscellaneous	34,375	9,000	-	-	25,946	28,000	202,689
State Fees	1,894	-	-	-	6,778	-	344,243
Other Liabilities	-	-	-	-	-	-	873,725
TOTAL RECEIPTS	42,682	9,000	165,555	75	32,724	28,000	3,973,922
DISBURSEMENTS							
Payments to County Treasurer	40,215	-	154,385	75	-	-	2,556,004
Payments to State Treasurer	1,894	-	-	-	5,526	-	347,321
Other Liabilities	-	9,312	9,910	-	28,720	27,275	1,025,824
TOTAL DISBURSEMENTS	42,109	9,312	164,295	75	34,246	27,275	3,929,149
BALANCES JUNE 30, 2019	<u>\$ 848</u>	<u>\$ 11,843</u>	<u>\$ 2,106</u>	<u>\$ 30</u>	<u>\$ 31,115</u>	<u>\$ 725</u>	<u>\$ 445,214</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 848	\$ 11,843	\$ 1,965	\$ -	\$ 29,863	\$ 725	\$ 229,461
Petty Cash	-	-	-	30	-	-	4,083
Due to State Treasurer	-	-	-	-	1,252	-	30,156
Due to Others	-	-	141	-	-	-	181,514
BALANCES JUNE 30, 2019	<u>\$ 848</u>	<u>\$ 11,843</u>	<u>\$ 2,106</u>	<u>\$ 30</u>	<u>\$ 31,115</u>	<u>\$ 725</u>	<u>\$ 445,214</u>

(Concluded)

CASS 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	\$ 54,392,293	\$ 55,494,735	\$ 57,371,229	\$ 59,084,678	\$ 60,620,675
Personal and Specials	2,429,521	2,180,510	2,041,913	2,096,359	2,107,082
Total	56,821,814	57,675,245	59,413,142	61,181,037	62,727,757
Corrections					
Additions	44,191	23,797	26,780	21,739	64,141
Deductions	(110,293)	(93,186)	(95,397)	(96,561)	(122,873)
Net Additions/ (Deductions)	(66,102)	(69,389)	(68,617)	(74,822)	(58,732)
Corrected Certified Tax	56,755,712	57,605,856	59,344,525	61,106,215	62,669,025
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2015	33,055,094	-	-	-	-
June 30, 2016	23,576,944	34,062,447	-	-	-
June 30, 2017	63,158	23,438,323	34,905,636	-	-
June 30, 2018	26,684	55,543	24,327,293	37,314,958	-
June 30, 2019	11,306	18,405	68,995	23,736,041	36,965,383
Total Net Collections	56,733,186	57,574,718	59,301,924	61,050,999	36,965,383
Total Uncollected Tax	\$ 22,526	\$ 31,138	\$ 42,601	\$ 55,216	\$ 25,703,642
Percentage Uncollected Tax	0.04%	0.05%	0.07%	0.09%	41.01%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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CASS 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
Cass 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 Cass County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated February 18, 2020. 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 Cass 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 Cass 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 Cass 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

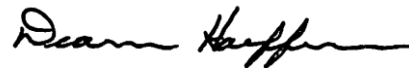
We also noted certain matters that we reported to the management of Cass County in a separate letter dated February 18, 2020.

Cass County's Response to Findings

Cass 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

February 18, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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February 18, 2020

Board of Commissioners
Cass County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Cass County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated February 18, 2020. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY OVERALL

Segregation of Duties

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.

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 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.

Unauthorized Petty Cash Funds

During our audit, we noted the following offices maintained petty cash funds that were neither approved by the County Board nor included in the fiscal policy of the County's approved 2019-2020 budget message:

Office	Amount Maintained
Clerk of the District Court	\$ 100
GIS Office	30
Total Unauthorized Petty Cash Funds	\$ 130

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.

When all petty cash funds available to County offices are not approved by the County Board and included in the County Board’s budget message, the County is not in compliance with State statute. Additionally, such noncompliance effectively conceals from citizens the amount of public funds made available to County officials.

A similar comment was reported in prior year.

We recommend the County ensure all petty cash funds have been properly approved by the County Board and included in the County Board’s budget message.

Fee Approvals

During our audit, we noted that there was no documented fee approvals for the following fees charged by various County offices.

- Recycling costs charged by the County Highway Department are shown below. The amounts charged and collected by this office for fiscal year 2019 totaled \$6,413.

Fee	Amount/Range	Notes
Metal	\$2 to \$10	Amount charged varied based on load size.
Appliances	\$5	An additional \$30 was charged for Freon.
Yard Waste	\$2 to \$25	Amount charged varied based on vehicle/load size.
Tires	\$4 to \$13	Amount charged varied based on type of tire.

- The County Planning and Zoning Administrator charged for zoning permits and contractor registrations. The amounts charged and collected by this office for fiscal year 2019 totaled \$165,555. The County Planning and Zoning office was able to provide a fee schedule for several types of permit charges, ranging from \$100 to \$5,000; however, this fee schedule has not been approved by the County Board. During testing, we noted that three receipts tested were not on the fee schedule.
- The County GIS Department charged \$3 per page for plat map copies. The amount charged and collected by this office for fiscal year 2019 totaled \$75.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns to the County Board responsibility for managing County funds and business. In addition, good internal control and sound business practice require fees to be set by the County Board and documentation of this approval to be maintained.

When fees are not approved by the County Board, there is an increased risk of loss or misuse of County funds.

A similar comment was reported in prior year.

We recommend the County Board approve all County office fees not set by statute and maintain documentation of such approvals for subsequent review.

COUNTY TREASURER

Negative Fund Balances

In May 2019, the Auditor of Public Accounts (APA) discovered that a tax refund had not been entered into the County Treasurer accounting system and was causing balancing issues. Once the refund was posted in the system, several funds held by the County Treasurer became negative. These funds remained negative at the end of the fiscal year on June 30, 2019.

The following table summarizes the funds with negative fund balances.

Fund #	Fund Name	Balance
6132	Louisville SD 32 – General	\$ (137,874)
6234	Louisville SD 32 – Special Building	(4,304)
7707	Louisville Fire District – General	(566)
7807	Louisville Fire District – Sinking	(484)
7877	Louisville Fire District – Bond	(2,910)
Total		\$ (146,138)

Good internal controls and sound accounting practices require procedures to ensure that all governmental funds held by the County Treasurer are sufficient, and any deficits therein are resolved in a timely manner.

Without such procedures, there is an increased risk of loss or misuse of public funds.

We recommend the County Treasurer implement balancing procedures to ensure all governmental funds are sufficient, and any deficits therein are resolved in a timely manner.

5% Gross In-Lieu Distribution

During testing of the April 2019 5% gross in-lieu of tax distributions received from the Omaha Public Power District, totaling \$287,928, we noted that the County Treasurer did not distribute the funds in accordance with State statute. The error was due to one school district tax levy being incorrect and one school district levy being excluded from the calculation.

The following table summarizes the distribution errors:

Funds	Fund #	Auditor Distribution	Treasurer Distribution	Variance
General	100	\$ 51,253	\$ 51,706	\$ (453)
Juvenile Diversion	676	117	118	(1)
Veterans	1900	40	40	-
Historical Society	2110	143	144	(1)
Village of Manley	8680	882	1,375	(493)
Village of Cedar Creek	8630/8830	3,807	3,813	(6)
Weeping Water SD 22	6122/6221	2,297	3,584	(1,287)
Weeping Water SD 22 Bond 2013	6216	540	843	(303)
Louisville SD 32	6132/6234/6235	16,931	14,678	2,253
Louisville SD 32 Bond	6233	1,908	1,617	291
Totals		\$ 77,918	\$ 77,918	\$ -

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states, in relevant part, the following:

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

When gross in-lieu of tax distributions are not calculated accurately, political subdivisions do not receive the correct amount of revenue.

A similar comment was reported in the prior year.

We recommend the County Treasurer implement procedures to ensure that gross in-lieu of tax distributions are calculated properly and disbursed to the appropriate entities.

Tax Reconciliation Not Performed and Tax Corrections Not Entered

During the audit, it was noted that the County Treasurer did not perform a reconciliation of the taxes certified by the Assessor, tax corrections, and tax collections to ensure the system is accurately reporting taxes remaining to be collected. In addition, the County Treasurer acknowledged that tax corrections from the County Assessor were not being entered into the system in a timely manner. As a result, unknown variances were noted between what we calculated as taxes remaining to be collected at June 30, 2019, and the remaining taxes shown in the County Treasurer’s system, as reflected in the following table:

Tax Year	Unknown Variance
2014	\$ (17,365)
2015	\$ (5,103)
2016	\$ (9,933)
2017	\$ (1,517)
2018	\$ 6,581

The negative amounts indicate that the County Treasurer’s system showed less money remaining to be collected than what we calculated.

Neb. Rev. Stat. § 77-1613.02 (Reissue 2018) states, in relevant part, “The county treasurer shall thereupon correct the tax roll to conform to the correction copy. . . .” Furthermore, sound accounting practices and good internal control require procedures to ensure that the certified taxes, adjusted for any corrections and stricken taxes, and tax collections agree to the taxes remaining to be collected in the Treasurer’s system.

Without such procedures, there is an increased risk for errors and/or irregularities to occur and remain undetected.

A similar comment was reported in the prior year.

We recommend that, in addition to posting tax corrections in the system in a timely manner, the County Treasurer implement procedures to ensure a tax reconciliation is performed on a regular basis to verify the accuracy of the amounts shown in the system.

Insufficient Pledged Collateral

During our audit, we noted that the County Treasurer did not maintain securities to cover fully deposits at one bank. Throughout June 2019, the daily balance for this bank ranged from \$3,907,840 to \$10,145,325; however, the pledged securities for this account were inadequate for the entire month, with uncollateralized balances ranging from \$245,688 to \$6,607,922. For the months prior to June 2019, the County Treasurer was unable to provide the monthly pledged security reports to determine if balances were secured for those months.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2018) states, in relevant 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 [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which 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.

Furthermore, sound accounting practices and a good internal control plan require procedures to ensure that public funds deposited in banks are fully protected by FDIC coverage or otherwise properly collateralized, and such security is properly documented.

Without such procedures, there is an increased risk for not only the loss of unsecured public funds but also noncompliance with State statute.

A similar comment was reported in prior year.

We recommend the County Treasurer implement procedures for monitoring closely all County bank accounts to ensure they are properly secured, by either sufficient FDIC coverage or adequate collateral, and documentation of such security is maintained.

COUNTY CLERK

Office Procedures

During the audit, we noted the following issues with the County Clerk’s financial accounting and balancing procedures:

- An unknown cash long of \$280 was noted at June 30, 2019.
- The June 2019 bank reconciliation provided did not include one \$25 outstanding deposit.
- Receipt records were inaccurate, as the following revenues collected by the County Clerk were not included:

Receipt Type	Amount
STOP Fees	\$ 4,225
Tobacco Licenses	\$ 10
Advertising Fees	\$ 147
Liquor Licenses	\$ 3,170
Total	\$ 7,552

Additionally, sound accounting practices and good internal control require procedures to ensure that office assets are in agreement with office liabilities on, at least, a monthly basis. Those procedures should also include the timely identification and resolution of all variances noted. Finally, such procedures should ensure that fees collected are properly recorded.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of public funds but also statutory noncompliance.

A similar comment was reported in the prior year.

We recommend the County Clerk implement procedures to ensure: 1) office assets are in agreement with office liabilities on, at least, a monthly basis; 2) any variances noted during that reconciliation are resolved timely; 3) fees collected are properly recorded.

Insufficient Pledged Collateral

During our audit, we noted that the County Clerk did not maintain securities to cover fully deposits in the imprest bank account. For this account, deposits were uncollateralized on multiple days throughout the fiscal year due to the pledged collateral being inadequate at times when funds from the County Treasurer were deposited for approved claims. For the days of the deposits, as well as multiple days subsequent thereto, the bank balances were uncollateralized.

The following table summarizes the period of uncollateralized funds for the largest deposit each month:

Month	Dates Uncollateralized	Days Uncollateralized	Uncollateralized Balance
July	7/25/18 - 7/27/18	3	\$ 106,484.00
August	8/22/18 - 8/24/18	3	236,635
September	9/19/18 - 9/21/18	3	142,266
October	10/31/18 - 11/2/18	3	503,038
November	11/14/18 - 11/19/18	6	761,124
December	12/26/18 - 12/28/18	3	407,329
January	1/9/19 - 1/11/19	3	53,480
February	2/20/19 - 2/22/19	3	1,233,787
March	3/21/19 - 3/29/19	9	2,796,882
April	4/17/19 - 4/22/19	6	1,018,113
May	5/1/19 - 5/7/19	7	1,034,609
June	6/26/19 - 7/1/19	6	\$ 905,629

Neb. Rev. Stat. § 77-2395(1) (Reissue 2018) states, in relevant 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 [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which 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.

Furthermore, sound accounting practices and a good internal control plan require procedures to ensure that public funds deposited in banks are fully protected by FDIC coverage or otherwise properly collateralized, and such security is properly documented.

Without such procedures, there is an increased risk for not only the loss of unsecured public funds but also noncompliance with State statute.

We recommend the County Clerk implement procedures for monitoring closely all County bank accounts to ensure they are properly secured, by either sufficient FDIC coverage or adequate collateral, and documentation of such security is maintained.

Keno Funds and Disbursements Not Through County Treasurer

During our audit, we noted that the County Clerk maintained a bank account for keno proceeds, with a balance of \$31,010 as of June 30, 2019. As of our audit fieldwork completed in mid-January 2020, the bank account balance, comprised of keno proceeds collected during fiscal year 2019, totaling \$32,724, had not been remitted to the County Treasurer.

Additionally, disbursements, totaling \$34,246, were made from this bank account during the fiscal year; as a result, those monies were not recorded in the County Treasurer's financials.

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

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

A good internal control plan requires procedures to ensure that all County funds are included in accounting systems used to prepare financial statements, and disbursements of such funds are recorded in the County Treasurer's financials.

Without such procedures, there is an increased risk of not only noncompliance with State statute but also incorrect financial statements.

We recommend the County Clerk implement procedures to ensure keno proceeds, as well as any disbursements from those funds, are accounted for by the County Treasurer.

COUNTY BOARD

Economic Aid Payment

During our audit, we noted that the County Board approved a grant (claim #18100625) of \$40,000 to the Cass County Economic Development Council, a non-profit corporation, on October 16, 2018; however, no subsequent follow-up was completed by the County to ensure that the funds were used appropriately.

A good internal control plan and sound business practices require procedures to ensure that any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately.

Without such procedures, there is an increased risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately.

Payroll Records

During testing of salaries, it was noted that four officials or employees' salaries paid during the calendar year 2019 did not agree to the salaries approved by the County Board. When we inquired about these discrepancies, the following was noted:

- All County offices and officials have the ability to alter their own pay in the time-tracking system and produce a claim to be submitted to payroll for payout. The County utilizes a time-tracking system, OSL, and uses MIPS as the system to process payroll. While only the County Clerk's office has access to change pay rates in MIPS, we noted that 2019 pay-rate changes made in MIPS were based on what was in OSL rather than the new salaries approved for that year, meaning that the County Clerk appears to have been using pay rate information from OSL.

The following information illustrates the issues noted:

- The County Surveyor increased his own pay by \$1,500 during calendar year 2019. After being entered into the time-tracking system, this pay increase was submitted to the County Clerk and Board, which ultimately approved the increase for payout.
- The County Assessor increased her own pay by \$9,916 for a payout of vacation and sick leave balances when transitioning from a paid employee to an elected official. No documentation was provided for this increase; however, it was still processed through MIPS.
- The County Highway Superintendent was paid \$2,996 more than the approved amount set by Board resolution for calendar year 2019.

Neb. Rev. Stat. § 23-1114 (Reissue 2012) states, in relevant part, the following:

(1) The salaries of all elected officers of the county shall be fixed by the county board prior to January 15 of the year in which a general election will be held for the respective offices.

(2) The salaries of all deputies in the offices of the elected officers and appointive veterans service officers of the county shall be fixed by the county board at such times as necessity may require.

Good internal controls and sound business practices require procedures to ensure that payroll access is limited to authorized personnel, and all payroll is reviewed to ensure amounts paid out are appropriate and in agreement with the wages set by the County Board. These controls should ensure also that any discrepancies noted are resolved, with County Board action if necessary, in a timely manner.

Without such procedures, there is an increased risk of theft, misuse, or loss of public funds.

We recommend the County Board implement procedures to ensure access to payroll records is limited to authorized personnel, and all payroll is reviewed to ensure amounts paid out are appropriate and in agreement with the wages set by the County Board. These controls should ensure also that any discrepancies noted are resolved, with County Board action if necessary, in a timely manner.

Lack of Policy for Rebates Earned on Purchases

During testing, it was noted that the County lacked a policy for tracking rebates earned on Menards purchases and verifying the proper disposition of those rebates.

The County's claims for purchases at Menards during the fiscal year 2019 totaled \$8,268. It should be noted that this amount does include payments made to Menards using a County credit card, totaling \$28.

Sound accounting practices and good internal control require procedures to ensure that vendor rebates received for purchases with public funds are properly tracked and used only for County business.

Without such procedures, there is an increased risk of County employees using for personal gain vendor rebates received for purchases with public funds. A similar comment was reported in the prior year.

We recommend the County implement procedures to ensure vendor rebates received for purchases with public funds are properly tracked and used only for County business.

Review of Delinquent Personal Property Taxes

A listing of delinquent personal property taxes was not reviewed prior to the payment of claims to ensure that no payees had delinquent personal property taxes.

Neb. Rev. Stat. § 23-143 (Reissue 2012) states the following:

The county board of any county, whenever the account or claim of any person, firm or corporation against the county is presented to them for allowance, shall procure from the county treasurer a certificate of the amount of delinquent personal taxes assessed against the person, firm or corporation in whose favor the account or claim is presented, and shall deduct from any amount found due upon such account or claim the amount of such tax, and shall forthwith issue a warrant for the balance remaining, if any.

When claims are not reviewed for delinquent property taxes, the County is not in compliance with State statute, increasing the risk for loss or misuse of funds.

A similar comment was reported in the prior year.

We recommend the County Board implement procedures for reviewing payees for delinquent personal property taxes before claims are approved and paid by the County.

COUNTY SHERIFF

Office Procedures

During the audit, we noted that the County Sheriff had more office liabilities (fees and trust accounts) than office assets (cash on hand, reconciled bank balance, accounts receivable, etc.), resulting in a net unknown short balance of \$1,543 at June 30, 2019, which consisted of the following:

Account	Long/(Short)
Fee Account (Non-Civil Process)	\$ (1,679)
Fee Account (Civil Process)	\$ 136
Net Short	\$ (1,543)

This short appears to be the result of the County Sheriff not performing a periodic office asset-to-liability reconciliation, not maintaining a listing of accounts receivable, and not reconciling the non-civil process fee account to the authorized petty cash amount of \$2,000.

As of June 30, 2019, moreover, the County Sheriff held a balance of \$2,405 in the Crime Stoppers account that had not been remitted to the County Treasurer by the time of our audit fieldwork in mid-January 2020.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) provides, in relevant part, 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.

Additionally, sound accounting practices and good internal control require procedures to ensure that office assets are in agreement with office liabilities on, at least, a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted. Such procedures should also require all County funds collected to be remitted to the County Treasurer in a timely manner.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds, as well as errors going undetected more easily, but also noncompliance with State statute.

A similar comment was noted in the prior year.

We recommend the County Sheriff implement procedures to ensure: 1) office assets are in agreement with office liabilities on, at least, a monthly basis; 2) any variances noted during that reconciliation process are resolved timely; and 3) all County funds collected are remitted to the County Treasurer in a timely manner.

Insufficient Pledged Collateral

During our audit, we noted that the County Sheriff did not maintain securities to cover fully deposits in the commissary bank account. For this account, deposits, ranging from \$17,246 to \$154,927, were uncollateralized for 142 days throughout the fiscal year; this was due to the pledged collateral being inadequate at times when funds from different counties and Federal agencies were deposited for inmate housing and supplies. For the days of those deposits, as well as and multiple days subsequent thereto, the bank balances were uncollateralized.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2018) states, in relevant 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 [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which 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.

Furthermore, sound accounting practices and a good internal control plan require procedures to ensure that public funds deposited in banks are fully protected by FDIC coverage or otherwise properly collateralized, and such security is properly documented.

Without such procedures, there is an increased risk for not only the loss of unsecured public funds but also noncompliance with State statute.

We recommend the County Sheriff implement procedures for monitoring closely all County bank accounts under his supervision to ensure they are properly secured, by either sufficient FDIC coverage or adequate collateral, and documentation of such security is maintained.

COUNTY CLERK OF THE DISTRICT COURT

Overdue Case Balance Report Review

During the audit, we noted that the County Clerk of the District Court was not actively reviewing the Overdue Case Balance Report to ensure that the balances listed therein were proper, and appropriate action was taken with regard to those balances during fiscal year 2019. As of January 10, 2020, the report showed a total amount owed of \$81,222 on criminal cases. Of this total, 23 cases, totaling \$15,081, were flagged for a current warrant.

The following table summarizes this report:

Year Case Filed	Number of Cases	Amount Overdue
1997	6	\$ 141
1998	20	\$ 756
1999	7	\$ 216
2000	8	\$ 1,831
2001	4	\$ 350
2002	6	\$ 745
2003	9	\$ 2,031
2004	8	\$ 1,814
2005	1	\$ 1,712
2006	4	\$ 800
2007	3	\$ 1,150
2008	5	\$ 1,646
2009	8	\$ 3,258
2010	2	\$ 59
2011	5	\$ 1,740
2012	2	\$ 731
2013	5	\$ 943
2014	5	\$ 2,581
2015	8	\$ 5,210
2016	27	\$ 16,370
2017	27	\$ 21,560
2018	17	\$ 10,242
2019	10	\$ 5,336
Totals	197	\$ 81,222

Good internal control and sound accounting practices require the Overdue Case Balance Report to be reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve overdue balances of the District Court.

When the Overdue Case Balance Report is not reviewed periodically, there is an increased risk of the District Court's overdue balances not being pursued for collection.

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

COUNTY PLANNING AND ZONING

Receipt Records

During our audit, we noted that the receipt records maintained by the County Planning and Zoning office were not complete or accurate. The receipt report run by that office for fiscal year 2019 did not include \$3,914 in permit fees that were remitted to the County Treasurer.

Good internal controls require procedures to ensure that all revenue collected by the County Planning and Zoning office is recorded accurately.

Without such procedures, there is an increased risk of loss or misuse of public funds.

We recommend the County Planning and Zoning office implement procedures to ensure all funds collected are recorded accurately.

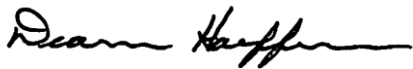
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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,

A handwritten signature in black ink, appearing to read "Deann Haeffner", with a long, sweeping horizontal line extending to the right.

Deann Haeffner, CPA
Assistant Deputy Auditor