

**AUDIT REPORT
OF
HOLT COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

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the Auditor of Public Accounts.**

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Issued on September 29, 2020

HOLT COUNTY

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HOLT COUNTY
204 N. 4th
O'Neill, NE 68763

LIST OF COUNTY OFFICIALS
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Steve Boshart	Jan. 2021
	Donald Butterfield	Jan. 2023
	Doug Frahm	Jan. 2023
	Don Hahlbeck	Jan. 2023
	Darrin Paxton	Jan. 2021
	Robert Snyder	Jan. 2021
	William Tielke	Jan. 2023
Assessor	Tim Wallinger	Jan. 2023
Attorney	Brent Kelly	Jan. 2023
Clerk	Cathy Pavel	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Junior Young	Jan. 2023
Public Defender	Rod Smith	Jan. 2023
Sheriff	Ben Matchett	Jan. 2023
Surveyor	Steven Rasmussen	Jan. 2023
Treasurer	Connie Krotter	Jan. 2023
Veterans' Service Officer	Ken Stenka	Appointed
Weed Superintendent	Bill Babutzke	Appointed
Highway Superintendent	Gary Connot	Appointed
Planning & Zoning	Mike Durre	Appointed
Emergency Manager	Deb Hilker	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

HOLT COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Holt 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 Holt County, as of and for the year ended June 30, 2020, 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 Holt County as of June 30, 2020, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 18-31, 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 September 25, 2020, on our consideration of Holt 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 Holt County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

September 25, 2020

HOLT COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 6,373,070
TOTAL ASSETS	\$ 6,373,070
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 110,986
Emergency Management	20
Law Enforcement	93,023
Preservation of Records	20,468
Debt Service	353,645
Road Maintenance	867,919
Aid and Assistance	31,177
Unrestricted	4,895,832
TOTAL NET POSITION	\$ 6,373,070

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

HOLT COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2020

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	\$ (4,282,227)	\$ 463,090	\$ 84,141	\$ (3,734,996)
Public Safety	(1,030,539)	75,313	58,495	(896,731)
Public Works	(13,403,245)	66,858	3,950,585	(9,385,802)
Public Assistance	(86,577)	-	43,268	(43,309)
Culture and Recreation	(132,975)	-	-	(132,975)
Debt Payments	(847,878)	-	-	(847,878)
Total Governmental Activities	\$ (19,783,441)	\$ 605,261	\$ 4,136,489	(15,041,691)

General Receipts:

Property Taxes	10,343,612
Grants and Contributions Not Restricted to Specific Programs	1,504,571
Investment Income	144,797
Licenses and Permits	55,619
Bond Proceeds	1,503,278
Miscellaneous	193,725
Total General Receipts	13,745,602
Increase in Net Position	(1,296,089)
Net Position - Beginning of year	7,669,159
Net Position - End of year	\$ 6,373,070

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

HOLT COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2020

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Highway Road Bridge Buyback Fund</u>	<u>Construction Asphalt Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 3,246,090	\$ 125,457	\$ 1,135,604	\$ 867,919	\$ 299,345	\$ 698,655	\$ 6,373,070
TOTAL ASSETS	<u>\$ 3,246,090</u>	<u>\$ 125,457</u>	<u>\$ 1,135,604</u>	<u>\$ 867,919</u>	<u>\$ 299,345</u>	<u>\$ 698,655</u>	<u>\$ 6,373,070</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	110,986	110,986
Emergency Management	-	-	-	-	-	20	20
Law Enforcement	-	-	-	-	-	93,023	93,023
Preservation of Records	-	-	-	-	-	20,468	20,468
Debt Service	-	-	-	-	-	353,645	353,645
Road Maintenance	-	-	-	867,919	-	-	867,919
Aid and Assistance	-	-	-	-	-	31,177	31,177
Committed to:							
Law Enforcement	-	-	-	-	-	1,833	1,833
Road Maintenance	-	125,457	-	-	299,345	7,481	432,283
Road Equipment	-	-	-	-	-	80,022	80,022
Assigned to:							
Other Purposes	-	-	1,135,604	-	-	-	1,135,604
Unassigned	3,246,090	-	-	-	-	-	3,246,090
TOTAL CASH BASIS FUND BALANCES	<u>\$ 3,246,090</u>	<u>\$ 125,457</u>	<u>\$ 1,135,604</u>	<u>\$ 867,919</u>	<u>\$ 299,345</u>	<u>\$ 698,655</u>	<u>\$ 6,373,070</u>

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

HOLT COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Road Fund	Inheritance Fund	Highway Road Bridge Buyback Fund	Construction Asphalt Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 8,457,944	\$ 2,006	\$ 1,272,998	\$ -	\$ 911	\$ 609,753	\$ 10,343,612
Licenses and Permits	55,219	400	-	-	-	-	55,619
Investment Income	144,270	-	-	-	-	527	144,797
Intergovernmental	1,517,114	3,027,149	-	354,359	-	742,438	5,641,060
Charges for Services	492,274	66,858	-	-	-	46,129	605,261
Miscellaneous	1,338	1,685,665	-	-	-	10,000	1,697,003
TOTAL RECEIPTS	<u>10,668,159</u>	<u>4,782,078</u>	<u>1,272,998</u>	<u>354,359</u>	<u>911</u>	<u>1,408,847</u>	<u>18,487,352</u>
DISBURSEMENTS							
General Government	4,271,790	-	10,437	-	-	-	4,282,227
Public Safety	1,001,133	-	-	-	-	29,406	1,030,539
Public Works	301,850	9,982,170	-	-	3,119,225	-	13,403,245
Public Assistance	80,077	-	-	-	-	6,500	86,577
Culture and Recreation	-	-	-	-	-	132,975	132,975
Debt Service:							
Principal Payments	-	-	-	-	-	765,000	765,000
Interest and Fiscal Charges	-	-	-	-	-	82,878	82,878
TOTAL DISBURSEMENTS	<u>5,654,850</u>	<u>9,982,170</u>	<u>10,437</u>	<u>-</u>	<u>3,119,225</u>	<u>1,016,759</u>	<u>19,783,441</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,013,309</u>	<u>(5,200,092)</u>	<u>1,262,561</u>	<u>354,359</u>	<u>(3,118,314)</u>	<u>392,088</u>	<u>(1,296,089)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	1,700,000	4,500,000	-	-	2,969,250	6,500	9,175,750
Transfers out	(7,475,750)	-	(1,700,000)	-	-	-	(9,175,750)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,775,750)</u>	<u>4,500,000</u>	<u>(1,700,000)</u>	<u>-</u>	<u>2,969,250</u>	<u>6,500</u>	<u>-</u>
Net Change in Fund Balances	(762,441)	(700,092)	(437,439)	354,359	(149,064)	398,588	(1,296,089)
CASH BASIS FUND BALANCES - BEGINNING	<u>4,008,531</u>	<u>825,549</u>	<u>1,573,043</u>	<u>513,560</u>	<u>448,409</u>	<u>300,067</u>	<u>7,669,159</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 3,246,090</u>	<u>\$ 125,457</u>	<u>\$ 1,135,604</u>	<u>\$ 867,919</u>	<u>\$ 299,345</u>	<u>\$ 698,655</u>	<u>\$ 6,373,070</u>

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

HOLT COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,609,510
 LIABILITIES	
Due to other governments	
State	384,170
Schools	423,440
Educational Service Units	5,460
Technical College	39,140
Natural Resource Districts	223,999
Fire Districts	5,525
Municipalities	47,614
Agricultural Society	637
Reclamation Districts	1,458
Townships	475,532
Airport Authorities	1,756
Others	779
TOTAL LIABILITIES	1,609,510
TOTAL NET ASSETS	\$ -

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

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$62,496 toward the operation of the Region during fiscal year 2020. 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 North Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2020. 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.

Boyd Holt E911 Communications Center – The County has entered into an agreement with the Boyd Holt E911 Communications Center (Center) to establish a countywide 911 service. Participating members of the Center are the city of O'Neill and the counties of Boyd and Holt.

The Center's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by 911 surcharges collected by the State of Nebraska and local telephone companies, and local funding is provided on a per capita basis by the participating entities. The County contributed \$102,222 toward the operation of the Center during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Center is required to be audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2018). An audit waiver was requested for fiscal year 2019; financial information for the Center is available in that waiver.

Holt County Economic Development Agency – The County has entered into an agreement with the Holt County Economic Development Agency (Agency) to establish a countywide economic development plan. Participating members of the Agency are the cities of O'Neill and Atkinson, the villages of Stuart, Ewing, Chambers, Emmet, Inman, and Page, and the county of Holt.

The Agency's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by local funding as a percentage of the Agency's annual budget. The County contributed \$26,769 toward the operation of the Agency during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

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.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

The County reports the following major governmental funds:

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

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

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

Highway Road Bridge Buyback Fund. This fund is used to account for costs associated with road and bridge projects in the County. It is funded by amounts received from the State of Nebraska through the Federal Funds Purchase Program.

Construction Asphalt Fund. This fund is used to account for costs associated with the repair and maintenance of roads and is primarily funded by transfers from the General Fund.

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.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

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

D. **Assets and Net Position**

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

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 \$1,477,238 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.

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, 2020, disbursements exceeded budgeted appropriations in six functions of the General Fund, as follows: Personnel Costs by \$1,889,707; Juvenile Court by \$56,193; Counsel and Jury Costs by \$122,992; Economic Development by \$27,931; District Probation Office by \$48,010; and Highway Department by \$147,806. These over-expenditures were funded by the available fund balance in the General Fund.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$6,373,070 for County funds and \$1,609,510 for Fiduciary funds. The bank balances for all funds totaled \$8,579,766. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2020, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

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

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

The levy set in October 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.280720/\$100 of assessed valuation. The levy set in October 2018, for the 2018 taxes, which were materially collected in May and September 2019, was set at \$.261086/\$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

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2020, 106 employees contributed \$166,794, and the County contributed \$248,589. Contributions included \$3,205 in cash contributions towards the supplemental law enforcement plan for eight law enforcement employees. Lastly, the County paid \$516 directly to 12 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 has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures.

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2020.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Inheritance Fund	
General Fund	\$ -	\$ 1,700,000	\$ 1,700,000
Road Fund	4,500,000	-	4,500,000
Construction Asphalt Fund	2,969,250	-	2,969,250
Nonmajor Funds	6,500	-	6,500
Total	\$ 7,475,750	\$ 1,700,000	\$ 9,175,750

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

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Capital Leases Payable**

Changes to the commitments under lease agreements for vehicles and amounts to provide for annual rental payments are as follows:

	<u>Total</u>
Balance July 1, 2019	\$ 55,963
Purchases	57,704
Payments	47,711
Balance June 30, 2020	<u>\$ 65,956</u>
Future Payments:	
Year	
2021	\$ 26,893
2022	24,240
2023	13,678
2024	3,981
Total Payments	<u>68,792</u>
Less Interest	<u>2,836</u>
Present Value of Future Minimum Lease Payments	<u>\$ 65,956</u>
Carrying Value of the Related Fixed Asset	<u>\$ 141,056</u>

8. **Contingent Liabilities**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

9. **Long-Term Debt**

Limited Tax County Road Bond Series 2019A. The County issued bonds on May 30, 2019, in the amount of \$4,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to extreme flooding. The bond payable balance, as of June 30, 2020, was \$3,235,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway allocation funds will be used to pay off the bonds.

Future Payments:			
Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 785,000	\$ 62,732	\$ 847,732
2022	800,000	48,210	848,210
2023	815,000	33,010	848,010
2024	835,000	17,118	852,118
Total Payments	<u>\$ 3,235,000</u>	<u>\$ 161,070</u>	<u>\$ 3,396,070</u>

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

9. **Long-Term Debt** (Concluded)

Limited Tax County Road Bond Series 2019B. The County issued bonds on December 26, 2019, in the amount of \$1,520,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to the extreme flooding. The bond payable balance, as of June 30, 2020, was \$1,280,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and Federal reimbursements will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2021	\$ 315,000	\$ 19,527	\$ 334,527
2022	320,000	14,960	334,960
2023	320,000	10,160	330,160
2024	325,000	5,200	330,200
Total Payments	<u>\$ 1,280,000</u>	<u>\$ 49,847</u>	<u>\$ 1,329,847</u>

10. **Noxious Weed Board**

The County has a separately elected Noxious Weed Board (Weed Board). The Weed Board has the authority to set rates and approve bids for the activity of the County's Noxious Weed Department.

HOLT COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 9,187,842	\$ 9,187,842	\$ 8,457,944	\$ (729,898)
Licenses and Permits	42,525	42,525	55,219	12,694
Interest	50,000	50,000	144,270	94,270
Intergovernmental	380,603	380,603	1,517,114	1,136,511
Charges for Services	620,095	620,095	492,274	(127,821)
Miscellaneous	12,390	12,390	1,338	(11,052)
TOTAL RECEIPTS	<u>10,293,455</u>	<u>10,293,455</u>	<u>10,668,159</u>	<u>374,704</u>
DISBURSEMENTS				
General Government:				
County Board	135,470	135,470	131,665	3,805
County Clerk	211,810	211,810	194,364	17,446
County Treasurer	255,700	255,700	243,707	11,993
Register of Deeds	-	-	-	-
County Assessor	326,890	326,890	297,415	29,475
Election Commissioner	50,925	50,925	17,601	33,324
Personnel Costs	-	4,191	1,893,898	(1,889,707)
Building and Zoning	11,700	11,700	7,775	3,925
Clerk of the District Court	129,600	129,600	114,331	15,269
County Court System	20,000	20,000	12,132	7,868
Juvenile Court	-	-	56,193	(56,193)
District Judge	14,275	14,275	12,449	1,826
Public Defender	107,775	107,775	101,167	6,608
Counsel & Jury Costs	-	-	122,992	(122,992)
Economic Development	-	-	27,931	(27,931)
Building and Grounds	613,550	613,550	183,647	429,903
Agricultural Extension Agent	109,824	109,824	95,905	13,919
Miscellaneous	4,238,757	4,233,198	758,618	3,474,580
Public Safety				
County Sheriff	492,850	492,850	476,226	16,624
County Attorney	201,680	201,680	191,586	10,094
County Jail	304,080	304,080	252,448	51,632
Emergency Management	32,300	32,864	32,863	1
District Probation Office	-	-	48,010	(48,010)
Public Works				
County Surveyor	30,000	30,804	30,804	-
Noxious Weed Control	127,385	127,385	123,240	4,145
Highway Department	-	-	147,806	(147,806)
Public Assistance				
Veterans' Service Officer	80,300	80,300	80,077	223
TOTAL DISBURSEMENTS	<u>7,494,871</u>	<u>7,494,871</u>	<u>5,654,850</u>	<u>1,840,021</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,798,584	2,798,584	5,013,309	2,214,725
OTHER FINANCING SOURCES (USES)				
Transfers in	2,005,743	2,005,743	1,700,000	(305,743)
Transfers out	(7,740,855)	(7,740,855)	(7,475,750)	265,105
TOTAL OTHER FINANCING SOURCES (USES)	(5,735,112)	(5,735,112)	(5,775,750)	(40,638)
Net Change in Fund Balance	(2,936,528)	(2,936,528)	(762,441)	2,174,087
FUND BALANCE - BEGINNING	3,566,528	3,566,528	4,008,531	442,003
FUND BALANCE - ENDING	<u>\$ 630,000</u>	<u>\$ 630,000</u>	<u>\$ 3,246,090</u>	<u>\$ 2,616,090</u>

(Concluded)

HOLT COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 5,000	\$ 5,000	\$ 2,006	\$ (2,994)
Licenses and Permits	2,200	2,200	400	(1,800)
Interest	-	-	-	-
Intergovernmental	4,181,946	4,181,946	3,027,149	(1,154,797)
Charges for Services	40,000	40,000	66,858	26,858
Miscellaneous	205,200	205,200	1,685,665	1,480,465
TOTAL RECEIPTS	<u>4,434,346</u>	<u>4,434,346</u>	<u>4,782,078</u>	<u>347,732</u>
DISBURSEMENTS	<u>10,031,500</u>	<u>10,031,500</u>	<u>9,982,170</u>	<u>49,330</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(5,597,154)</u>	<u>(5,597,154)</u>	<u>(5,200,092)</u>	<u>397,062</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,771,605	4,771,605	4,500,000	(271,605)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,771,605</u>	<u>4,771,605</u>	<u>4,500,000</u>	<u>(271,605)</u>
Net Change in Fund Balance	(825,549)	(825,549)	(700,092)	125,457
FUND BALANCE - BEGINNING	825,549	825,549	825,549	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,457</u>	<u>\$ 125,457</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 441,957	\$ 441,957	\$ 1,272,998	\$ 831,041
TOTAL RECEIPTS	<u>441,957</u>	<u>441,957</u>	<u>1,272,998</u>	<u>831,041</u>
DISBURSEMENTS	<u>15,000</u>	<u>15,000</u>	<u>10,437</u>	<u>4,563</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>426,957</u>	<u>426,957</u>	<u>1,262,561</u>	<u>835,604</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,000,000)	(2,000,000)	(1,700,000)	300,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,700,000)</u>	<u>300,000</u>
Net Change in Fund Balance	(1,573,043)	(1,573,043)	(437,439)	1,135,604
FUND BALANCE - BEGINNING	1,573,043	1,573,043	1,573,043	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,135,604</u>	<u>\$ 1,135,604</u>

HOLT COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY ROAD BRIDGE BUYBACK FUND				
RECEIPTS				
Intergovernmental	\$ 311,440	\$ 311,440	\$ 354,359	\$ 42,919
TOTAL RECEIPTS	311,440	311,440	354,359	42,919
DISBURSEMENTS	825,000	825,000	-	825,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(513,560)	(513,560)	354,359	867,919
Net Change in Fund Balance	(513,560)	(513,560)	354,359	867,919
FUND BALANCE - BEGINNING	513,560	513,560	513,560	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867,919</u>	<u>\$ 867,919</u>
CONSTRUCTION ASPHALT FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 911	\$ 911
Interest	4,450	4,450	-	(4,450)
Intergovernmental	26,300	26,300	-	(26,300)
TOTAL RECEIPTS	30,750	30,750	911	(29,839)
DISBURSEMENTS	3,448,409	3,448,409	3,119,225	329,184
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,417,659)	(3,417,659)	(3,118,314)	299,345
OTHER FINANCING SOURCES (USES)				
Transfers in	2,969,250	2,969,250	2,969,250	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,969,250	2,969,250	2,969,250	-
Net Change in Fund Balance	(448,409)	(448,409)	(149,064)	299,345
FUND BALANCE - BEGINNING	448,409	448,409	448,409	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,345</u>	<u>\$ 299,345</u>

(Concluded)

HOLT COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INTERLOCAL ROAD FUND				
Receipts	\$ 18,519	\$ 18,519	\$ -	\$ (18,519)
Disbursements	(26,000)	(26,000)	-	26,000
Net Change in Fund Balance	(7,481)	(7,481)	-	7,481
Fund Balance - Beginning	7,481	7,481	7,481	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,481</u>	<u>\$ 7,481</u>
EQUIPMENT RESERVE FUND				
Receipts	\$ -	\$ -	\$ 10,000	\$ 10,000
Disbursements	(70,022)	(70,022)	-	70,022
Net Change in Fund Balance	(70,022)	(70,022)	10,000	80,022
Fund Balance - Beginning	70,022	70,022	70,022	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,022</u>	<u>\$ 80,022</u>
DATA MASTER FUND				
Receipts	\$ -	\$ -	\$ 1,833	\$ 1,833
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	1,833	1,833
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,833</u>	<u>\$ 1,833</u>
VISITORS PROMOTION FUND				
Receipts	\$ 61,427	\$ 61,427	\$ 66,369	\$ 4,942
Disbursements	(102,000)	(102,000)	(56,501)	45,499
Net Change in Fund Balance	(40,573)	(40,573)	9,868	50,441
Fund Balance - Beginning	40,573	40,573	40,573	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,441</u>	<u>\$ 50,441</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 56,350	\$ 56,350	\$ 66,369	\$ 10,019
Disbursements	(127,000)	(127,000)	(76,474)	50,526
Net Change in Fund Balance	(70,650)	(70,650)	(10,105)	60,545
Fund Balance - Beginning	70,650	70,650	70,650	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,545</u>	<u>\$ 60,545</u>

(Continued)

HOLT COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 9,000	\$ 9,000	\$ 10,821	\$ 1,821
Disbursements	(18,647)	(18,647)	-	18,647
Net Change in Fund Balance	(9,647)	(9,647)	10,821	20,468
Fund Balance - Beginning	9,647	9,647	9,647	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,468</u>	<u>\$ 20,468</u>
VETERANS' AID FUND				
Receipts	\$ 1,541	\$ 1,541	\$ 531	\$ (1,010)
Disbursements	(32,187)	(32,187)	(6,500)	25,687
Transfers in	-	-	6,500	6,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(30,646)	(30,646)	531	31,177
Fund Balance - Beginning	30,646	30,646	30,646	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,177</u>	<u>\$ 31,177</u>
LAW ENFORCEMENT GRANTS FUND				
Receipts	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Disbursements	(26,909)	(26,909)	-	26,909
Net Change in Fund Balance	(22,909)	(22,909)	-	22,909
Fund Balance - Beginning	22,909	22,909	22,909	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,909</u>	<u>\$ 22,909</u>
MISCELLANEOUS GRANTS (NEMA) FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20)	(20)	-	20
Net Change in Fund Balance	(20)	(20)	-	20
Fund Balance - Beginning	20	20	20	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
JUVENILE JUSTICE GRANT HHS FUND				
Receipts	\$ -	\$ -	\$ 17,926	\$ 17,926
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(5,743)	(5,743)	-	5,743
Net Change in Fund Balance	(5,743)	(5,743)	17,926	23,669
Fund Balance - Beginning	5,743	5,743	5,743	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,669</u>	<u>\$ 23,669</u>

HOLT COUNTY
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS**

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>LAW ENFORCEMENT CONTRACT FUND</u>				
Receipts	\$ 33,424	\$ 33,424	\$ 33,475	\$ 51
Disbursements	(75,800)	(75,800)	(29,406)	46,394
Net Change in Fund Balance	(42,376)	(42,376)	4,069	46,445
Fund Balance - Beginning	42,376	42,376	42,376	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,445</u>	<u>\$ 46,445</u>
<u>OTHER DEBT SERVICE FUND</u>				
Receipts	\$ 847,878	\$ 847,878	\$ 1,201,523	\$ 353,645
Disbursements	(847,878)	(847,878)	(847,878)	-
Net Change in Fund Balance	-	-	353,645	353,645
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,645</u>	<u>\$ 353,645</u>

(Concluded)

HOLT COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Interlocal Road Fund	Equipment Reserve Fund	Data Master Fund	Visitors Promotion Fund	Visitors Improvement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 66,369	\$ 66,369
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	1,833	-	-
Miscellaneous	-	10,000	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>10,000</u>	<u>1,833</u>	<u>66,369</u>	<u>66,369</u>
DISBURSEMENTS					
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	56,501	76,474
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,501</u>	<u>76,474</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>10,000</u>	<u>1,833</u>	<u>9,868</u>	<u>(10,105)</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	-	10,000	1,833	9,868	(10,105)
FUND BALANCES - BEGINNING	<u>7,481</u>	<u>70,022</u>	<u>-</u>	<u>40,573</u>	<u>70,650</u>
FUND BALANCES - ENDING	<u>\$ 7,481</u>	<u>\$ 80,022</u>	<u>\$ 1,833</u>	<u>\$ 50,441</u>	<u>\$ 60,545</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	50,441	60,545
Emergency Management	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	1,833	-	-
Road Maintenance	7,481	-	-	-	-
Road Equipment	-	80,022	-	-	-
TOTAL FUND BALANCES	<u>\$ 7,481</u>	<u>\$ 80,022</u>	<u>\$ 1,833</u>	<u>\$ 50,441</u>	<u>\$ 60,545</u>

(Continued)

HOLT COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Register of Deeds Preservation and Modernization Fund	Veterans' Aid Fund	Law Enforcement Grants Fund	Miscellaneous Grants (NEMA) Fund
RECEIPTS				
Property Taxes	\$ -	\$ 4	\$ -	\$ -
Investment Income	-	527	-	-
Intergovernmental	-	-	-	-
Charges for Services	10,821	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>10,821</u>	<u>531</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS				
Public Safety	-	-	-	-
Public Assistance	-	6,500	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>10,821</u>	<u>(5,969)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,500	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10,821	531	-	-
FUND BALANCES - BEGINNING	<u>9,647</u>	<u>30,646</u>	<u>22,909</u>	<u>20</u>
FUND BALANCES - ENDING	<u>\$ 20,468</u>	<u>\$ 31,177</u>	<u>\$ 22,909</u>	<u>\$ 20</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Emergency Management	-	-	-	20
Law Enforcement	-	-	22,909	-
Preservation of Records	20,468	-	-	-
Debt Service	-	-	-	-
Aid and Assistance	-	31,177	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
Road Equipment	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 20,468</u>	<u>\$ 31,177</u>	<u>\$ 22,909</u>	<u>\$ 20</u>

(Continued)

HOLT COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Juvenile Justice Grant HHS Fund	Law Enforcement Contract Fund	Other Debt Service Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 477,011	\$ 609,753
Investment Income	-	-	-	527
Intergovernmental	17,926	-	724,512	742,438
Charges for Services	-	33,475	-	46,129
Miscellaneous	-	-	-	10,000
TOTAL RECEIPTS	<u>17,926</u>	<u>33,475</u>	<u>1,201,523</u>	<u>1,408,847</u>
DISBURSEMENTS				
Public Safety	-	29,406	-	29,406
Public Assistance	-	-	-	6,500
Culture and Recreation	-	-	-	132,975
Debt Service:				-
Principal Payments	-	-	765,000	765,000
Interest and Fiscal Charges	-	-	82,878	82,878
TOTAL DISBURSEMENTS	<u>-</u>	<u>29,406</u>	<u>847,878</u>	<u>1,016,759</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>17,926</u>	<u>4,069</u>	<u>353,645</u>	<u>392,088</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	6,500
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Net Change in Fund Balances	17,926	4,069	353,645	398,588
FUND BALANCES - BEGINNING	<u>5,743</u>	<u>42,376</u>	<u>-</u>	<u>300,067</u>
FUND BALANCES - ENDING	<u>\$ 23,669</u>	<u>\$ 46,445</u>	<u>\$ 353,645</u>	<u>\$ 698,655</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	110,986
Emergency Management	-	-	-	20
Law Enforcement	23,669	46,445	-	93,023
Preservation of Records	-	-	-	20,468
Debt Service	-	-	353,645	353,645
Aid and Assistance	-	-	-	31,177
Committed to:				
Law Enforcement	-	-	-	1,833
Road Maintenance	-	-	-	7,481
Road Equipment	-	-	-	80,022
TOTAL FUND BALANCES	<u>\$ 23,669</u>	<u>\$ 46,445</u>	<u>\$ 353,645</u>	<u>\$ 698,655</u>

(Concluded)

HOLT COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2020

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>
BALANCES JULY 1, 2019	\$ 455	\$ 10,408	\$ 170,793	\$ 47,372	\$ 2,635	\$ 125
RECEIPTS						
Property Taxes	-	-	-	53,142	-	-
Licenses and Permits	1,475	-	-	1,055	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,253	147,330	20,335	28,421	1,500	886
Miscellaneous	249	219	1,006	847	2,409	42
State Fees	2,013	254,065	26,178	55	-	-
Other Liabilities	-	6	247,899	25,392	3,330	-
TOTAL RECEIPTS	<u>4,990</u>	<u>401,620</u>	<u>295,418</u>	<u>108,912</u>	<u>7,239</u>	<u>928</u>
DISBURSEMENTS						
Payments to County Treasurer	2,717	143,944	19,334	103,471	-	886
Payments to State Treasurer	1,859	249,302	26,432	935	-	-
Other Liabilities	100	6	360,104	25,317	6,405	42
TOTAL DISBURSEMENTS	<u>4,676</u>	<u>393,252</u>	<u>405,870</u>	<u>129,723</u>	<u>6,405</u>	<u>928</u>
BALANCES JUNE 30, 2020	<u>\$ 769</u>	<u>\$ 18,776</u>	<u>\$ 60,341</u>	<u>\$ 26,561</u>	<u>\$ 3,469</u>	<u>\$ 125</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 230	\$ 8,843	\$ 2,565	\$ 25,253	\$ 2,000	\$ -
Petty Cash	300	-	225	250	1,000	125
Due to State Treasurer	239	9,933	1,149	75	-	-
Due to Others	-	-	56,402	983	469	-
BALANCES JUNE 30, 2020	<u>\$ 769</u>	<u>\$ 18,776</u>	<u>\$ 60,341</u>	<u>\$ 26,561</u>	<u>\$ 3,469</u>	<u>\$ 125</u>

(Continued)

HOLT COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2020

	Highway Superintendent	Veterans' Service Officer	County Treasurer	County Assessor	North Central Problem-Solving Court	Total
BALANCES JULY 1, 2019	\$ 2,453	\$ 2,505	\$ 200	\$ -	\$ -	\$ 236,946
RECEIPTS						
Property Taxes	-	-	-	-	-	53,142
Licenses and Permits	-	-	-	-	-	2,530
Intergovernmental	-	6,500	-	-	7,762	14,262
Charges for Services	211,446	-	-	402	49,478	461,051
Miscellaneous	7,883	22	198	207	-	13,082
State Fees	5,243	-	-	-	-	287,554
Other Liabilities	-	-	-	-	-	276,627
TOTAL RECEIPTS	224,572	6,522	198	609	57,240	1,108,248
DISBURSEMENTS						
Payments to County Treasurer	220,247	-	-	402	-	491,001
Payments to State Treasurer	5,280	-	-	-	-	283,808
Other Liabilities	-	5,724	198	57	26,415	424,368
TOTAL DISBURSEMENTS	225,527	5,724	198	459	26,415	1,199,177
BALANCES JUNE 30, 2020	<u>\$ 1,498</u>	<u>\$ 3,303</u>	<u>\$ 200</u>	<u>\$ 150</u>	<u>\$ 30,825</u>	<u>\$ 146,017</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 1,498	\$ 3,303	\$ -	\$ -	\$ 30,825	\$ 74,517
Petty Cash	-	-	200	150	-	2,250
Due to State Treasurer	-	-	-	-	-	11,396
Due to Others	-	-	-	-	-	57,854
BALANCES JUNE 30, 2020	<u>\$ 1,498</u>	<u>\$ 3,303</u>	<u>\$ 200</u>	<u>\$ 150</u>	<u>\$ 30,825</u>	<u>\$ 146,017</u>

(Concluded)

HOLT COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
 June 30, 2020

Item	2015	2016	2017	2018	2019
Tax Certified by Assessor					
Real Estate	\$ 31,533,434	\$ 31,206,258	\$ 34,060,388	\$ 35,667,593	\$ 35,517,914
Personal and Specials	2,426,141	1,871,463	1,820,860	1,807,498	1,815,088
Total	33,959,575	33,077,721	35,881,248	37,475,091	37,333,002
Corrections					
Additions	12,974	18,163	6,677	10,323	22,148
Deductions	(19,527)	(5,511)	(19,535)	(31,417)	(18,167)
Net Additions/ (Deductions)	(6,553)	12,652	(12,858)	(21,094)	3,981
Corrected Certified Tax	33,953,022	33,090,373	35,868,390	37,453,997	37,336,983
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	21,628,525	-	-	-	-
June 30, 2017	12,262,760	20,845,474	-	-	-
June 30, 2018	44,837	12,212,367	22,879,753	-	-
June 30, 2019	6,995	21,016	12,957,087	23,521,409	-
June 30, 2020	1,680	2,710	17,916	13,892,741	23,431,934
Total Net Collections	33,944,797	33,081,567	35,854,756	37,414,150	23,431,934
Total Uncollected Tax	\$ 8,225	\$ 8,806	\$ 13,634	\$ 39,847	\$ 13,905,049
Percentage Uncollected Tax	0.02%	0.03%	0.04%	0.11%	37.24%

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

HOLT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department Disaster Grants - Public Assistance	97.036	unavailable	<u>43,268</u>
Total U.S. Department of Homeland Security			<u>43,268</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	unavailable	<u>71,114</u>
Total U.S. Department of Health and Human Services			<u>71,114</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation Highway Planning and Construction	20.205	unavailable	<u>* 1,059,615</u>
Total U.S. Department of Transportation			<u>1,059,615</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,173,997</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

HOLT COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Holt County (County) under programs of the Federal government for the year ended June 30, 2020, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Holt County, it is not intended to and does not present the financial position, changes or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. Summary of Significant Accounting Policies

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

HOLT COUNTY
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
Holt 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 Holt County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Holt County's basic financial statements, and have issued our report thereon dated September 25, 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 Holt 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 Holt County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- 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 Holt 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 Holt County in a separate letter dated September 25, 2020.

Holt County's Response to Findings

Holt 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

September 25, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

HOLT COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Supervisors
Holt County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Holt County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Holt County's major Federal programs for the year ended June 30, 2020. Holt County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Holt County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Holt County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Holt County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Holt County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Holt County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Holt County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Holt County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Holt County as of and for the year ended June 30, 2020, and have issued our report thereon dated September 25, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

September 25, 2020



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

HOLT COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2020-1

- Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
- Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
- Context - Various County offices collect money, most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
- Effect - This lack of segregation of duties results in an inadequate overall internal control structure design.
- Cause - The County does not employ sufficient office personnel to properly segregate accounting functions.
- Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
- View of Officials - The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Section III – Federal Award Findings and Questioned Costs

None Noted



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

September 25, 2020

Board of Supervisors
Holt County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Holt County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 25, 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 ATTORNEY

Petty Cash Procedures

During our audit, we noted the following:

- Petty cash in the amount of \$1,000 is maintained in a bank account, but the petty cash is not reconciled to the authorized amount. Based on the reconciled bank balance, there are \$622 in outstanding expenses that need to be claimed for reimbursement; however, this amount could not be verified to specific expenses recorded on the check register or identified by the official.
- An accurate check register was not maintained. We noted three withdrawals from the bank account, totaling \$438, which were not recorded.
- For one petty cash reimbursement tested, totaling \$1,022, several issues were noted:
 - A portion of the reimbursement was for a flat \$700 for which no supporting documentation was attached to the claim. Using the check register, we determined there were \$771 of checks written to Torpin's Rodeo Market with a description of "supplies" or "office supplies." However, none of these receipts were provided to the County Board throughout the fiscal year. When the reimbursement requests are not for actual expenses, the County Board is unable to determine the reasonableness of those funds.
 - A postage receipt for \$48, dated October 21, 2019, was not claimed until February 14, 2020, 29 days after the statutorily required deadline.

- Lastly, one receipt noted above, totaling \$274, was payment for a post office box rental for the year; however, this expense was not paid through the petty cash account, and it was not recorded on the check register. The date of receipt was October 18, 2019, but was not claimed until February 14, 2020, 26 days after the statutorily required deadline.
- Four deposits into the petty cash account, totaling \$255, were not reimbursements from the County. The office could not provide information regarding the payor of these funds.

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 amount shall be stated in the fiscal policy of the county board budget message.

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

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

Additionally, good internal controls and sound accounting practices require procedures to ensure periodic reconciliations are performed to verify that petty cash is maintained at the amount authorized by the County Board. Those same procedures should ensure also that petty cash claims are submitted for reimbursement in a timely manner and are supported by adequate documentation, such as itemized receipts.

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

A similar finding was included in the prior audit.

We recommend the County Attorney implement procedures to ensure: (1) all petty cash funds are maintained at the amount authorized by the County Board; (2) petty cash funds are reconciled periodically to the authorized amount; (3) all petty cash reimbursement requests are supported by adequate documentation; and (4) petty cash reimbursement requests are submitted timely.

Accounting Procedures

During the audit, we noted the following issues with the County Attorney’s accounting procedures at June 30, 2020:

- Accurate monthly bank reconciliations were not performed for all three bank accounts maintained by the County Attorney. A book balance and list of outstanding checks was also not maintained.
- A monthly asset-to-liability reconciliation was not performed, resulting in a long of \$395 in one account. Though identified during the prior audit, this long has yet to be rectified.
- The County Attorney collected restitution and diversion funds; however, receipts were not issued to support \$4,380 deposited into the bank during the fiscal year.

Neb. Rev. Stat. § 23-1207(1) (Reissue 2012) states the following:

It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person or depositing such money or other property duplicate receipts, one of which shall be filed by such person with the county clerk.

Good internal controls and sound accounting practices require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balances, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Those procedures should include also the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances.

Without such procedures, there is an increased risk of not only loss, theft, or misuse of County funds, as well as errors being allowed to go undetected more easily, but also noncompliance with State statute.

A similar finding was included in the prior audit.

We recommend the County Attorney implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations. We further recommend the County Attorney review all funds held and remit excess funds to the appropriate parties. We also recommend the County implement procedures to ensure receipts are issued for all funds collected at the time such funds are obtained by the office.

Purchases Made with Fee Collections

During the audit, we noted that diversion fees received by the County Attorney were not remitted to the County Treasurer; instead, the funds were used to make purchases. During the fiscal year, we noted one \$500 check written to the SNARE Drug Task Force in January 2020.

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.

Neb. Rev. Stat. § 23-3106 (Reissue 2012) states the following, in relevant part:

The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.

Good internal controls and sound accounting practices require procedures to ensure that all funds received by the County Attorney are remitted to the County Treasurer. Those same procedures should ensure also that all purchases of personal property and services by the County Attorney are made through the claim process.

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

A similar finding was included in the prior audit.

We recommend the County Attorney implement procedures to ensure all funds received are remitted to the County Treasurer and all purchases and expenditures are made through the claims process for inclusion in the budget.

COUNTY BOARD

Health Insurance Petty Cash

At June 30, 2020, an account held by Meritain Health Insurance, a third-party administrator for the County's insurance claims, contained a balance of \$307,440. Meritain Health is the current holder of these funds and is authorized to withdraw money without prior approval of the County Board.

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

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

Neb. Rev. Stat. § 77-2312 (Reissue 2018) provides, in relevant part, the following:

The county treasurer of each and every county in the State of Nebraska shall deposit, and at all times keep on deposit for safekeeping in the state or national banks, capital stock financial institutions, or qualifying mutual financial institutions doing business in the county of approved and responsible standing, the amount of money in his or her hands collected and held by him or her as county treasurer.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) states the following:

The county board shall manage the county funds and county business except as otherwise specifically provided.

Subsection (2) of that same statute says 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.

Per the above statutory provisions, County funds are to be held by the County Treasurer in designated financial institutions and managed by the County Board, which may authorize use of a petty cash fund for "subsidiary general operational expenditures and purchases."

Additionally, the varying amounts of County funds held by Meritain Health are subjective and not based on either claims paid or requirements for maintaining the reserve balance at a specific level. Due to this fluctuation, moreover, the County is unable to perform reconciliation procedures to ensure the balance held is accurate.

Good internal controls and sound accounting practices require procedures to ensure that County funds remain in the custody and care of the County Treasurer and under the control of the County Board. Those same procedures should ensure also that periodic reconciliation and balancing methods are used to verify that petty cash funds are maintained at the authorized amount.

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

A similar finding was included in the prior audit.

We recommend the County Board implement procedures to ensure: (1) all funds held outside of the custody and care of the County Treasurer and the direct management of the County Board are authorized as petty cash funds; (2) any approved petty cash fund is maintained at the authorized amount; and (3) a periodic reconciliation to the authorized petty cash amount is performed.

County's Response: The Meritain Health Insurance account is reviewed weekly in our office.

Bidding Procedures

We noted that the County Board appropriately bid a road patching project, which was awarded to Ten Point Construction in May 2019 for \$742,305. Throughout fiscal year 2020, the County Board approved three claims in connection with this project for a total of \$770,238, or \$27,933 over the awarded amount. No change order was presented, and no refund was given for the overpayment.

Neb. Rev. Stat. § 39-1407 (Cum. Supp. 2018) states, in relevant part, the following:

Whenever contracts are to be let for road improvements, it shall be the duty of the county board to cause to be prepared and filed with the county clerk an estimate of the nature of the work and the cost thereof. After such estimate has been filed, bids for such contracts shall be advertised by publication of a notice thereof once a week for three consecutive weeks in a legal newspaper of the county prior to the date set for receiving bids. Bids shall be let to the lowest responsible bidder.

Good internal control and sound business practice require procedures to ensure that all payments made on County contracts comply with either the awarded bid amount or a formal change order approved by the County Board.

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

A similar finding was included in the prior audit.

We recommend the County implement procedures to ensure all payments on County contracts comply either with the awarded bid amount or a formal change order approved by the County Board.

Lack of Supporting Documentation

During testing, we noted four claims made from the County’s Visitor Promotion and Improvement funds for various grants; however, no supporting documentation was received after the grant awards to ensure the funds were spent appropriately.

The table below details these four grant payments and their intended use:

Claim Number	Payee	Claim Date	Amount	Grant Purpose
20010201	O’Neill Chamber of Commerce	1/16/2020	\$ 15,000	Summerfest Advertising
20060205	Stuart Rodeo Association	6/16/2020	\$ 5,000	Midstates Rodeo
20060207	Village of Stuart	6/16/2020	\$ 1,700	New Sign Upgrade
20030213	Holt County Agricultural Society	3/13/2020	\$ 30,000	New Concession Stand

In addition, we noted two claims also made from Visitor Promotion and Improvement funds as follows:

- Holt County pays 20% of the lodging taxes received to the O’Neill Chamber of Commerce; however, the County could not provide an agreement to support these payments or how the funds would be used.
- Holt County pays the Holt County Economic Development Agency 42% of the Agency’s budget; however, the County could not provide documentation to support the amount paid or how the funds were spent.

Good internal controls and sound business practice require procedures to ensure that all County grant awards are supported by documentation showing how those funds were spent.

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

We recommend the County implement procedures to ensure grant awards are supported by documentation that shows whether those funds were spent appropriately.

COUNTY CLERK

Expenditures in Excess of Budget

For the fiscal year ended June 30, 2020, six functions of the General Fund exceeded the adopted County budget. The County Clerk coded expenditures budgeted previously in the miscellaneous function of the General Fund to five separate functions. This caused the expenditures in all five functions to exceed the adopted budget, as follows:

- Personnel Costs Function \$1,889,707
- Juvenile Court Function \$56,193
- Counsel and Jury Costs Function \$122,991
- Economic Development Function \$27,931
- District Probation Office Function \$48,010
- Highway Department Function \$147,806

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

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year.

Good internal controls and sound accounting practices require procedures to ensure that County expenditures do not exceed budgeted amounts unless the County Board makes appropriation adjustments to address those excesses.

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

A similar finding was included in the prior audit.

We recommend the County Clerk implement procedures to ensure all expenditures are coded to functions approved in the adopted budget, or the County Board authorizes appropriation adjustments accordingly.

County's Response: We have separate functions for these and they are accounted for in the Misc. Fund. In the past these have been budgeted for in aggregate under Misc. General. Moving forward they are split out as requested.

COUNTY CLERK OF THE DISTRICT COURT

Case Balances

The District Court was not adequately reviewing the monthly financial reports, including the Monthly Case Balance Report, the Report of Non-Case Receipts, and the Overdue Case Account Report, to ensure the proper resolution of outstanding balances on hand. We noted several issues with each of these reports, as detailed below:

Monthly Case Balance Report

For one balance tested, totaling \$34, the case had been previously dismissed in November 2018; however, the balance was still held during audit fieldwork in August 2020.

Report of Non-Case Receipts

For one non-case receipt tested, totaling \$100, a rebate was received in October 2007; however, it was still held as of fieldwork in August 2020. The rebate was subsequently remitted to the County Treasurer on August 12, 2020, after it was questioned during the audit.

Overdue Case Account Report

During testing of 10 overdue balances, 6, totaling \$4,654, did not have timely subsequent action taken by the District Court, such as issuance of warrants and/or suspensions or the declaration of certain overdue balances as uncollectible, to ensure collection and/or resolution of the balances, as follows:

- For two cases tested with overdue balances, totaling \$1,050, no activity had been taken on the cases since prior to 2008.
- For three cases tested with overdue balances, totaling \$2,640, the defendant was making periodic payments towards the amount due; however, those payments ceased in September 2017 through February 2020, with no subsequent action taken by the District Court.
- For one case tested with an overdue balance, totaling \$964, the defendant was committed until August 2014; however, no subsequent action was noted after this date by the District Court.

As of August 7, 2020, the Overdue Case Balance Report showed a total amount owed of \$49,924 on criminal cases. Of this total, three cases, totaling \$1,088, were flagged for a current suspension.

Good internal control requires the District Court to implement procedures for an ongoing, detailed review of monthly financial reports, including the Monthly Case Balance Report, the Report of Non-Case Receipts, and the Overdue Case Account Report.

Without such procedures, there is an increased risk of errors, omissions, and/or irregularities not being detected and resolved in a timely manner.

A similar finding was included in the prior audit.

We recommend the District Court implement procedures for an ongoing, detailed review of the monthly financial reports, including the Monthly Case Balance Report, the Report of Non-Case Receipts, and the Overdue Case Account Report, and the resolutions of any balances noted in a complete, accurate, and timely manner.

Petty Cash Procedures

We noted the following related to a \$225 petty cash fund maintained by the Clerk of the District Court:

- The cash held was not recorded in JUSTICE, the Court's accounting system; therefore, the records do not reflect accurately that balance.
- A log of expenses and reimbursements was not maintained for the entire fiscal year. The log included expenses through March 10, 2020; however, after this date, \$219 in expenses was not recorded on the log.

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.

Good internal controls and sound accounting practices require procedures to ensure that petty cash is maintained at the authorized amount. Additionally, those same procedures should require all balances held by the office to be recorded accurately in the financial records.

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

We recommend the District Court implement procedures to ensure petty cash is maintained at the authorized amount, and all cash balances held are reflected accurately in the financial records of the office.

COUNTY SHERIFF

Fee Remittances

As of June 30, 2020, we noted the following in relation to fees collected:

- Service fees earned by the County Sheriff, totaling \$1,600, were not remitted to the County Treasurer as required by Neb. Rev. Stat. § 33-117(3) (Reissue 2016).
- Sales tax collected, totaling \$75, had not been remitted to the County Treasurer for inclusion in the payment to the State of Nebraska. Of this amount, \$20 was collected prior to the fiscal year. The last remittance was made in November 2019 for \$935.
- Miscellaneous fees collected, totaling \$965, had not been remitted to the County Treasurer. Records indicate that this balance had been received in the prior fiscal year.
- Commissions on commissary items throughout the year, totaling \$7,560, had not been remitted to the County Treasurer. This amount was subsequently remitted to the County Treasurer on July 7, 2020; however, due to the County Sheriff's failure to complete monthly bank and asset-to-liability reconciliations, this remittance caused the office bank account to have a negative balance of \$186.
- Funds received for commissary commissions were not remitted to the County Treasurer; instead, they were used to purchase the following items:

Purchase Description	Amount
Phone Cards	\$ 2,811
Newspaper and Magazine Subscriptions	\$ 233
Monthly Cable Subscription	\$ 185
Postage	\$ 110
Total	\$ 3,339

Section 33-117(3), as referenced above, states the following:

The sheriff shall, on the first Tuesday in January, April, July, and October of each year, make a report to the county board showing (a) the different items of fees, except mileage, collected or earned, from who, at what time, and for what service, (b) the total amount of the fees collected or earned by the officer since the last report, and (c) the amount collected or earned for the current year. He or she shall pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) requires all money received by the County, from whatever source, to be deposited with the County Treasurer and paid out only on warrants issued by the County Board.

Neb. Rev. Stat. § 23-3106 (Reissue 2012) states the following, in relevant part:

The purchasing agent, under supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.

Good internal controls and sound accounting practices require procedures to ensure that money received by the County, including fees earned by the County Sheriff, are remitted to the County Treasurer, and all purchases of personal property and services are not made through the claims process.

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

A similar finding was included in the prior audit.

We recommend the County Sheriff implement procedures to ensure all fees collected or earned are remitted to the County Treasurer in accordance with State statute, and all purchases and expenditures are made through the claims process for inclusion in the budget.

Accounting Procedures

As of June 30, 2020, we noted the following issues with the County Sheriff's accounting procedures:

- For one of four bank accounts maintained by the County Sheriff, a book balance and list of outstanding checks was not maintained.
- Accurate monthly bank reconciliations were not performed for all four bank accounts maintained by the County Sheriff. When attempting bank reconciliations, we noted a \$426 unknown short in one bank account and a \$186 unknown long in another bank account.
- Monthly asset-to-liability reconciliations were not performed, resulting in longs in two of the County Sheriff's bank accounts of \$3,894 and \$573. For one of these accounts, the County Sheriff attempted to remit the long to the County Treasurer; however, due to the lack of reconciliation, this attempt caused the bank to have a negative balance of \$408 in February 2020.
- For one bank account, deposits were not timely. A \$1,000 bond was received on April 29, 2020, and remitted to the Polk County Court on the same day; however, the bond money was not deposited into the bank until May 28, 2020.
- During the cash count on July 15, 2020, we noted seven checks received by the County Sheriff, totaling \$195, which were not restrictively endorsed.

Good internal controls and sound accounting practices require procedures to ensure adequate reconciliation and balancing methods are utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Those same procedures should include also the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances. Additionally, those procedures should require all checks received to be properly endorsed immediately upon receipt.

Without such procedures, there is an increased risk of loss, theft, or misuse of County funds and bookkeeping errors being allowed to go undetected more easily.

A similar finding was included in the prior audit.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations. We further recommend the County Sheriff review all funds held and remit excess funds to the appropriate parties. We also recommend the County Sheriff restrictively endorse all checks immediately when received.

Petty Cash Procedures

During testing of a \$250 petty cash fund maintained by the County Sheriff, we noted the following:

- An accurate log of expenses and reimbursements is not maintained. Petty cash records were missing the following: a \$101 claim received in December 2019; three expenses paid throughout the fiscal year, totaling \$77; and two expenses, totaling \$17, that were not reimbursed and appear to be duplicate entries.
- One petty cash reimbursement tested contained four receipts, totaling \$109, that were not claimed within 90 days, as required by State statute. These receipts were 12 to 29 days late.

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 amount shall be stated in the fiscal policy of the county board budget message.

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

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

Additionally, good internal controls and sound accounting practices require procedures to ensure that petty cash is maintained at the authorized amount, and petty cash claims are submitted for reimbursement in a timely manner.

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

We recommend the County Sheriff implement procedures to ensure petty cash is maintained at the authorized amount, and petty cash claims are submitted for reimbursement in a timely manner.

COUNTY TREASURER

5% Gross In Lieu Distribution

During testing, we noted that the distribution of 5% gross in-lieu from the Nebraska Public Power District was not calculated correctly. The errors were due to the exclusion of one school district and one airport authority from the calculation.

The table below shows the variances noted:

Fund	Auditor Distribution	Treasurer Distribution	Over (Under) Payment
County General	\$ 41,582	\$ 42,854	\$ 1,272
County Bond	\$ 4,089	\$ 4,158	\$ 69
West Holt School District General	\$ 85,012	\$ 87,267	\$ 2,255
West Holt School District Building	\$ 3,182	\$ 3,266	\$ 84
West Holt School District Bond	\$ 6,356	\$ 6,525	\$ 169
Ewing School District General	\$ 1,166	\$ 1,542	\$ 376
Ewing School District Sinking	\$ 41	\$ 54	\$ 13
NE Unified School District General	\$ 1,035	\$ 1,368	\$ 333
NE Unified School District Building	\$ 32	\$ 42	\$ 10
Chambers School District General	\$ 879	\$ 1,163	\$ 284
O'Neill School District General	\$ 1,115	\$ -	\$ (1,115)
O'Neill School District Building	\$ 217	\$ -	\$ (217)
Atkinson General	\$ 72,191	\$ 74,106	\$ 1,915
Atkinson Other	\$ 8,413	\$ 2,790	\$ (5,623)
Inman General	\$ 542	\$ 717	\$ 175

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

All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.

Good internal controls and sound accounting practices require procedures to ensure that gross in-lieu distributions are calculated correctly. Those same procedures should ensure also that corrections are made for any erroneous distributions.

Without such procedures, there is an increased risk that political subdivisions will not receive the appropriate amount of funding, increasing the risk for loss or misuse of funds as well.

A similar finding was included in the prior audit.

We recommend the County Treasurer implement procedures to ensure that gross in-lieu distributions are calculated correctly, and corrections are made for any erroneous distributions.

NORTH CENTRAL PROBLEM-SOLVING COURT

Use of Funds and Documentation

We noted that the County was the account holder of a bank account for North Central Problem-Solving Court (NCPSC). NCPSC is “governed by the Nebraska Supreme Court Committee on Problem-Solving Courts under the direction of the Nebraska Supreme Court,” and includes “programs established for the treatment of problems related to substance use, mental health, individuals reentering the community from incarceration, and domestic violence.” (<https://supremecourt.nebraska.gov/courts/problem-solving-courts>). The NSPSC covers the following counties: Blaine, Brown, Boyd, Cherry, Custer, Garfield, Greeley, Holt, Howard, Keya Paha, Loup, Rock, Sherman, Valley, and Wheeler.

Per an Interlocal Agreement signed May 16, 2018, between the Court Administrator’s Office and the County, the County will “provide assistance in the collection and disbursement of participant fees for approved operating program expenses such as testing, program materials, and the like, and provide accounting services in respect thereto.” In addition, the agreement states, “The cost of training and travel shall lie with the [Court Administrator’s] Office.”

As noted above, the County had taken responsibility for the collection and disbursement of participant fees; however, the County Board did not approve or otherwise supervise any payments out of this account. In fact, the majority of payments out of this account were made through debit card transactions. Additionally, all funds received by NCPSC are receipted by the District Courts located in each county, and there is no central system or database to track receipts. Therefore, we were unable to verify the funds deposited into the bank account, totaling \$24,639, during the fiscal year, of which \$7,762 came from the County for reimbursement of probation expenses, discussed further below. Lastly, NCPSC could not provide any policies or other documentation to support the appropriate use of the funds from this account. During the fiscal year, NCPSC paid \$26,415 out of this bank account. Details regarding these expenditures are also discussed further below.

NSPSC appears to be using the bank account to pay for District 8 Probation costs, which are then reimbursed by the County; however, District 8 Probation does not appear to have the authority to use the NSPSC funds for this purpose, and none of these expenses should be paid through this account. While some of the expenses are reimbursed, any taxes paid were not reimbursed by the County and were still paid by NSPSC funds.

District 8 Probation and Court Administrator Expenses

As noted previously, the County reimbursed \$7,762 of expenses through the bank account for District 8 expenses; however, we noted that \$18,320 of expenses through the account were not related to NCPSC, leaving \$10,557 of non-NCPSC expenses paid with participant fees. The table below summarizes total payments by vendor and provides a description of what was purchased. Due to the lack of policies governing appropriate expenses, we included any expenses that were related to testing, program materials, incentives, or graduation celebrations as District 8 Probation or Court Administrator’s Office expenses. Some of these expenses are related to the drug court; however, per the interlocal agreement, the cost of travel and training are the responsibility of the Court Administrator’s office; therefore, they are also summarized below.

Vendor	Amount	Items Purchased	Notes
Adobe	\$ 23.88	Unknown	Receipt not provided.
Amazon	\$ 3,570.32	Office Supplies, including 16 cell phone chargers and accessories, 2 computer monitors, 3 laptop carriers, 8 computer accessories, including wireless printer, keyboards and mouse, and various flash drives, laminating supplies, and cords. We also noted purchases for motivational posters, gaming headphones, and a baby gate.	Receipts were not on hand for one payment, totaling \$144.88. We also question the reasonableness of gaming headphones and baby gate purchases.
American Airlines	\$ 326.80	Airline Tickets	Purpose of trip was not provided.
Casey’s General Store	\$ 69.23	Gasoline	
Dairyland	\$ 142.11	Auto Insurance	Itemized receipt not provided.
Expedia	\$ 91.85	Hotel Stay at La Quinta Omaha Airport	Purpose of trip not provided.
Harborside Hotel	\$ 1,618.16	Hotel Stay for NADCP RISE Conference	
HP Store	\$ 1,798.97	Computer, Computer Monitor, and Laptop	
Kale Burdick	\$ 846.08	Reimbursement for flight, parking, and 9 meals	Receipts for \$307.74 of expenses not provided.
Microsoft	\$ 1,694.88	Online Services	
NADCP	\$ 5,455.00	NADCP RISE Conference	
Nebraska Health	\$ 132.60	Physical	

Vendor	Amount	Items Purchased	Notes
O'Neill Travel	\$ 25.00	Airline Processing Fee	
Pat's Auto Repair	\$ 400.15	Unknown	Receipt not provided.
Positive Promotion	\$ 326.81	Recognition Badges and Raffles	
Southwest	\$ 495.96	Airline Tickets	Purpose of trip not provided.
Agent Fee	\$ 25.00	Airline Processing Fee	
Tami Schendt	\$ 443.40	Reimbursement for Flight, Parking, and 6 meals	
Trade Winds Motel	\$ 585.00	Hotel Stay in Valentine, NE	One receipt, totaling \$65, not provided.
Trophy Depot	\$ 105.75	Probation 8 Staff Member of the Year Award	
Uline	\$ 68.26	Unknown	Receipt not provided.
University of Nebraska	\$ 30.00	Understanding Youth Training	
USPS	\$ 15.70	Shipping to Broken Bow, NE	
Whoa & Go	\$ 28.68	Gasoline and Disinfectant	
Total	\$ 18,319.59		
Holt County Claims	\$ 7,762.20		
Remaining	\$ 10,557.39		

A full listing of each line item is included in **Exhibit A**.

NCPSC Expenses

The remaining \$8,095 of expenses through the bank account appear to be related to NCPSC expenses; however, we noted the following:

- There were 14 expenses, totaling \$1,653, for which no receipts were on file to support the purchase: 11 payments to Redwood Toxicology, totaling \$1,168, and 3 payments to Pharchem Inc., totaling \$485.
- There were four expenses, totaling \$92, which were labeled for Law Enforcement Appreciation; however, we were unable to determine the reasonableness of these expenses from this program.
- There was one expense to Myron Corp, totaling \$155, for promotional pens; however, we were unable again to determine the reasonableness of these expenses from this program.
- There were three purchases, totaling \$70, made for gasoline that were labeled as incentive payments; however, we could not determine whether these purchases were actually made on participant vehicles or were actually for incentives, as NCPSC typically purchases gift cards for gas.

See **Exhibit B** for a list of NCPSC-related expenses.

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.

Neb. Rev. Stat. § 23-3106 (Reissue 2012) states, in relevant part, the following:

The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.

Good internal controls and sound business practices require written policies and procedures to govern the use of all funds related to the NCPSC. Such policies and procedures should not only include the accurate recording of all fees received and the appropriate uses of such funds but also ensure that NCPSC-related funds are used only for the intended purpose and not used as a petty cash fund for other offices, such as the District 8 Probation office.

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

We recommend the County work with the Court Administrator's Office to develop written policies and procedures for governing NCPSC funds, including developing guidelines for ensuring that all such funds are used only for their intended purpose.

COUNTY OVERALL

Segregation of Duties

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

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

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

* * * * *

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

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

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

Sincerely,



Deann Haeffner, CPA
Assistant Deputy Auditor

**HOLT COUNTY
DISTRICT 8 PROBATION AND COURT ADMINISTRATOR EXPENSES**

Exhibit A

Date	Transaction Type	Vendor	Amount	Description	Notes
7/3/2019	Debit Card	Amazon	\$ 36.37	Presentation Easel	
7/8/2019	Debit Card	USPS	\$ 15.70	Shipping to Broken Bow, NE	
7/9/2019	Debit Card	Amazon	\$ 25.65	2 Phone Chargers	Shipped to Ainsworth Probation Office
7/9/2019	Debit Card	Amazon	\$ 405.53	Digital Range Recorder	Shipped to Ainsworth Probation Office
7/10/2019	Debit Card	Casey's General Store	\$ 27.78	Unleaded Gasoline	
7/10/2019	Debit Card	Amazon	\$ 275.94	2 USB Speakerphones	Shipped to Ainsworth Probation Office
7/12/2019	Debit Card	University of Nebraska	\$ 15.00	Understanding Youth Training	
7/12/2019	Debit Card	University of Nebraska	\$ 15.00	Understanding Youth Training	
7/15/2019	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
7/19/2019	Debit Card	Harborside Hotel	\$ 809.08	NADCP RISE Conference	No receipt was on file
7/19/2019	Debit Card	Harborside Hotel	\$ 809.08	NADCP RISE Conference	No receipt was on file
8/8/2019	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
8/12/2019	Debit Card	Amazon	\$ 16.04	USB Flash Drives	Shipped to Ainsworth Probation Office
8/12/2019	Debit Card	Amazon	\$ 18.48	Laminating Pouches	Shipped to Ainsworth Probation Office
8/12/2019	Debit Card	Amazon	\$ 36.56	USB Flash Drive and Thermal Laminating Pouch	Shipped to Ainsworth Probation Office
8/13/2019	Debit Card	Amazon	\$ 10.69	Laminating Pouches	Shipped to Ainsworth Probation Office
8/13/2019	Check	Kale Burdick	\$ 846.08	Reimbursement for Flight, Parking, and 9 meals	Receipts for \$307.74 of expenses not provided
8/13/2019	Check	Tami Schendt	\$ 443.40	Reimbursement for Flight, Parking, and 6 meals	
8/14/2019	Debit Card	Amazon	\$ 144.88	Unknown	No receipt was on file
8/20/2019	Debit Card	Amazon	\$ 105.58	Thermal Laminator	
8/21/2019	Debit Card	Amazon	\$ 74.85	2 phone charges and 1 wireless keyboard and mouse	Shipped to Broken Bow Probation Office
9/3/2019	Debit Card	Whoa & Go	\$ 3.68	Disinfectant - State Car	
9/11/2019	Debit Card	Amazon	\$ 239.16	LED LCD Dual Monitor	
9/17/2019	Debit Card	Adobe	\$ 23.88	Unknown	No receipt was on file
9/23/2019	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
9/26/2019	Debit Card	Whoa & Go	\$ 25.00	Gasoline	Noted as an Incentive
10/3/2019	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
10/7/2019	Debit Card	Expedia	\$ 91.85	Hotel Stay at La Quinta Omaha Airport	No explanation provided
10/18/2019	Debit Card	HP Store	\$ 1,034.98	HP Computer and Monitor	
10/21/2019	Debit Card	Amazon	\$ 257.42	Ink, Briefcase, Wireless Printer	Shipped to Ainsworth Probation Office
10/22/2019	Debit Card	Amazon	\$ 95.86	2 Laminator Machines	
10/24/2019	Debit Card	Amazon	\$ 164.70	Car Charger, 2 phone charges, 2 laptop bags	
10/29/2019	Debit Card	Amazon	\$ 37.44	Motivational Signs	Shipped to Ainsworth Probation Office
10/29/2019	Debit Card	Amazon	\$ 37.94	Thinking Errors and Addiction Posters	Shipped to Ainsworth Probation Office
10/29/2019	Debit Card	Amazon	\$ 57.75	3 Motivational Posters	Shipped to Ainsworth Probation Office
11/1/2019	Debit Card	Amazon	\$ 25.36	Surge Protector	
11/1/2019	Debit Card	Amazon	\$ 37.44	Presentation Easel	
11/1/2019	Debit Card	Amazon	\$ 136.69	USB Speakerphone	
11/4/2019	Debit Card	Amazon	\$ 100.12	Webcam and 2 extension cables	
11/5/2019	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
11/6/2019	Debit Card	HP Store	\$ 763.99	Laptop	
11/14/2019	Debit Card	Amazon	\$ 44.31	USB Hub, Wireless Mouse	
11/27/2019	Debit Card	Amazon	\$ 25.65	2 Phone Chargers	Shipped to Ainsworth Probation Office
12/4/2019	Debit Card	Amazon	\$ 52.02	Screen Protector	Shipped to Ord Probation Office
12/4/2019	Debit Card	Trade Winds Motel	\$ 65.00	Unknown	No receipt was on file
12/10/2019	Debit Card	Uline	\$ 68.26	Unknown	No receipt was on file
12/10/2019	Debit Card	Positive Promotion	\$ 326.81	Recognition Badges and Raffles	
12/24/2019	Debit Card	Trophy Depot	\$ 105.75	Probation 8 Staff Member of the Year Award	
1/10/2020	Debit Card	Dairyland	\$ 142.11	Auto Insurance	Non-itemized receipt provided
1/13/2020	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
1/21/2020	Debit Card	Amazon	\$ 390.48	2 wireless keyboards, 1 phone stand, voice dictation software	
1/31/2020	Debit Card	Amazon	\$ 12.80	HDMI Cables	
2/5/2020	Debit Card	NADCP	\$ 1,490.00	NADCP RISE Conference	Drug Court Training
2/6/2020	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
2/11/2020	Debit Card	MSFT	\$ 1,694.88	Online Services	
2/11/2020	Check	Pat's Auto Repair	\$ 400.15	Unknown	No receipt was on file
2/18/2020	Debit Card	NADCP	\$ 1,490.00	NADCP RISE Conference	Drug Court Training
2/26/2020	Debit Card	O'Neill Travel	\$ 25.00	Airline Processing Fee	
2/26/2020	Debit Card	Agent Fee	\$ 25.00	Airline Processing Fee	
2/27/2020	Debit Card	American Airlines	\$ 163.40	Airline Tickets	
2/27/2020	Debit Card	American Airlines	\$ 163.40	Airline Tickets	
2/27/2020	Debit Card	Southwest	\$ 247.98	Airline Tickets	
2/27/2020	Debit Card	Southwest	\$ 247.98	Airline Tickets	
3/3/2020	Debit Card	Trade Winds Motel	\$ 65.00	One Night Stay Valentine, NE	
3/13/2020	Debit Card	Amazon	\$ 138.97	Wireless Speaker	Shipped to Ainsworth Probation Office

HOLT COUNTY
DISTRICT 8 PROBATION AND COURT ADMINISTRATOR EXPENSES

Exhibit A

Date	Transaction Type	Vendor	Amount	Description	Notes
3/16/2020	Debit Card	Amazon	\$ 28.88	Power Strip	Shipped to Ainsworth Probation Office
3/16/2020	Debit Card	Amazon	\$ 96.29	LED Computer Monitor	Shipped to Broken Bow Probation Office
3/19/2020	Debit Card	Amazon	\$ 10.69	HDMI Cables	Shipped to Ainsworth Probation Office
3/19/2020	Debit Card	Amazon	\$ 101.64	Computer Monitor	Shipped to Ainsworth Probation Office
3/19/2020	Debit Card	Amazon	\$ 124.83	Ink Cartridges	Shipped to Ainsworth Probation Office
3/20/2020	Debit Card	Amazon	\$ 12.30	Wireless Mouse	Shipped to Ord Probation Office
3/20/2020	Debit Card	Amazon	\$ 32.14	Gaming Headset	Shipped to Ord Probation Office
4/6/2020	Debit Card	Amazon	\$ 15.00	Wrap Bandages	Shipped to Ord Probation Office
4/30/2020	Debit Card	NADCP	\$ 1,485.00	NADCP RISE Conference	Drug Court Training
5/15/2020	Debit Card	NADCP	\$ 495.00	NADCP RISE Conference	Drug Court Training
5/21/2020	Debit Card	Casey's General Store	\$ 21.45	Gasoline	
5/22/2020	Debit Card	NADCP	\$ 495.00	NADCP RISE Conference	Drug Court Training
5/27/2020	Debit Card	Amazon	\$ 21.49	18 Pack Spray Bottles	
6/4/2020	Debit Card	Amazon	\$ 34.20	Headphone Jack Adapter	Shipped to Ainsworth Probation Office
6/9/2020	Debit Card	Amazon	\$ 44.02	4 Headphone Jack Adapters	
6/9/2020	Debit Card	Nebraska Health	\$ 132.60	Physical	
6/10/2020	Debit Card	Casey's General Store	\$ 20.00	Gasoline	
6/18/2020	Debit Card	Amazon	\$ 44.16	Baby Gate	Shipped to Ainsworth Probation Office
		Total	\$ 18,319.59		

(Concluded)

**HOLT COUNTY
NORTH CENTRAL PROBLEM-SOLVING COURT EXPENSES**

Exhibit B

Date	Transaction Type	Vendor	Amount	Description	Notes
7/1/2019	Debit Card	Pharmchem Inc.	\$ 114.20	Unknown	No receipt on file
7/2/2019	Debit Card	Redwood Toxicology	\$ 72.35	Unknown	No receipt on file
7/24/2019	Debit Card	Wal-Mart	\$ 31.37	4 Square Ball, Toothbrush, Play Day game	Drug Court Activity
7/24/2019	Debit Card	Super Foods of O'Neill	\$ 43.75	Milk, Juice, Silverware, and Produce	Graduation Party
7/24/2019	Debit Card	Casey's General Store	\$ 95.92	Donuts, Breakfast Pizza, Gift Card	Graduation Party
7/26/2019	Debit Card	Dollar General	\$ 5.06	Paper Plates and Cups	
7/26/2019	Debit Card	The Grocery Kart	\$ 105.25	Foodstuffs	Drug Court Activity
7/29/2019	Debit Card	Gary Super Foods	\$ 7.54	Cups, Silverware, Napkins	Drug Court Activity
7/29/2019	Debit Card	Casey's General Store	\$ 29.22	Ice and Propane	Drug Court Activity
7/29/2019	Debit Card	Pizza Hut	\$ 32.34	Two pizzas and 1 2 Liter of Soda	
8/2/2019	Debit Card	Redwood Toxicology	\$ 45.45	Unknown	No receipt on file
8/7/2019	Debit Card	Whoa & Go	\$ 100.00	4 Gift Cards	Drug Court Incentive
8/8/2019	Check	Good Life Counseling	\$ 100.00	Drug Screening and Testing	
9/4/2019	Debit Card	Redwood Toxicology	\$ 99.60	Unknown	No receipt on file
9/26/2019	Debit Card	Dollar General	\$ 16.61	Juice and Milk	Promotion Parties
9/26/2019	Debit Card	Casey's General Store	\$ 44.91	Breakfast Pizza	Promotion Parties
10/2/2019	Debit Card	Super Foods of O'Neill	\$ 4.45	Milk	Incentive
10/2/2019	Debit Card	Redwood Toxicology	\$ 19.45	Unknown	No receipt on file
10/4/2019	Debit Card	Torpins Rodeo Market	\$ 15.03	Lemonade, Tea, Cookies	Law Enforcement Appreciation
10/11/2019	Debit Card	Dollar General	\$ 36.34	Plastic Cups, Juice, and Cookies	Law Enforcement Meeting and Party Supplies
10/15/2019	Debit Card	Pizza Hut	\$ 27.82	4 Pizzas	Law Enforcement Appreciation
10/17/2019	Debit Card	Pump and Pantry	\$ 12.83	Mini Cinnabons	Law Enforcement Appreciation
10/23/2019	Debit Card	Myron Corp	\$ 154.94	100 Promotional Pens	Incentive Supplies
10/25/2019	Debit Card	Pharmchem Inc.	\$ 314.05	Unknown	Detailed receipt not on file.
10/28/2019	Debit Card	Casey's General Store	\$ 65.98	Donuts and 2 \$25 giftcards	Promotion Party
10/29/2019	Debit Card	Sober Camel	\$ 219.92	Medallions	
10/30/2019	Debit Card	Super Foods of O'Neill	\$ 7.28	Milk	Promotion Party
10/31/2019	Debit Card	Dollar General	\$ 13.10	Juice and Almond Milk	Promotion Party
10/31/2019	Debit Card	Whoa & Go	\$ 14.94	Gasoline	Incentive
10/31/2019	Debit Card	Casey's General Store	\$ 89.82	Breakfast Pizza	Promotion Party
11/4/2019	Debit Card	Redwood Toxicology	\$ 284.80	Unknown	No receipt on file
11/14/2019	Debit Card	Pharmchem Inc.	\$ 57.10	Sweat Patch Analysis	
11/20/2019	Debit Card	Whoa & Go	\$ 20.00	Gift Card	Incentive
11/21/2019	Debit Card	Dollar General	\$ 20.19	Milk and Cups	Promotion Party
11/21/2019	Debit Card	Whoa & Go	\$ 100.00	4 Gift Cards	Incentive
11/21/2019	Debit Card	Casey's General Store	\$ 119.76	Breakfast Pizza	Promotion Party
12/3/2019	Debit Card	Redwood Toxicology	\$ 33.45	Unknown	No receipt on file
12/16/2019	Debit Card	Pharmchem Inc.	\$ 57.10	Unknown	No receipt on file
12/23/2019	Debit Card	USPS	\$ 7.85	Shipping to Papillion, NE	Shipping to Probation Lab
12/23/2019	Debit Card	Casey's General Store	\$ 40.98	Donuts and 1 \$25 Gift Card	Promotion Party
12/26/2019	Debit Card	Super Foods of O'Neill	\$ 8.58	Juices	Promotion Party
1/3/2020	Debit Card	Redwood Toxicology	\$ 149.25	Unknown	No receipt on file
1/10/2020	Debit Card	Pharmchem Inc.	\$ 85.65	Sweat Patch Analysis	
1/13/2020	Debit Card	USPS	\$ 5.19	Shipping	Drug Tests to Lab
1/15/2020	Debit Card	Casey's General Store	\$ 15.00	Gasoline	Incentive
1/22/2020	Debit Card	Whoa & Go	\$ 39.81	Gasoline	Incentive
1/28/2020	Debit Card	Casey's General Store	\$ 50.00	2 \$25 Gift Cards	Incentive
2/10/2020	Debit Card	Pharmchem Inc.	\$ 85.65	Sweat Patch Analysis	
2/20/2020	Debit Card	Dollar General	\$ 17.05	Muffins and Juice	Graduation Party
2/20/2020	Debit Card	Whoa & Go	\$ 50.00	1 \$50 Gift Card	Incentive
2/20/2020	Debit Card	Casey's General Store	\$ 64.15	Breakfast Pizza	Incentive
2/24/2020	Debit Card	Super Foods of O'Neill	\$ 38.34	Juice and \$30 Gift Card	Graduation Party
2/24/2020	Debit Card	Casey's General Store	\$ 91.64	Breakfast Pizza and Donuts	Graduation Party
2/27/2020	Debit Card	Gary Super Foods	\$ 16.46	Juice	Graduation Party
2/27/2020	Debit Card	Casey's General Store	\$ 123.46	Breakfast Pizza and Donuts	Graduation Party
3/3/2020	Debit Card	Redwood Toxicology	\$ 66.50	Unknown	No receipt on file
3/13/2020	Debit Card	Pharmchem Inc.	\$ 28.55	Sweat Patch Analysis	
3/19/2020	Debit Card	Dollar General	\$ 5.15	Juice	Graduation Party
3/19/2020	Debit Card	Casey's General Store	\$ 70.57	Breakfast Pizza	Graduation Party

HOLT COUNTY
NORTH CENTRAL PROBLEM-SOLVING COURT EXPENSES

Exhibit B

Date	Transaction Type	Vendor	Amount	Description	Notes
3/20/2020	Debit Card	USPS	\$ 16.25	Shipping	Drug Testing to Lab
3/24/2020	Debit Card	Amazon	\$ 22.80	Alcohol Prep Pad	Drug Testing Supplies
4/1/2020	Debit Card	Pharmchem Inc.	\$ 2,390.00	Patch Kit and Overlay	Drug Testing Supplies
4/8/2020	Debit Card	Amazon	\$ 40.78	Carbon Filters	PPE
5/4/2020	Debit Card	Redwood Toxicology	\$ 174.35	Unknown	No receipt on file
5/20/2020	Debit Card	Casey's General Store	\$ 25.00	1 \$25 Gift Card	Incentive
5/26/2020	Debit Card	Casey's General Store	\$ 63.73	4 Pizzas and 12 pack soda	
5/29/2020	Debit Card	Pharmchem Inc.	\$ 685.20	Sweat Patch Analysis	
6/2/2020	Debit Card	Redwood Toxicology	\$ 93.15	Unknown	No receipt on file
6/4/2020	Debit Card	Casey's General Store	\$ 25.00	1 \$25 Gift Card	Incentive
6/5/2020	Debit Card	Redwood Toxicology	\$ 129.60	Unknown	No receipt on file
6/10/2020	Debit Card	Pharmchem Inc.	\$ 485.35	Sweat Patch Analysis	
6/25/2020	Debit Card	Amazon	\$ 213.98	2 Sneeze Guards	
6/29/2020	Debit Card	Amazon	\$ 38.48	4 Recovery from Addition	
		Total	\$ 8,095.42		

(Concluded)