

**AUDIT REPORT  
OF  
SEWARD COUNTY**

**JULY 1, 2018, THROUGH JUNE 30, 2019**

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**Issued on January 7, 2020**

SEWARD COUNTY

**TABLE OF CONTENTS**

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Cash Basis Net Position - Fiduciary Funds	8
Notes to Financial Statements	9 - 19
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Major Funds	22 - 23
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	24 - 29
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	30 - 33
Schedule of Office Activities	34 - 35
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	36
<b>Government Auditing Standards Section</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37 - 38

**SEWARD COUNTY**  
529 Seward Street  
Seward, NE 68434

**LIST OF COUNTY OFFICIALS**  
At June 30, 2019

Title	Name	Term Expires
Board of Commissioners	Mike Mundhenke Bob Vrbka Becky Paulsen Ken Schmieding John Culver	Jan. 2023 Jan. 2023 Jan. 2021 Jan. 2023 Jan. 2021
Assessor	Marilyn Hladky	Jan. 2023
Attorney	Wendy Elston	Jan. 2023
Clerk Election Commissioner Register of Deeds	Sherry Schweitzer	Jan. 2023
Clerk of the District Court	Tera Koetter	Jan. 2023
Sheriff	Michael Vance	Jan. 2023
Treasurer	Bob Dahms	Jan. 2023
Veterans' Service Officer Rural Transit Director	Jeff Baker	Appointed
Weed Superintendent Planning and Zoning	Becky Paulsen	Appointed
Highway Superintendent	Casey Keim	Appointed
Emergency Manager	Gary Petersen	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### SEWARD COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Seward 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 Seward County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Seward County as of June 30, 2019, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

### **Emphasis of Matters – Basis of Accounting**

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

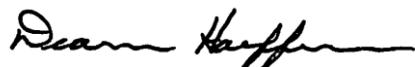
### **Report on Supplementary Information**

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

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-36, 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 December 23, 2019, on our consideration of Seward 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 Seward County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

December 23, 2019

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

**Governmental  
Activities**

---

**ASSETS**

Cash and Cash Equivalents (Note 1.D)	\$ 12,900,497
Investments (Note 1.D)	1,651,129
<b>TOTAL ASSETS</b>	<b>\$ 14,551,626</b>

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**NET POSITION**

Restricted for:

Visitor Promotion	\$ 80,903
Emergency Services	462,388
Aid and Assistance	6,521
Law Enforcement	1,490,752
Preservation of Records	53,399
Debt Service	640,418
Bridge/Road Projects	666,585
Unrestricted	11,150,660
<b>TOTAL NET POSITION</b>	<b>\$ 14,551,626</b>

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

**SEWARD COUNTY**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2019

<b>Functions:</b>	<b>Cash Disbursements</b>	<b>Program Cash Receipts</b>		<b>Net (Disbursement) Receipts and Changes in Net Position</b>
		<b>Fees, Fines, and Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities:</b>				
General Government	\$ (5,067,799)	\$ 688,147	\$ 96,987	\$ (4,282,665)
Public Safety	(4,488,304)	344,146	995,345	(3,148,813)
Public Works	(3,867,848)	-	2,483,635	(1,384,213)
Public Assistance	(341,926)	-	210,926	(131,000)
Culture and Recreation	(34,664)	-	-	(34,664)
Debt Payments	(1,219,471)	-	-	(1,219,471)
Total Governmental Activities	<u><u>\$ (15,020,012)</u></u>	<u><u>\$ 1,032,293</u></u>	<u><u>\$ 3,786,893</u></u>	<u><u>(10,200,826)</u></u>

**General Receipts:**

Property Taxes	10,197,723
Grants and Contributions Not Restricted to Specific Programs	1,277,731
Investment Income	167,544
Licenses and Permits	88,891
Insurance Settlements	370,985
Miscellaneous	269,507
<b>Total General Receipts</b>	<b>12,372,381</b>

Increase in Net Position	2,171,555
Net Position - Beginning of year	12,380,071
<b>Net Position - End of year</b>	<b>\$ 14,551,626</b>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 885,642	\$ 929,346	\$ 4,501,322	\$ 1,780,439	\$ 4,803,748	\$ 12,900,497
Investments (Note 1.D)	1,651,129	-	-	-	-	1,651,129
<b>TOTAL ASSETS</b>	<b>\$ 2,536,771</b>	<b>\$ 929,346</b>	<b>\$ 4,501,322</b>	<b>\$ 1,780,439</b>	<b>\$ 4,803,748</b>	<b>\$ 14,551,626</b>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	80,903	80,903
Emergency Services	-	-	-	-	462,388	462,388
Aid and Assistance	-	-	-	-	6,521	6,521
Law Enforcement	-	-	-	-	1,490,752	1,490,752
Preservation of Records	-	-	-	-	53,399	53,399
Debt Service	-	-	-	-	640,418	640,418
Bridge/Road Projects	-	-	-	-	666,585	666,585
Committed to:						
Law Enforcement	-	-	-	-	35,182	35,182
Road Maintenance	-	929,346	-	-	1,036,720	1,966,066
Aid and Assistance	-	-	-	-	5,052	5,052
County Buildings & Equipment	-	-	-	-	296,107	296,107
Health Insurance	-	-	-	1,780,439	-	1,780,439
Reappraisal Services	-	-	-	-	29,721	29,721
Assigned to:						
Other Purposes	-	-	4,501,322	-	-	4,501,322
Unassigned	2,536,771	-	-	-	-	2,536,771
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 2,536,771</b>	<b>\$ 929,346</b>	<b>\$ 4,501,322</b>	<b>\$ 1,780,439</b>	<b>\$ 4,803,748</b>	<b>\$ 14,551,626</b>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 7,510,672	\$ -	\$ 1,443,261	\$ -	\$ 1,243,790	\$ 10,197,723
Licenses and Permits	88,891	-	-	-	-	88,891
Investment Income	164,639	-	-	237	2,668	167,544
Intergovernmental	1,029,683	2,227,369	-	-	1,807,572	5,064,624
Charges for Services	931,944	-	-	-	100,349	1,032,293
Miscellaneous	92,754	553	62,292	370,985	113,908	640,492
<b>TOTAL RECEIPTS</b>	<b>9,818,583</b>	<b>2,227,922</b>	<b>1,505,553</b>	<b>371,222</b>	<b>3,268,287</b>	<b>17,191,567</b>
<b>DISBURSEMENTS</b>						
General Government	3,488,527	-	299,105	1,212,309	67,858	5,067,799
Public Safety	2,925,020	-	-	-	1,563,284	4,488,304
Public Works	202,866	3,324,363	-	-	340,619	3,867,848
Health and Sanitation	-	-	-	-	-	-
Public Assistance	249,860	-	-	-	92,066	341,926
Culture and Recreation	-	-	-	-	34,664	34,664
Debt Service:						
Principal Payments	-	-	-	-	909,920	909,920
Interest and Fiscal Charges	-	-	-	-	309,551	309,551
<b>TOTAL DISBURSEMENTS</b>	<b>6,866,273</b>	<b>3,324,363</b>	<b>299,105</b>	<b>1,212,309</b>	<b>3,317,962</b>	<b>15,020,012</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>						
	<b>2,952,310</b>	<b>(1,096,441)</b>	<b>1,206,448</b>	<b>(841,087)</b>	<b>(49,675)</b>	<b>2,171,555</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	1,886,300	15,126	943,581	1,292,909	4,137,916
Transfers out	(3,170,219)	(653,907)	-	-	(313,790)	(4,137,916)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,170,219)</b>	<b>1,232,393</b>	<b>15,126</b>	<b>943,581</b>	<b>979,119</b>	<b>-</b>
Net Change in Fund Balances	(217,909)	135,952	1,221,574	102,494	929,444	2,171,555
<b>CASH BASIS FUND</b>						
<b>BALANCES - BEGINNING</b>	<b>2,754,680</b>	<b>793,394</b>	<b>3,279,748</b>	<b>1,677,945</b>	<b>3,874,304</b>	<b>12,380,071</b>
<b>BALANCES - ENDING</b>	<b>\$ 2,536,771</b>	<b>\$ 929,346</b>	<b>\$ 4,501,322</b>	<b>\$ 1,780,439</b>	<b>\$ 4,803,748</b>	<b>\$ 14,551,626</b>

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

**SEWARD COUNTY**  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**

June 30, 2019

Agency Funds

**ASSETS**

Cash and Cash Equivalents	\$ 1,906,320
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**LIABILITIES**

Due to other governments

State	319,989
Schools	1,227,956
Educational Service Units	6,825
Technical College	39,521
Natural Resource Districts	11,027
Fire Districts	10,239
Municipalities	123,266
Agricultural Society	5,003
Cemetery Districts	1,409
Hospital	105
Others	160,980
<b>TOTAL LIABILITIES</b>	<b>1,906,320</b>

<b>TOTAL NET ASSETS</b>	<b>\$ -</b>
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The notes to the financial statements are an integral part of this statement.

# SEWARD COUNTY

## NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

### 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

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

#### **Joint Organization.**

Behavioral Health Region V – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$73,861 toward the operation of the Region during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

Health Department – The County has entered into an agreement with the Four Corners 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).

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2018). Financial information for the Department is available in that report.

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

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

Seward County Communications Agency (Communications Region) – The County has entered into an agreement with the governing boards of the City of Seward and the City of Milford to fund, staff, and oversee the running of an Enhanced Emergency 911 Communications Center.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the Communications Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County is the fiscal agency for the Communications Region, and all activity is included with the E911 Fund of the County. The activity of this fund is included in the financial statements of the County and is included in this report. In event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

During fiscal year 2017, the County purchased a new Emergency 911 Radio System for \$351,149. This was funded entirely by the County; however, the City of Seward and the City of Milford will be refunding the County for their portions of the cost, in accordance with the agreement for the Communications Region. In July 2017, the County sent letters to the governing boards of the municipalities, requesting repayment before December 31, 2017. The City of Milford responded that its balance of \$12,641 would be repaid in five annual interest-free payments. The City of Seward repaid its balance of \$104,291 in monthly interest-free payments, with the last payment made in September 2019.

#### B. Basis of Presentation

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

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

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

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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

The County reports the following major governmental funds:

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

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

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

**Health Insurance Fund.** This fund is used to account for the costs of insurance premiums and claims and is primarily funded by County and employee payroll deductions.

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

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

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

**Debt Service Fund.** The Justice Center 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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

**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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$3,400,966 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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

**Excess of Disbursements Over Appropriations.** For the year ended June 30, 2019, disbursements exceeded budgeted appropriations in the County Sheriff function of the General Fund by \$3,332. These over-expenditures were funded by greater than anticipated receipts in the General Fund.

#### 2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$12,900,497 for County funds and \$1,906,320 for Fiduciary funds. The bank balances for all funds totaled \$14,629,980. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$1,651,129 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

#### 3. Property Taxes

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

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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

#### 3. Property Taxes (Concluded)

The levy set in October 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.272203/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.277296/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

#### 4. Retirement System

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2018) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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

For the year ended June 30, 2019, 178 employees contributed \$261,990, and the County contributed \$389,174. Contributions included \$7,616 in cash contributions towards the supplemental law enforcement plan for 26 law enforcement employees.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Continued)

#### 5. Risk Management

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

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

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

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

#### 6. Interfund Transfers

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

Transfers to	Transfers from			
	General Fund	Road Fund	Nonmajor Funds	Total
Road Fund	\$ 1,886,300	\$ -	\$ -	\$ 1,886,300
Inheritance Fund	-	-	15,126	15,126
Health Insurance Fund	858,949	-	84,632	943,581
Nonmajor Funds	424,970	653,907	214,032	1,292,909
Total	\$ 3,170,219	\$ 653,907	\$ 313,790	\$ 4,137,916

SEWARD COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**6. Interfund Transfers (Concluded)**

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

In the year ended June 30, 2019, the County made transfers from the Attorney Federal Treasury Drug Law Enforcement Fund of \$40,128 and from the Attorney Grant Fund of \$60,206 to the Attorney Federal Justice Drug Law Enforcement Fund for corrections associated with a Federal audit. In connection with this Federal audit, the County also made a one-time transfer of \$244 from the Attorney Federal Justice Drug Law Enforcement Fund to the Attorney Federal Treasury Drug Law Enforcement Fund. Additionally, the County made a one-time transfer of \$15,126 from the E911 Fund to the Inheritance Fund to correct the recording of receipts for the repayment of the 911 system. The County also made a one-time transfer of \$5,000 from the E911 Fund to the Equipment Sinking Fund for the purchase of Equipment. Finally, the County made a transfer of \$653,907 from the Road Fund to the Special Road Fund.

**7. Capital Leases Payable**

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

	Three John Deere Motor Graders
Balance July 1, 2018	\$ 557,641
Purchases	-
Payments	97,509
Balance June 30, 2019	<u><u>\$ 460,132</u></u>

Future Payments:

Year	
2020	\$ 97,510
2021	97,510
2022	383,099
Total Payments	<u><u>578,119</u></u>
Less Interest	<u><u>60,957</u></u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 517,162</u></u>
Carrying Value of the Related Fixed Asset	<u><u>\$ 752,601</u></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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS (Concluded)

#### 9. Long-Term Debt

The County issued bonds on October 17, 2014, in the amount of \$9,990,000 for the purpose of paying the costs of constructing a new Justice Center. The bond payable balance, as of June 30, 2019, was \$8,345,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

#### Future Payments:

Year	Principal	Interest	Total
2020	\$ 435,000	\$ 230,420	\$ 665,420
2021	440,000	223,635	663,635
2022	445,000	215,445	660,445
2023	465,000	205,876	660,876
2024	485,000	194,945	659,945
2025-2029	2,495,000	776,929	3,311,929
2030-2034	2,925,000	360,414	3,285,414
2035	645,000	11,126	656,126
Total Payments	<u>\$ 8,345,000</u>	<u>\$ 2,218,790</u>	<u>\$ 10,563,790</u>

After the fiscal year 2019, the County refinanced this bond in November 2019 for \$7,240,000, with \$875,000 still to be repaid from the Series 2014 bond.

Additionally, the County issued bonds on September 30, 2016, in the amount of \$3,500,000 for the purpose of paying for additional costs of constructing, equipping, and furnishing the new Justice Center. The bond payable balance, as of June 30, 2019, was \$2,326,065. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

#### Future Payments:

Year	Principal	Interest	Total
2020	\$ 492,483	\$ 60,604	\$ 553,087
2021	506,120	46,968	553,088
2022	520,133	32,954	553,087
2023	534,536	18,551	553,087
2024	272,793	3,751	276,544
Total Payments	<u>\$ 2,326,065</u>	<u>\$ 162,828</u>	<u>\$ 2,488,893</u>

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 8,378,924	\$ 8,378,924	\$ 7,510,672	\$ (868,252)
Licenses and Permits	35,000	35,000	88,891	53,891
Interest	50,000	50,000	164,639	114,639
Intergovernmental	255,000	255,000	1,029,683	774,683
Charges for Services	710,000	710,000	931,944	221,944
Miscellaneous	55,000	55,000	92,754	37,754
<b>TOTAL RECEIPTS</b>	<b>9,483,924</b>	<b>9,483,924</b>	<b>9,818,583</b>	<b>334,659</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	154,267	154,667	154,639	28
County Clerk	172,379	173,679	173,638	41
County Treasurer	327,023	327,023	321,967	5,056
County Assessor	324,270	324,270	293,999	30,271
Election Commissioner	68,260	68,260	59,994	8,266
Personnel	167,929	167,929	116,754	51,175
Clerk of the District Court	271,204	271,204	244,599	26,605
County Court System	30,900	30,900	21,189	9,711
District Judge	61,080	61,080	32,358	28,722
Public Defender	203,001	203,001	176,705	26,296
Building and Grounds	526,183	526,183	458,312	67,871
Agricultural Extension Agent	202,516	202,516	176,072	26,444
Abandoned Cemeteries	5,000	5,000	3,520	1,480
Miscellaneous	2,459,707	2,458,007	1,254,781	1,203,226
Public Safety				
County Sheriff	1,230,260	1,230,260	1,233,592	(3,332)
County Attorney	658,749	658,749	614,143	44,606
County Jail	1,183,622	1,183,622	974,760	208,862
Emergency Management	113,232	113,232	102,525	10,707
Public Works				
County Surveyor	9,307	9,307	8,807	500
Noxious Weed Control	108,758	108,758	77,669	31,089
Highway Department	132,415	132,415	116,390	16,025
Public Assistance				
Veterans' Service Officer	43,577	43,577	39,990	3,587
Senior Citizen Handi-Bus	223,095	223,095	209,870	13,225
<b>TOTAL DISBURSEMENTS</b>	<b>8,676,734</b>	<b>8,676,734</b>	<b>6,866,273</b>	<b>1,810,461</b>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>807,190</u>	<u>807,190</u>	<u>2,952,310</u>	<u>2,145,120</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(2,261,870)</u>	<u>(2,261,870)</u>	<u>(3,170,219)</u>	<u>(908,349)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,261,870)</u>	<u>(2,261,870)</u>	<u>(3,170,219)</u>	<u>(908,349)</u>
Net Change in Fund Balance	<u>(1,454,680)</u>	<u>(1,454,680)</u>	<u>(217,909)</u>	<u>1,236,771</u>
<b>FUND BALANCE - BEGINNING</b>	<u>2,754,680</u>	<u>2,754,680</u>	<u>2,754,680</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><b>\$ 1,300,000</b></u>	<u><b>\$ 1,300,000</b></u>	<u><b>\$ 2,536,771</b></u>	<u><b>\$ 1,236,771</b></u>

(Concluded)

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
	Positive (Negative)			
<b>ROAD FUND</b>				
RECEIPTS				
Intergovernmental	\$ 2,091,000	\$ 2,091,000	\$ 2,227,369	\$ 136,369
Miscellaneous	-	-	553	553
<b>TOTAL RECEIPTS</b>	<b>2,091,000</b>	<b>2,091,000</b>	<b>2,227,922</b>	<b>136,922</b>
DISBURSEMENTS	4,370,694	4,370,694	3,324,363	1,046,331
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,279,694)	(2,279,694)	(1,096,441)	1,183,253
OTHER FINANCING SOURCES (USES)				
Transfers in	1,886,300	1,886,300	1,886,300	-
Transfers out	-	-	(653,907)	(653,907)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,886,300</b>	<b>1,886,300</b>	<b>1,232,393</b>	<b>(653,907)</b>
Net Change in Fund Balance	(393,394)	(393,394)	135,952	529,346
FUND BALANCE - BEGINNING	793,394	793,394	793,394	-
FUND BALANCE - ENDING	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 929,346</b>	<b>\$ 529,346</b>
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 1,443,261	\$ 1,443,261
Miscellaneous	-	-	62,292	62,292
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>1,505,553</b>	<b>1,505,553</b>
DISBURSEMENTS	3,279,748	3,279,748	299,105	2,980,643
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,279,748)	(3,279,748)	1,206,448	4,486,196
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,126	15,126
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>15,126</b>	<b>15,126</b>
Net Change in Fund Balance	(3,279,748)	(3,279,748)	1,221,574	4,501,322
FUND BALANCE - BEGINNING	3,279,748	3,279,748	3,279,748	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,501,322</b>	<b>\$ 4,501,322</b>

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
	Positive (Negative)			
<b>HEALTH INSURANCE FUND</b>				
RECEIPTS				
Interest	\$ -	\$ -	\$ 237	\$ 237
Miscellaneous	722,055	722,055	370,985	(351,070)
<b>TOTAL RECEIPTS</b>	<b>722,055</b>	<b>722,055</b>	<b>371,222</b>	<b>(350,833)</b>
DISBURSEMENTS				
	2,000,000	2,000,000	1,212,309	787,691
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,277,945)	(1,277,945)	(841,087)	436,858
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	943,581	943,581
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>943,581</b>	<b>943,581</b>
Net Change in Fund Balance	(1,277,945)	(1,277,945)	102,494	1,380,439
FUND BALANCE - BEGINNING	1,277,945	1,277,945	1,677,945	400,000
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,780,439</b>	<b>\$ 1,780,439</b>

(Concluded)

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<b>ROAD BUYBACK FUND</b>				
Receipts	\$ 255,977	\$ 255,977	\$ 253,668	\$ (2,309)
Disbursements	(631,500)	(631,500)	(41,782)	589,718
Net Change in Fund Balance	(375,523)	(375,523)	211,886	587,409
Fund Balance - Beginning	375,523	375,523	375,523	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 587,409</u></u>	<u><u>\$ 587,409</u></u>
<b>SPECIAL ROAD FUND</b>				
Receipts	\$ 116,625	\$ 116,625	\$ 42,383	\$ (74,242)
Disbursements	(755,000)	(755,000)	(297,945)	457,055
Transfers in	-	-	653,907	653,907
Transfers out	-	-	-	-
Net Change in Fund Balance	(638,375)	(638,375)	398,345	1,036,720
Fund Balance - Beginning	638,375	638,375	638,375	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,036,720</u></u>	<u><u>\$ 1,036,720</u></u>
<b>JUSTICE CENTER DEBT SERVICE FUND</b>				
Receipts	\$ 1,200,000	\$ 1,200,000	\$ 1,200,301	\$ 301
Disbursements	(1,859,588)	(1,859,588)	(1,219,471)	640,117
Net Change in Fund Balance	(659,588)	(659,588)	(19,170)	640,418
Fund Balance - Beginning	659,588	659,588	659,588	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 640,418</u></u>	<u><u>\$ 640,418</u></u>
<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ 42,301	\$ 42,301	\$ 6,073	\$ (36,228)
Disbursements	(347,265)	(347,265)	(44,830)	302,435
Transfers in	20,000	20,000	49,900	29,900
Transfers out	-	-	-	-
Net Change in Fund Balance	(284,964)	(284,964)	11,143	296,107
Fund Balance - Beginning	284,964	284,964	284,964	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 296,107</u></u>	<u><u>\$ 296,107</u></u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 57,387	\$ 57,387	\$ 21,737	\$ (35,650)
Disbursements	(70,000)	(70,000)	(21,408)	48,592
Net Change in Fund Balance	(12,613)	(12,613)	329	12,942
Fund Balance - Beginning	12,613	12,613	12,613	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,942</u></u>	<u><u>\$ 12,942</u></u>

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ 29,450	\$ 29,450	\$ 20,667	\$ (8,783)
Disbursements	(90,000)	(90,000)	(13,256)	76,744
Net Change in Fund Balance	(60,550)	(60,550)	7,411	67,961
Fund Balance - Beginning	60,550	60,550	60,550	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,961</u></u>	<u><u>\$ 67,961</u></u>
<b>REAPPRAISAL FUND</b>				
Receipts	\$ 28,192	\$ 28,192	\$ 1,156	\$ (27,036)
Disbursements	(45,000)	(45,000)	(12,743)	32,257
Transfers in	-	-	24,500	24,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(16,808)	(16,808)	12,913	29,721
Fund Balance - Beginning	16,808	16,808	16,808	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 29,721</u></u>	<u><u>\$ 29,721</u></u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 27,495	\$ 27,495	\$ 11,179	\$ (16,316)
Disbursements	(80,000)	(80,000)	(10,285)	69,715
Net Change in Fund Balance	(52,505)	(52,505)	894	53,399
Fund Balance - Beginning	52,505	52,505	52,505	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,399</u></u>	<u><u>\$ 53,399</u></u>
<b>VETERANS' AID FUND</b>				
Disbursements	\$ (5,052)	\$ (5,052)	\$ -	\$ 5,052
Net Change in Fund Balance	(5,052)	(5,052)	-	5,052
Fund Balance - Beginning	5,052	5,052	5,052	-
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,052</u></u>	<u><u>\$ 5,052</u></u>
<b>AGING SERVICES FUND</b>				
Receipts	\$ 76,953	\$ 76,953	\$ 77,301	\$ 348
Disbursements	(102,425)	(102,425)	(92,066)	10,359
Transfers in	9,037	9,037	9,037	-
Transfers out	-	-	(9,186)	(9,186)
Net Change in Fund Balance	(16,435)	(16,435)	(14,914)	1,521
Fund Balance - Beginning	21,435	21,435	21,435	-
Fund Balance - Ending	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 6,521</u></u>	<u><u>\$ 1,521</u></u>

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ 263,549	\$ 263,549	\$ 50,428	\$ (213,121)
Disbursements	(500,000)	(500,000)	(163,078)	336,922
Net Change in Fund Balance	(236,451)	(236,451)	(112,650)	123,801
Fund Balance - Beginning	236,451	236,451	236,451	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,801</u>	<u>\$ 123,801</u>
<b>ATTORNEY FEDERAL TREASURY DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 176,164	\$ 176,164	\$ 99,488	\$ (76,676)
Disbursements	(515,000)	(515,000)	(8,455)	506,545
Transfers in	-	-	244	244
Transfers out	-	-	(40,128)	(40,128)
Net Change in Fund Balance	(338,836)	(338,836)	51,149	389,985
Fund Balance - Beginning	338,836	338,836	338,836	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,985</u>	<u>\$ 389,985</u>
<b>ATTORNEY FEDERAL JUSTICE DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 447,975	\$ 447,975	\$ 60,354	\$ (387,621)
Disbursements	(447,975)	(447,975)	-	447,975
Transfers in	-	-	100,334	100,334
Transfers out	-	-	(244)	(244)
Net Change in Fund Balance	-	-	160,444	160,444
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,444</u>	<u>\$ 160,444</u>
<b>SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 7,156	\$ 207,156	\$ 606,490	\$ 399,334
Disbursements	(169,999)	(369,999)	(290,151)	79,848
Net Change in Fund Balance	(162,843)	(162,843)	316,339	479,182
Fund Balance - Beginning	162,843	162,843	162,843	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,182</u>	<u>\$ 479,182</u>

(Continued)

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<b>SHERIFF FEDERAL DRUG JUSTICE FUND</b>				
Receipts	\$ -	\$ -	\$ 64,039	\$ 64,039
Disbursements	(101,553)	(101,553)	(84,050)	17,503
Transfers in	-	-	-	-
Transfers out	-	-	(9,876)	(9,876)
Net Change in Fund Balance	<u>(101,553)</u>	<u>(101,553)</u>	<u>(29,887)</u>	71,666
Fund Balance - Beginning	<u>101,553</u>	<u>101,553</u>	<u>101,553</u>	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,666</u>	<u>\$ 71,666</u>
<b>ATTORNEY GRANT FUND</b>				
Receipts	\$ 578,984	\$ 578,984	\$ 297,058	\$ (281,926)
Disbursements	(884,119)	(884,119)	(277,398)	606,721
Transfers in	-	-	-	-
Transfers out	-	-	(60,206)	(60,206)
Net Change in Fund Balance	<u>(305,135)</u>	<u>(305,135)</u>	<u>(40,546)</u>	264,589
Fund Balance - Beginning	<u>305,135</u>	<u>305,135</u>	<u>305,135</u>	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,589</u>	<u>\$ 264,589</u>
<b>EMERGENCY MANAGER GRANT FUND</b>				
Receipts	\$ 390,787	\$ 390,787	\$ 49,669	\$ (341,118)
Disbursements	<u>(505,000)</u>	<u>(505,000)</u>	<u>(24,423)</u>	480,577
Net Change in Fund Balance	<u>(114,213)</u>	<u>(114,213)</u>	<u>25,246</u>	139,459
Fund Balance - Beginning	<u>114,213</u>	<u>114,213</u>	<u>114,213</u>	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,459</u>	<u>\$ 139,459</u>
<b>E911 GRANT FUND</b>				
Receipts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Disbursements	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	250,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ROAD GRANT FUND</b>				
Receipts	\$ 2,919,932	\$ 2,919,932	\$ -	\$ (2,919,932)
Disbursements	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(892)</u>	2,999,108
Net Change in Fund Balance	<u>(80,068)</u>	<u>(80,068)</u>	<u>(892)</u>	79,176
Fund Balance - Beginning	<u>80,068</u>	<u>80,068</u>	<u>80,068</u>	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,176</u>	<u>\$ 79,176</u>

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<b>MISCELLANEOUS GRANT FUND</b>				
Receipts	\$ 500,000	\$ 500,000	\$ 7,783	\$ (492,217)
Disbursements	(500,000)	(500,000)	(6,698)	493,302
Net Change in Fund Balance	-	-	1,085	1,085
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085</u>	<u>\$ 1,085</u>
<b>E911 FUND</b>				
Receipts	\$ 258,519	\$ 258,519	\$ 283,481	\$ 24,962
Disbursements	(708,245)	(708,245)	(607,001)	101,244
Transfers in	346,533	346,533	346,533	-
Transfers out	-	-	(85,696)	(85,696)
Net Change in Fund Balance	(103,193)	(103,193)	(62,683)	40,510
Fund Balance - Beginning	163,193	163,193	163,193	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 100,510</u>	<u>\$ 40,510</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 190,332	\$ 190,332	\$ 65,054	\$ (125,278)
Disbursements	(200,000)	(200,000)	(52,746)	147,254
Transfers in	-	-	43,239	43,239
Transfers out	-	-	(65,215)	(65,215)
Net Change in Fund Balance	(9,668)	(9,668)	(9,668)	-
Fund Balance - Beginning	9,668	9,668	9,668	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>911 WIRELESS HOLDING FUND</b>				
Receipts	\$ 49,557	\$ 49,557	\$ -	\$ (49,557)
Disbursements	(250,000)	(250,000)	-	250,000
Transfers in	-	-	65,215	65,215
Transfers out	-	-	(43,239)	(43,239)
Net Change in Fund Balance	(200,443)	(200,443)	21,976	222,419
Fund Balance - Beginning	200,443	200,443	200,443	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,419</u>	<u>\$ 222,419</u>

(Continued)

**SEWARD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2019

<b>COMMISSARY FUND</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
				<b>Positive (Negative)</b>
Receipts	\$ 86,512	\$ 86,512	\$ 49,978	\$ (36,534)
Disbursements	(121,000)	(121,000)	(49,284)	71,716
Net Change in Fund Balance	(34,488)	(34,488)	694	35,182
Fund Balance - Beginning	34,488	34,488	34,488	-
Fund Balance - Ending	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,182</b>	<b>\$ 35,182</b>

(Concluded)

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

For the Year Ended June 30, 2019

	Road Buyback Fund	Special Road Fund	Justice Center Debt Service Fund	Equipment Sinking Fund	Visitor Promotion Fund	Visitor Improvement Fund	Reappraisal Fund
<b>RECEIPTS</b>							
Property Taxes	\$ -	\$ -	\$ 1,080,592	\$ -	\$ 20,667	\$ 20,667	\$ -
Investment Income	-	-	2,668	-	-	-	-
Intergovernmental	253,668	-	117,041	-	1,000	-	-
Charges for Services	-	-	-	2,400	-	-	1,156
Miscellaneous	-	42,383	-	3,673	70	-	-
<b>TOTAL RECEIPTS</b>	<b>253,668</b>	<b>42,383</b>	<b>1,200,301</b>	<b>6,073</b>	<b>21,737</b>	<b>20,667</b>	<b>1,156</b>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	44,830	-	-	12,743
Public Safety	-	-	-	-	-	-	-
Public Works	41,782	297,945	-	-	-	-	-
Public Assistance	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	21,408	13,256	-
Debt Service:							
Principal Payments	-	-	909,920	-	-	-	-
Interest and Fiscal Charges	-	-	309,551	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>41,782</b>	<b>297,945</b>	<b>1,219,471</b>	<b>44,830</b>	<b>21,408</b>	<b>13,256</b>	<b>12,743</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>211,886</b>	<b>(255,562)</b>	<b>(19,170)</b>	<b>(38,757)</b>	<b>329</b>	<b>7,411</b>	<b>(11,587)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	653,907	-	49,900	-	-	24,500
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>653,907</b>	<b>-</b>	<b>49,900</b>	<b>-</b>	<b>-</b>	<b>24,500</b>
Net Change in Fund Balances	211,886	398,345	(19,170)	11,143	329	7,411	12,913
<b>FUND BALANCES - BEGINNING</b>	<b>375,523</b>	<b>638,375</b>	<b>659,588</b>	<b>284,964</b>	<b>12,613</b>	<b>60,550</b>	<b>16,808</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 587,409</b>	<b>\$ 1,036,720</b>	<b>\$ 640,418</b>	<b>\$ 296,107</b>	<b>\$ 12,942</b>	<b>\$ 67,961</b>	<b>\$ 29,721</b>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	12,942	67,961	-
Emergency Services	-	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	640,418	-	-	-	-
Bridge/Road Projects	587,409	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	-	-	-	-
Road Maintenance	-	1,036,720	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-	-
County Buildings & Equipment	-	-	-	296,107	-	-	-
Health Insurance	-	-	-	-	-	-	-
Reappraisal Services	-	-	-	-	-	-	29,721
<b>TOTAL FUND BALANCES</b>	<b>\$ 587,409</b>	<b>\$ 1,036,720</b>	<b>\$ 640,418</b>	<b>\$ 296,107</b>	<b>\$ 12,942</b>	<b>\$ 67,961</b>	<b>\$ 29,721</b>

(Continued)

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

For the Year Ended June 30, 2019

	Preservation and Modernization Fund	Veterans' Aid Fund	Aging Services Fund	Drug Law Enforcement and Education Fund	Attorney Federal Treasury Drug Law Enforcement Fund	Attorney Federal Justice Drug Law Enforcement Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	-	-	76,901	-	99,258	60,354
Charges for Services	11,179	-	-	-	-	-
Miscellaneous	-	-	400	50,428	230	-
<b>TOTAL RECEIPTS</b>	<b>11,179</b>	<b>-</b>	<b>77,301</b>	<b>50,428</b>	<b>99,488</b>	<b>60,354</b>
<b>DISBURSEMENTS</b>						
General Government	10,285	-	-	-	-	-
Public Safety	-	-	-	163,078	8,455	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	92,066	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>10,285</b>	<b>-</b>	<b>92,066</b>	<b>163,078</b>	<b>8,455</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>894</b>	<b>-</b>	<b>(14,765)</b>	<b>(112,650)</b>	<b>91,033</b>	<b>60,354</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	9,037	-	244	100,334
Transfers out	-	-	(9,186)	-	(40,128)	(244)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(149)</b>	<b>-</b>	<b>(39,884)</b>	<b>100,090</b>
Net Change in Fund Balances	894	-	(14,914)	(112,650)	51,149	160,444
<b>FUND BALANCES - BEGINNING</b>	<b>52,505</b>	<b>5,052</b>	<b>21,435</b>	<b>236,451</b>	<b>338,836</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 53,399</b>	<b>\$ 5,052</b>	<b>\$ 6,521</b>	<b>\$ 123,801</b>	<b>\$ 389,985</b>	<b>\$ 160,444</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Aid and Assistance	-	-	6,521	-	-	-
Law Enforcement	-	-	-	123,801	389,985	160,444
Preservation of Records	53,399	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	5,052	-	-	-	-
County Buildings & Equipment	-	-	-	-	-	-
Health Insurance	-	-	-	-	-	-
Reappraisal Services	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 53,399</b>	<b>\$ 5,052</b>	<b>\$ 6,521</b>	<b>\$ 123,801</b>	<b>\$ 389,985</b>	<b>\$ 160,444</b>

(Continued)

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

For the Year Ended June 30, 2019

	Sheriff Federal Drug Law Enforcement Fund	Sheriff Federal Drug Justice Fund	Attorney Grant Fund	Emergency Manager Grant Fund	E911 Grant Fund	Road Grant Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	589,776	64,039	261,412	49,669	-	-
Charges for Services	-	-	35,636	-	-	-
Miscellaneous	16,714	-	10	-	-	-
<b>TOTAL RECEIPTS</b>	<b>606,490</b>	<b>64,039</b>	<b>297,058</b>	<b>49,669</b>	<b>-</b>	<b>-</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	290,151	84,050	277,398	24,423	-	-
Public Works	-	-	-	-	-	892
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>290,151</b>	<b>84,050</b>	<b>277,398</b>	<b>24,423</b>	<b>-</b>	<b>892</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>316,339</b>	<b>(20,011)</b>	<b>19,660</b>	<b>25,246</b>	<b>-</b>	<b>(892)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(9,876)	(60,206)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(9,876)</b>	<b>(60,206)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	316,339	(29,887)	(40,546)	25,246	-	(892)
<b>FUND BALANCES - BEGINNING</b>	<b>162,843</b>	<b>101,553</b>	<b>305,135</b>	<b>114,213</b>	<b>-</b>	<b>80,068</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 479,182</b>	<b>\$ 71,666</b>	<b>\$ 264,589</b>	<b>\$ 139,459</b>	<b>\$ -</b>	<b>\$ 79,176</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Emergency Services	-	-	-	139,459	-	-
Aid and Assistance	-	-	-	-	-	-
Law Enforcement	479,182	71,666	264,589	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	79,176
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-	-
Health Insurance	-	-	-	-	-	-
Reappraisal Services	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 479,182</b>	<b>\$ 71,666</b>	<b>\$ 264,589</b>	<b>\$ 139,459</b>	<b>\$ -</b>	<b>\$ 79,176</b>

(Continued)

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

For the Year Ended June 30, 2019

	Miscellaneous Grant Fund	E911 Fund	911 Wireless Service Fund	911 Wireless Holding Fund	Commissary Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 56,810	\$ 65,054	\$ -	\$ -	\$ 1,243,790
Investment Income	-	-	-	-	-	2,668
Intergovernmental	7,783	226,671	-	-	-	1,807,572
Charges for Services	-	-	-	-	49,978	100,349
Miscellaneous	-	-	-	-	-	113,908
<b>TOTAL RECEIPTS</b>	<b>7,783</b>	<b>283,481</b>	<b>65,054</b>	<b>-</b>	<b>49,978</b>	<b>3,268,287</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	67,858
Public Safety	6,698	607,001	52,746	-	49,284	1,563,284
Public Works	-	-	-	-	-	340,619
Public Assistance	-	-	-	-	-	92,066
Culture and Recreation	-	-	-	-	-	34,664
Debt Service:						
Principal Payments	-	-	-	-	-	909,920
Interest and Fiscal Charges	-	-	-	-	-	309,551
<b>TOTAL DISBURSEMENTS</b>	<b>6,698</b>	<b>607,001</b>	<b>52,746</b>	<b>-</b>	<b>49,284</b>	<b>3,317,962</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>1,085</b>	<b>(323,520)</b>	<b>12,308</b>	<b>-</b>	<b>694</b>	<b>(49,675)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	346,533	43,239	65,215	-	1,292,909
Transfers out	-	(85,696)	(65,215)	(43,239)	-	(313,790)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>260,837</b>	<b>(21,976)</b>	<b>21,976</b>	<b>-</b>	<b>979,119</b>
Net Change in Fund Balances	1,085	(62,683)	(9,668)	21,976	694	929,444
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>163,193</b>	<b>9,668</b>	<b>200,443</b>	<b>34,488</b>	<b>3,874,304</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,085</b>	<b>\$ 100,510</b>	<b>\$ -</b>	<b>\$ 222,419</b>	<b>\$ 35,182</b>	<b>\$ 4,803,748</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	80,903
Emergency Services	-	100,510	-	222,419	-	462,388
Aid and Assistance	-	-	-	-	-	6,521
Law Enforcement	1,085	-	-	-	-	1,490,752
Preservation of Records	-	-	-	-	-	53,399
Debt Service	-	-	-	-	-	640,418
Bridge/Road Projects	-	-	-	-	-	666,585
-	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	35,182	35,182
Road Maintenance	-	-	-	-	-	1,036,720
Aid and Assistance	-	-	-	-	-	5,052
County Buildings & Equipment	-	-	-	-	-	296,107
Health Insurance	-	-	-	-	-	-
Reappraisal Services	-	-	-	-	-	29,721
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,085</b>	<b>\$ 100,510</b>	<b>\$ -</b>	<b>\$ 222,419</b>	<b>\$ 35,182</b>	<b>\$ 4,803,748</b>

(Concluded)

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

	Clerk of the					
	County Clerk	District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2018	\$ 35,590	\$ 196,127	\$ 13,709	\$ 413	\$ 28	\$ -
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	3,170	-	885	-	-	500
Intergovernmental	-	-	171,205	-	-	-
Charges for Services	143,900	44,651	90,990	73,890	-	553
Miscellaneous	8,534	-	283	-	27	44,288
State Fees	174,663	19,354	-	-	-	156
Other Liabilities	264	802,522	418,320	29,188	-	-
<b>TOTAL RECEIPTS</b>	<b>330,531</b>	<b>866,527</b>	<b>681,683</b>	<b>103,078</b>	<b>27</b>	<b>45,497</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	153,989	42,227	263,014	61,938	35	45,341
Payments to State Treasurer	173,597	19,733	-	-	-	156
Other Liabilities	8,799	751,989	419,310	41,316	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>336,385</b>	<b>813,949</b>	<b>682,324</b>	<b>103,254</b>	<b>35</b>	<b>45,497</b>
BALANCES JUNE 30, 2019	<b>\$ 29,736</b>	<b>\$ 248,705</b>	<b>\$ 13,068</b>	<b>\$ 237</b>	<b>\$ 20</b>	<b>\$ -</b>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 10,338	\$ 4,494	\$ 4,941	\$ -	\$ -	\$ -
Petty Cash	7,500	100	5,000	25	20	-
Due to State Treasurer	11,898	1,470	-	-	-	-
Due to Others	-	242,641	3,127	212	-	-
<b>BALANCES JUNE 30, 2019</b>	<b>\$ 29,736</b>	<b>\$ 248,705</b>	<b>\$ 13,068</b>	<b>\$ 237</b>	<b>\$ 20</b>	<b>\$ -</b>

(Continued)

**SEWARD COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**

For the Year Ended June 30, 2019

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2018	\$ 5,126	\$ 400,000	\$ 2,775	\$ -	\$ -	\$ 653,768
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	8,775	-	-	13,330
Intergovernmental	-	-	-	-	76,901	248,106
Charges for Services	-	-	-	14,571	-	368,555
Miscellaneous	7	1,270,552	-	25	400	1,324,116
State Fees	-	-	-	-	-	194,173
Other Liabilities	-	-	-	-	-	1,250,294
<b>TOTAL RECEIPTS</b>	<b>7</b>	<b>1,270,552</b>	<b>8,775</b>	<b>14,596</b>	<b>77,301</b>	<b>3,398,574</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	-	-	11,550	14,571	77,301	669,966
Payments to State Treasurer	-	-	-	-	-	193,486
Other Liabilities	1,487	1,270,552	-	-	-	2,493,453
<b>TOTAL DISBURSEMENTS</b>	<b>1,487</b>	<b>1,270,552</b>	<b>11,550</b>	<b>14,571</b>	<b>77,301</b>	<b>3,356,905</b>
BALANCES JUNE 30, 2019	\$ 3,646	\$ 400,000	\$ -	\$ 25	\$ -	\$ 695,437
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 3,646	\$ -	\$ -	\$ -	\$ -	\$ 23,419
Petty Cash	-	400,000	-	25	-	412,670
Due to State Treasurer	-	-	-	-	-	13,368
Due to Others	-	-	-	-	-	245,980
<b>BALANCES JUNE 30, 2019</b>	<b>\$ 3,646</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ 25</b>	<b>\$ -</b>	<b>\$ 695,437</b>

(Concluded)

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

Item	2014	2015	2016	2017	2018
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 32,033,274	\$ 33,621,254	\$ 35,176,283	\$ 35,850,739	\$ 36,356,033
Personal and Specials	2,686,456	2,891,034	2,623,056	2,422,233	2,382,456
Total	<u>34,719,730</u>	<u>36,512,288</u>	<u>37,799,339</u>	<u>38,272,972</u>	<u>38,738,489</u>
<b>Corrections</b>					
Additions	14,141	15,997	7,857	7,058	12,900
Deductions	(10,936)	(25,729)	(3,298)	(22,589)	(8,619)
Net Additions/ (Deductions)	<u>3,205</u>	<u>(9,732)</u>	<u>4,559</u>	<u>(15,531)</u>	<u>4,281</u>
Corrected Certified Tax	<u>34,722,935</u>	<u>36,502,556</u>	<u>37,803,898</u>	<u>38,257,441</u>	<u>38,742,770</u>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2015	21,654,269	-	-	-	-
June 30, 2016	13,048,105	22,472,235	-	-	-
June 30, 2017	14,326	14,016,810	23,523,845	-	-
June 30, 2018	5,059	10,872	14,274,869	24,745,421	-
June 30, 2019	294	418	1,297	13,503,543	24,386,828
Total Net Collections	<u>34,722,053</u>	<u>36,500,335</u>	<u>37,800,011</u>	<u>38,248,964</u>	<u>24,386,828</u>
Total Uncollected Tax	<u>\$ 882</u>	<u>\$ 2,221</u>	<u>\$ 3,887</u>	<u>\$ 8,477</u>	<u>\$ 14,355,942</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>37.05%</u>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### SEWARD COUNTY

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

Board of Commissioners  
Seward 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 Seward County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Seward County's basic financial statements, and have issued our report thereon dated December 23, 2019. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Seward 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 Seward 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.

However, 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 Seward 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**

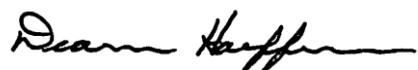
We also noted certain matters that we reported to the management of Seward County in a separate letter dated December 23, 2019.

### **Seward County's Response to Findings**

Seward 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

December 23, 2019



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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December 23, 2019

Board of Commissioners  
Seward County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Seward County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated December 23, 2019. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

### **COUNTY OVERALL**

#### **Segregation of Duties**

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

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

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

## COUNTY BOARD

### Duplicate Payments

We noted that three claims, totaling \$741, were duplicate payments, which the County did not discover through its internal review process. One duplicate payment for \$161 was discovered by the vendor, who applied a credit on the County's account. Another duplicate payment for \$270 was discovered by the vendor. The vendor applied a credit to the County's account but had not yet applied this credit to a payment from the County at the time of the audit. The County was unable to provide support that a credit was received for the third claim, totaling for \$310.

Payee	Amount	Original Claim		Duplicate Claim	
		Claim #	Date	Claim #	Date
Potter Repair	\$ 161	19040091	4/26/2019	19050089	5/28/2019
Soarin Group, LLC	\$ 270	18090109	9/25/2018	18100103	10/26/2018
Herpolsheimers Inc.	\$ 310	19020041	2/26/2019	19030035	3/26/2019
	<b>\$ 741</b>				

A good internal control plan requires procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

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

We recommend the County Board implement procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

## COUNTY ATTORNEY

### Accounting Procedures

During our audit, we noted multiple issues regarding the County Attorney's accounting procedures, as described below:

- The Seward County Pretrial Diversion program ran the diversion programs for Jefferson County and Butler County in addition to its own during fiscal year 2019. The diversion case management records did not identify which funds were received for Seward County versus which funds were remitted directly to the County Treasurers for the two counties it served.
- We noted that cash and checks collected in Seward County for Butler County were driven to that county to be remitted to the County Treasurer rather than deposited into the bank account and a check written to that county.
- The former Program Director was not removed timely as an authorized signer on the bank account. The director was removed as a signer 35 days after her resignation.
- We noted fees received subsequent to the audit period were not remitted timely to the County Treasurer. August and September 2019 drug program fees, totaling \$3,550, were not remitted until November 13, 2019. Additionally, \$200 in cash received on September 6, 2019, and a \$500 check received on October 10, 2019, were not remitted until November 4, 2019.

Sound accounting practices require procedures to ensure the following: 1) fund sources are properly identified; 2) receipts are deposited into a bank account and not driven to other locations; 3) authorized signature cards for bank accounts are updated in a timely manner; and 4) fees and other receipts are remitted timely to the County Treasurer.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily.

We recommend the County Attorney implement procedures to ensure fund sources are properly identified, and receipts are deposited into a bank account and not driven to other locations. Those same procedures should ensure also that authorized signature cards for bank accounts are updated in a timely manner, and fees and other receipts are remitted timely to the County Treasurer.

*County Attorney's Response:*

- *Money for Jefferson County fees were received in Jefferson County. There was only 1 instance in which a Jefferson County fee was received in Seward County. Therefore, all fees were received in Jefferson and receipted in Jefferson County.*

*Money for Butler County fees were received in Butler County. Rarely, was a Butler County fee received in Seward County. Therefore, the majority of all Butler County fees were received and paid directly to the Treasurer's Office. In Butler County, the Treasurer is in the same building as the Diversion Office and so payments were made directly to the Treasurer and not through the Diversion Program.*

- *We have now implemented the new procedure as this was just brought to our attention since the inception of the program in 2013. This procedure was provided to the auditors in prior year audits. In the rare occasion in which Butler County Diversion fee was paid in Seward County, internal procedures were in place for transporting the money. All funds were transported in a locked bank bag. The funds were reconciled and accounted for with the Butler County Treasurer upon receipt. The only key to the bank bag was located in Butler County, so no person had access to the money in the bag until the person was in Butler County. Once again, rarely was a Butler County fee received in Seward County.*
- *The Program Director did not have access to any checks as they were in a locked safe within a secure building. The Office has now implemented a checklist to remove individuals from accounts in a timely fashion.*
- *The fees are regularly transmitted. Due to the turnover of the Program Director and being short staffed, the fees remained in the bank account until the staff and the County Attorney were able to reconcile the amounts. The staff is now trained and staffing needs allow us now to continue as usual. There was also restructuring of the fund accounts within the County and so extra time was needed to determine the appropriate Fund to assign the funds.*

## **COUNTY SHERIFF**

### **Balancing Procedures**

During our audit, we noted the following regarding the County Sheriff's balancing procedures:

- A monthly asset-to-liability reconciliation was not performed for the fee account, resulting in a cash short of \$179.
- A complete list of accounts payable could not be provided. Per records obtained, the office maintained \$1,075 in "Service deposits" and \$150 in "Execution Deposits." The details of to whom these balances were owed could not be provided, however.

This was a prior year finding. The office opened a new bank account in an attempt to correct the issue. According to an office employee, the above-mentioned short in the new account did not exist; however, records could not be provided to verify this claim. We acknowledge that the short may be affected by the unknown payables balances. Without complete and accurate records, though, no additional review could be completed.

Sound accounting practices and good internal control require procedures to ensure that an asset-to-liability reconciliation is performed timely, and any variances noted are followed up on appropriately. Those same procedures should ensure also that a detailed listing of accounts payable is maintained.

Without such procedures, there is an increased risk for the loss and/or misuse of funds.

We recommend the County Sheriff implement procedures to ensure an asset-to-liability reconciliation is performed, and a detailed listing of office liabilities is maintained.

### **Expenditures in Excess of Budget**

For the fiscal year ended June 30, 2019, expenditures paid out of the County Sheriff function in the General Fund exceeded the adopted budget by \$3,332.

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.*

When expenditures are made in excess of amounts budgeted, with no appropriation adjustments by the County Board to address those excesses, the County is not in compliance with State statute.

We recommend the County Sheriff implement procedures to ensure that expenditures do not exceed the adopted budget.

## **COUNTY CLERK OF THE DISTRICT COURT**

### **Overdue Case Balance Report**

We noted that the Clerk of the District Court (District Court) was not performing adequate follow up procedures to resolve the overdue balances on the Overdue Case Account Report (Report). Five of five balances tested, totaling \$4,566, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances.

As of November 8, 2019, the Report contained 138 overdue criminal case balances, totaling \$95,432. Of these 138 cases, only 19 had a current warrant or suspension issued for nonpayment. The following table provides details of those balances:

<b>Year Case Filed</b>	<b># of Cases</b>	<b>Total Overdue Balance</b>
1998	8	\$ 2,939
1999	4	\$ 695
2000	4	\$ 2,172
2001	5	\$ 3,201
2002	4	\$ 1,476
2003	5	\$ 1,296
2004	5	\$ 2,986
2005	11	\$ 5,692
2006	8	\$ 2,415
2007	5	\$ 1,117
2008	5	\$ 3,176
2009	8	\$ 1,155
2010	12	\$ 1,346
2011	5	\$ 3,420
2012	3	\$ 11,002
2013	7	\$ 12,312
2014	6	\$ 10,629
2015	3	\$ 1,960
2016	14	\$ 14,491
2017	12	\$ 10,305
2018	4	\$ 1,647
<b>Total</b>	<b>138</b>	<b>\$ 95,432</b>

Good internal control and sound business practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action, if any, should be taken to collect or otherwise resolve overdue case balances.

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

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

\* \* \* \* \*

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