

**AUDIT REPORT  
OF  
CASS COUNTY**

**JULY 1, 2019, THROUGH JUNE 30, 2020**

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**Issued on March 3, 2021**

CASS COUNTY

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CASS COUNTY  
346 Main Street  
Plattsmouth, NE 68048

**LIST OF COUNTY OFFICIALS**  
At June 30, 2020

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



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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

CASS COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cass County, Nebraska

### Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Cass County as of June 30, 2020, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

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

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

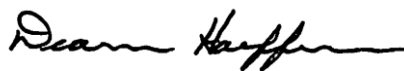
## **Report on Supplementary Information**

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

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 17-28, 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 March 2, 2021, on our consideration of Cass County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 2, 2021

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,411,439
Investments (Note 1.D)	8,395,350
<b>TOTAL ASSETS</b>	<b>\$ 13,806,789</b>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 290,464
911 Emergency Services	394,952
Drug Education	8,855
Preservation of Records	90,958
Road Maintenance	773,099
Emergency Management	137,162
Historical Society	641
Unrestricted	12,110,658
<b>TOTAL NET POSITION</b>	<b>\$ 13,806,789</b>

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

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

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (8,509,600)	\$ 1,156,576	\$ 128,073	\$ (7,224,951)
Public Safety	(7,202,774)	1,822,844	261,823	(5,118,107)
Public Works	(7,676,708)	195,725	3,803,331	(3,677,652)
Public Assistance	(162,252)	-	-	(162,252)
Culture and Recreation	(214,554)	-	9,446	(205,108)
Total Governmental Activities	<u>\$ (23,765,888)</u>	<u>\$ 3,175,145</u>	<u>\$ 4,202,673</u>	<u>(16,388,070)</u>

General Receipts:

Property Taxes	15,476,143
Grants and Contributions Not Restricted to Specific Programs	1,909,648
Investment Income	163,624
Licenses and Permits	313,251
Miscellaneous	132,492
Total General Receipts	<u>17,995,158</u>

Increase in Net Position	1,607,088
Net Position - Beginning of year	12,199,701
Net Position - End of year	<u>\$ 13,806,789</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents (Note 1.D)	\$ 2,633,010	\$ 914,895	\$ -	\$ 1,863,534	\$ 5,411,439
Investments (Note 1.D)	2,703,580	-	5,681,421	10,349	8,395,350
<b>TOTAL ASSETS</b>	<b>\$ 5,336,590</b>	<b>\$ 914,895</b>	<b>\$ 5,681,421</b>	<b>\$ 1,873,883</b>	<b>\$ 13,806,789</b>
 <b>FUND BALANCES</b>					
Restricted for:					
Visitor Promotion	-	-	-	290,464	290,464
911 Emergency Services	-	-	-	394,952	394,952
Drug Education	-	-	-	8,855	8,855
Preservation of Records	-	-	-	90,958	90,958
Road Maintenance	-	-	-	773,099	773,099
Emergency Management	-	-	-	137,162	137,162
Historical Society	-	-	-	641	641
Committed to:					
Law Enforcement	-	-	-	8,105	8,105
Road Maintenance	-	914,895	-	167,473	1,082,368
Aid and Assistance	-	-	-	2,174	2,174
Assigned to:					
Other Purposes	-	-	5,681,421	-	5,681,421
Unassigned	5,336,590	-	-	-	5,336,590
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 5,336,590</b>	<b>\$ 914,895</b>	<b>\$ 5,681,421</b>	<b>\$ 1,873,883</b>	<b>\$ 13,806,789</b>

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



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

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ 13,971,689	\$ -	\$ 1,086,084	\$ 418,370	\$ 15,476,143
Licenses and Permits	313,251	-	-	-	313,251
Investment Income	163,503	-	-	121	163,624
Intergovernmental	1,711,612	3,781,352	-	619,357	6,112,321
Charges for Services	2,952,956	195,725	-	26,464	3,175,145
Miscellaneous	79,959	9,720	-	42,813	132,492
<b>TOTAL RECEIPTS</b>	<u>19,192,970</u>	<u>3,986,797</u>	<u>1,086,084</u>	<u>1,107,125</u>	<u>25,372,976</u>
<b>DISBURSEMENTS</b>					
General Government	8,501,331	-	-	8,269	8,509,600
Public Safety	6,983,436	-	-	219,338	7,202,774
Public Works	162,359	7,514,349	-	-	7,676,708
Public Assistance	152,252	-	-	10,000	162,252
Culture and Recreation	-	-	-	214,554	214,554
<b>TOTAL DISBURSEMENTS</b>	<u>15,799,378</u>	<u>7,514,349</u>	<u>-</u>	<u>452,161</u>	<u>23,765,888</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,393,592</u>	<u>(3,527,552)</u>	<u>1,086,084</u>	<u>654,964</u>	<u>1,607,088</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	382,355	4,200,000	-	5,809	4,588,164
Transfers out	(3,200,000)	-	(1,328,154)	(60,010)	(4,588,164)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,817,645)</u>	<u>4,200,000</u>	<u>(1,328,154)</u>	<u>(54,201)</u>	<u>-</u>
Net Change in Fund Balances	575,947	672,448	(242,070)	600,763	1,607,088
<b>CASH BASIS FUND BALANCES - BEGINNING</b>					
	<u>4,760,643</u>	<u>242,447</u>	<u>5,923,491</u>	<u>1,273,120</u>	<u>12,199,701</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>					
	<u>\$ 5,336,590</u>	<u>\$ 914,895</u>	<u>\$ 5,681,421</u>	<u>\$ 1,873,883</u>	<u>\$ 13,806,789</u>

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

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

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,372,242
Investments	1,599,723
<b>TOTAL ASSETS</b>	<b>\$ 6,971,965</b>
 <b>LIABILITIES</b>	
Due to other governments	
State	852,523
Schools	2,296,846
Educational Service Units	9,195
Technical College	56,835
Natural Resource Districts	18,817
Fire Districts	17,132
Municipalities	142,100
Agricultural Society	2,441
Cemetery	481
Sanitary and Improvement Districts	3,470,770
Others	104,825
<b>TOTAL LIABILITIES</b>	<b>6,971,965</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

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

**Joint Organization.**

Behavioral Health Region VI – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region VI (Region) consists of the following counties: Dodge, Washington, Douglas, Sarpy, and Cass.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$72,674 toward the operation of the Region during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the Sarpy Cass Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2020). Financial information for the Department is available in that report.

**B. Basis of Presentation**

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

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

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

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

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

The County reports the following major governmental funds:

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

**D. Assets and Net Position**

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

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

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,696,131 of restricted net position, which is fully restricted by enabling legislation.

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

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$5,411,439 for County funds and \$5,372,242 for Fiduciary funds. The bank balances for all funds totaled \$10,963,648. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2020, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$8,395,350 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$1,599,723 for Fiduciary Funds. 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.

The levy set in October 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.367847/\$100 of assessed valuation. The levy set in October 2018, for the 2018 taxes, which were materially collected in May and September 2019, was set at \$.372490/\$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.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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, Supp. 2019) 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, 2020, 230 employees contributed \$455,393, and the County contributed \$670,208. Contributions included \$24,497 in cash contributions towards the supplemental law enforcement plan for 43 law enforcement employees. Lastly, the County paid \$1,298 directly to seven retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 98 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.



CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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, 2020, consisted of the following:

<u>Transfers to</u>	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ 328,154	\$ 54,201	\$ 382,355
Road Fund	3,200,000	1,000,000	-	4,200,000
Nonmajor Funds	-	-	5,809	5,809
Total	<u>\$ 3,200,000</u>	<u>\$ 1,328,154</u>	<u>\$ 60,010</u>	<u>\$ 4,588,164</u>

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

During the fiscal year ended June 30, 2020, the County closed the Juvenile Diversion Grant Fund and transferred the remaining balance, totaling \$4,201, to the General Fund. In addition, the County transferred \$50,000 from the FEMA Grant Fund to the General Fund during fiscal year 2020 to reimburse for emergency management expenses incurred in the General Fund.

7. **Capital Leases Payable**

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

CASS COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

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

	Motorola Radio System	Motorola Consoles	Total
Balance July 1, 2019	\$ 1,396,895	\$ 258,943	\$ 1,655,838
Purchases	-	-	-
Payments	264,271	61,747	326,018
Balance June 30, 2020	<u>\$ 1,132,624</u>	<u>\$ 197,196</u>	<u>\$ 1,329,820</u>
Future Payments:			
<b>Year</b>			
2021	\$ 303,105	\$ 69,929	\$ 373,034
2022	303,105	69,929	373,034
2023	303,105	69,930	373,035
2024	303,105	-	303,105
Total Payments	<u>1,212,420</u>	<u>209,788</u>	<u>1,422,208</u>
Less Interest	<u>79,796</u>	<u>12,592</u>	<u>92,388</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,132,624</u>	<u>\$ 197,196</u>	<u>\$ 1,329,820</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,700,000</u>	<u>\$ 446,749</u>	<u>\$ 2,146,749</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.

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$14,836,518	\$14,836,518	\$13,971,689	\$ (864,829)
Licenses and Permits	168,610	168,610	313,251	144,641
Interest	125,000	125,000	163,503	38,503
Intergovernmental	669,000	669,000	1,711,612	1,042,612
Charges for Services	3,483,075	3,483,075	2,952,956	(530,119)
Miscellaneous	150,829	150,829	79,959	(70,870)
<b>TOTAL RECEIPTS</b>	<u>19,433,032</u>	<u>19,433,032</u>	<u>19,192,970</u>	<u>(240,062)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	150,407	150,907	150,651	256
County Clerk	312,200	312,200	264,174	48,026
County Treasurer	469,555	469,555	383,244	86,311
Register of Deeds	212,449	212,449	206,918	5,531
County Assessor	323,018	323,018	241,184	81,834
Election Commissioner	164,260	164,260	162,534	1,726
Building and Zoning	194,400	194,400	172,426	21,974
Clerk of the District Court	207,581	207,581	189,623	17,958
County Court System	26,100	26,100	20,140	5,960
District Judge	61,218	61,218	59,306	1,912
Public Defender	319,717	319,717	293,876	25,841
Building and Grounds	165,750	165,750	148,794	16,956
Reappraisal	371,093	371,093	193,088	178,005
Agricultural Extension Agent	136,351	136,351	113,961	22,390
GIS Department	149,687	149,687	127,963	21,724
Data Processing Department	344,450	344,450	242,612	101,838
Miscellaneous	7,393,270	7,392,770	5,530,837	1,861,933
Public Safety				
County Sheriff	3,288,611	3,288,611	2,866,791	421,820
County Attorney	614,200	614,200	534,938	79,262
County Jail	2,742,514	2,742,514	2,635,806	106,708
Emergency Management	843,202	843,202	840,181	3,021
Child Support	66,590	66,590	61,112	5,478
Crime Commission	88,326	88,326	44,608	43,718
Public Works				
County Surveyor	69,292	69,292	68,117	1,175
Noxious Weed Control	92,830	92,830	70,756	22,074
Recycle	25,300	25,300	23,486	1,814
Public Assistance				
Veterans' Service Officer	100,282	100,282	97,673	2,609
State Institutions	47,000	47,000	46,980	20
Poor Relief	33,000	33,000	7,599	25,401
<b>TOTAL DISBURSEMENTS</b>	<u>19,012,653</u>	<u>19,012,653</u>	<u>15,799,378</u>	<u>3,213,275</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	420,379	420,379	3,393,592	2,973,213
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	600,000	600,000	382,355	(217,645)
Transfers out	(4,029,022)	(4,029,022)	(3,200,000)	829,022
TOTAL OTHER FINANCING SOURCES (USES)	(3,429,022)	(3,429,022)	(2,817,645)	611,377
Net Change in Fund Balance	(3,008,643)	(3,008,643)	575,947	3,584,590
<b>FUND BALANCE - BEGINNING</b>	4,760,643	4,760,643	4,760,643	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,752,000</u>	<u>\$ 1,752,000</u>	<u>\$ 5,336,590</u>	<u>\$ 3,584,590</u>

(Concluded)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,980,500	\$ 2,980,500	\$ 3,781,352	\$ 800,852
Charges for Services	520,000	520,000	195,725	(324,275)
Miscellaneous	500	500	9,720	9,220
<b>TOTAL RECEIPTS</b>	<b>3,501,000</b>	<b>3,501,000</b>	<b>3,986,797</b>	<b>485,797</b>
<b>DISBURSEMENTS</b>	<b>9,332,469</b>	<b>9,332,469</b>	<b>7,514,349</b>	<b>1,818,120</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(5,831,469)</b>	<b>(5,831,469)</b>	<b>(3,527,552)</b>	<b>2,303,917</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,589,022	5,589,022	4,200,000	(1,389,022)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,589,022</b>	<b>5,589,022</b>	<b>4,200,000</b>	<b>(1,389,022)</b>
Net Change in Fund Balance	(242,447)	(242,447)	672,448	914,895
FUND BALANCE - BEGINNING	242,447	242,447	242,447	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,895</u>	<u>\$ 914,895</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 800,000	\$ 800,000	\$ 1,086,084	\$ 286,084
<b>TOTAL RECEIPTS</b>	<b>800,000</b>	<b>800,000</b>	<b>1,086,084</b>	<b>286,084</b>
<b>DISBURSEMENTS</b>	<b>3,598,000</b>	<b>3,598,000</b>	<b>-</b>	<b>3,598,000</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,798,000)</b>	<b>(2,798,000)</b>	<b>1,086,084</b>	<b>3,884,084</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(2,110,000)	(2,110,000)	(1,328,154)	781,846
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,110,000)</b>	<b>(2,110,000)</b>	<b>(1,328,154)</b>	<b>781,846</b>
Net Change in Fund Balance	(4,908,000)	(4,908,000)	(242,070)	4,665,930
FUND BALANCE - BEGINNING	5,923,491	5,923,491	5,923,491	-
FUND BALANCE - ENDING	<u>\$ 1,015,491</u>	<u>\$ 1,015,491</u>	<u>\$ 5,681,421</u>	<u>\$ 4,665,930</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD SINKING FUND</b>				
Receipts	\$ 30,000	\$ 30,000	\$ 36,642	\$ 6,642
Disbursements	(97,000)	(97,000)	-	97,000
Net Change in Fund Balance	(67,000)	(67,000)	36,642	103,642
Fund Balance - Beginning	130,831	130,831	130,831	-
Fund Balance - Ending	<u>\$ 63,831</u>	<u>\$ 63,831</u>	<u>\$ 167,473</u>	<u>\$ 103,642</u>
<b>ROAD BUYBACK FUND</b>				
Receipts	\$ 423,253	\$ 423,253	\$ 423,253	\$ -
Disbursements	(390,000)	(390,000)	-	390,000
Net Change in Fund Balance	33,253	33,253	423,253	390,000
Fund Balance - Beginning	349,846	349,846	349,846	-
Fund Balance - Ending	<u>\$ 383,099</u>	<u>\$ 383,099</u>	<u>\$ 773,099</u>	<u>\$ 390,000</u>
<b>JUVENILE DIVERSION FUND</b>				
Receipts	\$ 31,307	\$ 31,307	\$ 33,644	\$ 2,337
Disbursements	(40,513)	(40,513)	(34,745)	5,768
Net Change in Fund Balance	(9,206)	(9,206)	(1,101)	8,105
Fund Balance - Beginning	9,206	9,206	9,206	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,105</u>	<u>\$ 8,105</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 85,000	\$ 85,000	\$ 98,698	\$ 13,698
Disbursements	(151,200)	(151,200)	(73,076)	78,124
Net Change in Fund Balance	(66,200)	(66,200)	25,622	91,822
Fund Balance - Beginning	74,632	74,632	74,632	-
Fund Balance - Ending	<u>\$ 8,432</u>	<u>\$ 8,432</u>	<u>\$ 100,254</u>	<u>\$ 91,822</u>
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ 85,000	\$ 85,000	\$ 89,251	\$ 4,251
Disbursements	(277,843)	(277,843)	(103,585)	174,258
Net Change in Fund Balance	(192,843)	(192,843)	(14,334)	178,509
Fund Balance - Beginning	204,544	204,544	204,544	-
Fund Balance - Ending	<u>\$ 11,701</u>	<u>\$ 11,701</u>	<u>\$ 190,210</u>	<u>\$ 178,509</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REGISTER OF DEEDS PRESERVATION FUND</b>				
Receipts	\$ 20,000	\$ 20,000	\$ 26,014	\$ 6,014
Disbursements	(85,000)	(85,000)	(8,269)	76,731
Net Change in Fund Balance	(65,000)	(65,000)	17,745	82,745
Fund Balance - Beginning	73,213	73,213	73,213	-
Fund Balance - Ending	<u>\$ 8,213</u>	<u>\$ 8,213</u>	<u>\$ 90,958</u>	<u>\$ 82,745</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ 9,239	\$ 9,239	\$ 9,413	\$ 174
Disbursements	(12,000)	(12,000)	(10,000)	2,000
Net Change in Fund Balance	(2,761)	(2,761)	(587)	2,174
Fund Balance - Beginning	2,761	2,761	2,761	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,174</u>	<u>\$ 2,174</u>
<b>DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 80	\$ 80	\$ 121	\$ 41
Disbursements	(9,608)	(9,608)	(1,000)	8,608
Net Change in Fund Balance	(9,528)	(9,528)	(879)	8,649
Fund Balance - Beginning	9,734	9,734	9,734	-
Fund Balance - Ending	<u>\$ 206</u>	<u>\$ 206</u>	<u>\$ 8,855</u>	<u>\$ 8,649</u>
<b>JUVENILE DIVERSION GRANT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(4,201)	(4,201)	-	4,201
Transfers in	-	-	-	-
Transfers out	-	-	(4,201)	(4,201)
Net Change in Fund Balance	(4,201)	(4,201)	(4,201)	-
Fund Balance - Beginning	4,201	4,201	4,201	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FEMA GRANT FUND</b>				
Receipts	\$ 300,000	\$ 300,000	\$ 179,412	\$ (120,588)
Disbursements	(345,623)	(345,623)	(87,873)	257,750
Transfers in	-	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(95,623)	(95,623)	41,539	137,162
Fund Balance - Beginning	95,623	95,623	95,623	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,162</u>	<u>\$ 137,162</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PRIVATE GRANT FUND</b>				
Receipts	\$ 4,436	\$ 4,436	\$ 4,381	\$ (55)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(564)	(564)	4,381	4,945
Fund Balance - Beginning	564	564	564	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,945</u>	<u>\$ 4,945</u>
<b>E911 WIRELESS FUND</b>				
Receipts	\$ 83,183	\$ 83,183	\$ 83,183	\$ -
Disbursements	(267,801)	(267,801)	(46,682)	221,119
Transfers in	-	-	5,809	5,809
Transfers out	-	-	-	-
Net Change in Fund Balance	(184,618)	(184,618)	42,310	226,928
Fund Balance - Beginning	184,618	184,618	184,618	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,928</u>	<u>\$ 226,928</u>
<b>HISTORICAL SOCIETY FUND</b>				
Receipts	\$ 40,037	\$ 40,037	\$ 38,571	\$ (1,466)
Disbursements	(40,000)	(40,000)	(37,893)	2,107
Net Change in Fund Balance	37	37	678	641
Fund Balance - Beginning	(37)	(37)	(37)	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641</u>	<u>\$ 641</u>
<b>E911 SERVICE FUND</b>				
Receipts	\$ 77,099	\$ 77,099	\$ 84,542	\$ 7,443
Disbursements	(207,716)	(207,716)	(49,038)	158,678
Transfers in	-	-	-	-
Transfers out	-	-	(5,809)	(5,809)
Net Change in Fund Balance	(130,617)	(130,617)	29,695	160,312
Fund Balance - Beginning	133,384	133,384	133,384	-
Fund Balance - Ending	<u>\$ 2,767</u>	<u>\$ 2,767</u>	<u>\$ 163,079</u>	<u>\$ 160,312</u>

(Concluded)



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

	Road Sinking Fund	Road Buyback Fund	Juvenile Diversion Fund	Visitor Promotion Fund	Visitor Improvement Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ 28,521	\$ 89,252	\$ 89,251
Investment Income	-	-	-	-	-
Intergovernmental	-	423,253	2,883	9,446	-
Charges for Services	-	-	450	-	-
Miscellaneous	36,642	-	1,790	-	-
<b>TOTAL RECEIPTS</b>	<u>36,642</u>	<u>423,253</u>	<u>33,644</u>	<u>98,698</u>	<u>89,251</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	34,745	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	73,076	103,585
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>34,745</u>	<u>73,076</u>	<u>103,585</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>36,642</u>	<u>423,253</u>	<u>(1,101)</u>	<u>25,622</u>	<u>(14,334)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	36,642	423,253	(1,101)	25,622	(14,334)
<b>FUND BALANCES - BEGINNING</b>	<u>130,831</u>	<u>349,846</u>	<u>9,206</u>	<u>74,632</u>	<u>204,544</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 167,473</u>	<u>\$ 773,099</u>	<u>\$ 8,105</u>	<u>\$ 100,254</u>	<u>\$ 190,210</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	100,254	190,210
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	773,099	-	-	-
Emergency Management	-	-	-	-	-
Historical Society	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	8,105	-	-
Road Maintenance	167,473	-	-	-	-
Aid and Assistance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 167,473</u>	<u>\$ 773,099</u>	<u>\$ 8,105</u>	<u>\$ 100,254</u>	<u>\$ 190,210</u>

(Continued)

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

	Register of Deeds Preservation Fund	Veterans' Aid Fund	Drug Law Enforcement & Education Fund	Juvenile Diversion Grant Fund	FEMA Grant Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 8,603	\$ -	\$ -	\$ -
Investment Income	-	-	121	-	-
Intergovernmental	-	810	-	-	179,412
Charges for Services	26,014	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>26,014</u>	<u>9,413</u>	<u>121</u>	<u>-</u>	<u>179,412</u>
<b>DISBURSEMENTS</b>					
General Government	8,269	-	-	-	-
Public Safety	-	-	1,000	-	87,873
Public Assistance	-	10,000	-	-	-
Culture and Recreation	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>8,269</u>	<u>10,000</u>	<u>1,000</u>	<u>-</u>	<u>87,873</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>17,745</u>	<u>(587)</u>	<u>(879)</u>	<u>-</u>	<u>91,539</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(4,201)	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,201)</u>	<u>(50,000)</u>
Net Change in Fund Balances	17,745	(587)	(879)	(4,201)	41,539
<b>FUND BALANCES - BEGINNING</b>	<u>73,213</u>	<u>2,761</u>	<u>9,734</u>	<u>4,201</u>	<u>95,623</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 90,958</u>	<u>\$ 2,174</u>	<u>\$ 8,855</u>	<u>\$ -</u>	<u>\$ 137,162</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	8,855	-	-
Preservation of Records	90,958	-	-	-	-
Road Maintenance	-	-	-	-	-
Emergency Management	-	-	-	-	137,162
Historical Society	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	2,174	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 90,958</u>	<u>\$ 2,174</u>	<u>\$ 8,855</u>	<u>\$ -</u>	<u>\$ 137,162</u>

(Continued)

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

	Private Grant Fund	E911 Wireless Fund	Historical Society Fund	E911 Service Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 83,183	\$ 35,018	\$ 84,542	\$ 418,370
Investment Income	-	-	-	-	121
Intergovernmental	-	-	3,553	-	619,357
Charges for Services	-	-	-	-	26,464
Miscellaneous	4,381	-	-	-	42,813
<b>TOTAL RECEIPTS</b>	<u>4,381</u>	<u>83,183</u>	<u>38,571</u>	<u>84,542</u>	<u>1,107,125</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	8,269
Public Safety	-	46,682	-	49,038	219,338
Public Assistance	-	-	-	-	10,000
Culture and Recreation	-	-	37,893	-	214,554
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>46,682</u>	<u>37,893</u>	<u>49,038</u>	<u>452,161</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>4,381</u>	<u>36,501</u>	<u>678</u>	<u>35,504</u>	<u>654,964</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	5,809	-	-	5,809
Transfers out	-	-	-	(5,809)	(60,010)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>5,809</u>	<u>-</u>	<u>(5,809)</u>	<u>(54,201)</u>
Net Change in Fund Balances	4,381	42,310	678	29,695	600,763
<b>FUND BALANCES - BEGINNING</b>	<u>564</u>	<u>184,618</u>	<u>(37)</u>	<u>133,384</u>	<u>1,273,120</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,945</u>	<u>\$ 226,928</u>	<u>\$ 641</u>	<u>\$ 163,079</u>	<u>\$ 1,873,883</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	290,464
911 Emergency Services	4,945	226,928	-	163,079	394,952
Drug Education	-	-	-	-	8,855
Preservation of Records	-	-	-	-	90,958
Road Maintenance	-	-	-	-	773,099
Emergency Management	-	-	-	-	137,162
Historical Society	-	-	641	-	641
Committed to:					
Law Enforcement	-	-	-	-	8,105
Road Maintenance	-	-	-	-	167,473
Aid and Assistance	-	-	-	-	2,174
<b>TOTAL FUND BALANCES</b>	<u>\$ 4,945</u>	<u>\$ 226,928</u>	<u>\$ 641</u>	<u>\$ 163,079</u>	<u>\$ 1,873,883</u>

(Concluded)

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

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Election Commissioner
BALANCES JULY 1, 2019	\$ 1,045	\$ 47,886	\$ 161,687	\$ 185,641	\$ 2,288	\$ -
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	16,784	-	-	-	-	-
Intergovernmental	-	-	-	303,911	-	1,187
Charges for Services	57,243	293,974	35,708	1,684,604	220	1,306
Miscellaneous	14,782	20	47	56,157	151	126
State Fees	-	325,924	36,552	-	-	-
Other Liabilities	-	-	1,151,267	220,418	15,502	-
<b>TOTAL RECEIPTS</b>	<b>88,809</b>	<b>619,918</b>	<b>1,223,574</b>	<b>2,265,090</b>	<b>15,873</b>	<b>2,619</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	77,369	281,930	35,818	2,022,423	372	2,619
Payments to State Treasurer	-	312,951	36,159	2,149	-	-
Other Liabilities	12,010	20	1,046,144	256,324	17,289	-
<b>TOTAL DISBURSEMENTS</b>	<b>89,379</b>	<b>594,901</b>	<b>1,118,121</b>	<b>2,280,896</b>	<b>17,661</b>	<b>2,619</b>
BALANCES JUNE 30, 2020	<u>\$ 475</u>	<u>\$ 72,903</u>	<u>\$ 267,140</u>	<u>\$ 169,835</u>	<u>\$ 500</u>	<u>\$ -</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 375	\$ 33,005	\$ 2,389	\$ 137,457	\$ -	\$ -
Petty Cash	100	-	150	4,050	500	-
Due to State Treasurer	-	39,898	2,372	139	-	-
Due to Others	-	-	262,229	28,189	-	-
BALANCES JUNE 30, 2020	<u>\$ 475</u>	<u>\$ 72,903</u>	<u>\$ 267,140</u>	<u>\$ 169,835</u>	<u>\$ 500</u>	<u>\$ -</u>

(Continued)

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

	Highway Superintendent	Veterans' Service Officer	County Planning and Zoning	GIS Office	Keno Function	CASA	Total
BALANCES JULY 1, 2019	\$ 848	\$ 11,843	\$ 2,106	\$ 30	\$ 31,115	\$ 725	\$ 445,214
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	-
Licenses and Permits	-	-	213,306	-	-	-	230,090
Intergovernmental	-	10,000	-	-	-	-	315,098
Charges for Services	194,076	-	2,172	69	-	-	2,269,372
Miscellaneous	51,295	100	-	-	34,683	28,000	185,361
State Fees	99	-	-	-	6,584	-	369,159
Other Liabilities	-	-	34,000	-	-	-	1,421,187
<b>TOTAL RECEIPTS</b>	<b>245,470</b>	<b>10,100</b>	<b>249,478</b>	<b>69</b>	<b>41,267</b>	<b>28,000</b>	<b>4,790,267</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	246,119	-	195,338	80	-	-	2,862,068
Payments to State Treasurer	99	-	-	-	7,000	-	358,358
Other Liabilities	-	10,343	13,479	-	28,100	27,561	1,411,270
<b>TOTAL DISBURSEMENTS</b>	<b>246,218</b>	<b>10,343</b>	<b>208,817</b>	<b>80</b>	<b>35,100</b>	<b>27,561</b>	<b>4,631,696</b>
BALANCES JUNE 30, 2020	<u>\$ 100</u>	<u>\$ 11,600</u>	<u>\$ 42,767</u>	<u>\$ 19</u>	<u>\$ 37,282</u>	<u>\$ 1,164</u>	<u>\$ 603,785</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ -	\$ 11,600	\$ 42,133	\$ 19	\$ 36,445	\$ 1,164	\$ 264,587
Petty Cash	100	-	-	-	-	-	4,900
Due to State Treasurer	-	-	-	-	837	-	43,246
Due to Others	-	-	634	-	-	-	291,052
BALANCES JUNE 30, 2020	<u>\$ 100</u>	<u>\$ 11,600</u>	<u>\$ 42,767</u>	<u>\$ 19</u>	<u>\$ 37,282</u>	<u>\$ 1,164</u>	<u>\$ 603,785</u>

(Concluded)

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

Item	2015	2016	2017	2018	2019
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 55,494,735	\$ 57,371,229	\$ 59,084,678	\$ 60,620,675	\$ 61,193,472
Personal and Specials	2,180,510	2,041,913	2,096,359	2,107,082	2,089,901
<b>Total</b>	<b>57,675,245</b>	<b>59,413,142</b>	<b>61,181,037</b>	<b>62,727,757</b>	<b>63,283,373</b>
<b>Corrections</b>					
Additions	23,797	26,780	21,976	58,580	22,162
Deductions	(93,186)	(96,426)	(97,845)	(128,031)	(31,043)
Net Additions/ (Deductions)	(69,389)	(69,646)	(75,869)	(69,451)	(8,881)
<b>Corrected Certified Tax</b>	<b>57,605,856</b>	<b>59,343,496</b>	<b>61,105,168</b>	<b>62,658,306</b>	<b>63,274,492</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2016	34,062,447	-	-	-	-
June 30, 2017	23,438,323	34,905,636	-	-	-
June 30, 2018	55,543	24,327,293	37,314,958	-	-
June 30, 2019	18,405	68,995	23,736,041	36,965,383	-
June 30, 2020	6,535	8,283	6,330	25,619,249	37,723,024
<b>Total Net Collections</b>	<b>57,581,253</b>	<b>59,310,207</b>	<b>61,057,329</b>	<b>62,584,632</b>	<b>37,723,024</b>
<b>Total Uncollected Tax</b>	<b>\$ 24,603</b>	<b>\$ 33,289</b>	<b>\$ 47,839</b>	<b>\$ 73,674</b>	<b>\$ 25,551,468</b>
<b>Percentage Uncollected Tax</b>	<b>0.04%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.12%</b>	<b>40.38%</b>

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



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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

CASS COUNTY

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

Board of Commissioners  
Cass County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated March 2, 2021. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cass County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cass County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cass County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Additional Items**

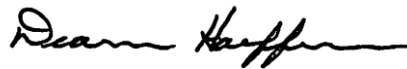
We also noted certain matters that we reported to the management of Cass County in a separate letter dated March 2, 2021.

**Cass County's Response to Findings**

Cass County declined to respond to the finding described above.

**Purpose of this Report**

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



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 2, 2021





# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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

March 2, 2021

Board of Commissioners  
Cass County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Cass County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated March 2, 2021. 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 TREASURER

### Holding Funds Support

During our audit, we noted that the County Treasurer could not provide support detailing the balances, totaling \$104,825, held as of June 30, 2020, in the following holding funds.

Funds	Fund #	Balance as of 6/30/2020
Trailer Park Permits	5510	\$ 15
Partial Payments	7000	\$ 23,583
Redemptions	9501	\$ 44,483
Personal Property Tax Credit	9516	\$ 78
Miscellaneous (Unknown Holding)	9980	\$ 36,666
<b>Total</b>		<b>\$ 104,825</b>

Furthermore, the County Treasurer has been utilizing the Miscellaneous (Unknown Holding) Fund for prior year balancing errors and errors identified during fiscal year 2020. While the use of the fund to account for and resolve minor balancing issues appears reasonable, the balance in the fund has increased significantly from the prior year. As of June 30, 2019, the balance in this fund was \$6,403. As of audit fieldwork in mid-January 2021, the fund balance as of December 31, 2020, reflected a balance in the fund of \$47,411. It does not appear any action has been taken to resolve the balances held in this fund and the other holding funds.

Good internal controls and sound business practices require procedures to ensure that trust balances held by the County Treasurer are reviewed on an ongoing, timely basis to determine what action should be taken to resolve those balances.

When such procedures do not exist, there is an increased risk of theft, loss, or misuse of public funds.

We recommend the County Treasurer implement procedures to ensure that trust balances are reviewed on an ongoing, timely basis to determine what action should be taken to resolve those balances.

**Tax Reconciliation Not Performed and Tax Corrections Not Entered**

During the audit, it was noted that the County Treasurer did not perform a reconciliation of the taxes certified by the Assessor to the taxes reported in the accounting system remaining to be collected. In addition, the County Treasurer acknowledged that tax corrections from the County Assessor were not being entered into the system in a timely manner prior to tax year 2020. As a result, unknown variances were noted between what was calculated as taxes remaining to be collected at June 30, 2020, and the remaining taxes shown in the County Treasurer’s accounting system, as reflected in the following table:

<b>Tax Year</b>	<b>Unknown Variance</b>
2015	\$ (1,877)
2016	\$ (6,491)
2017	\$ (1,282)
2018	\$ (4,203)
2019	\$ 2,568

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

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

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

A similar comment was included in the prior year report.

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

**5% Gross In-Lieu Distribution**

During testing of the April 2020 5% gross in-lieu of tax distributions received from the Omaha Public Power District, totaling \$279,762, we noted that the County Treasurer did not distribute the funds in accordance with State statute. The error was due to one school district bond tax levy being included in the calculation incorrectly.

The following table summarizes the distribution error:

<b>Funds</b>	<b>Fund #</b>	<b>Over/(Under) Payment</b>
County General	100	\$ (116)
Village of Avoca	8615	\$ (142)
School District 27	6127	\$ (299)
School District 27 Special Building	6227	\$ (4)
School District 27 Bond	6217	\$ (26)
Nebraska City School Bond 2007	6215	\$ 587
<b>Total</b>		<b>\$ -</b>

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

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

When gross in-lieu of tax distributions are not calculated accurately, there is an increased risk of political subdivisions not receiving the correct amount of revenue.

A similar comment was included in the prior year report.

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

**COUNTY SHERIFF**

**Balancing Procedures**

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

- The County Sheriff had more office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) than office liabilities (fees and trust accounts), resulting in an unknown long balance of \$5,078 at June 30, 2020, which consisted of the following:

Account	Long
Fee Account (Non-Civil Process)	\$ 2,937
Fee Account (Civil Process)	\$ 2,141
<b>Total Long</b>	<b>\$ 5,078</b>

For the non-civil fee process account, this long appears to be the result of the County Sheriff not performing a periodic office asset-to-liability reconciliation, not maintaining a listing of accounts receivable, and not reconciling the account to the authorized petty cash amount of \$3,500.

- In addition to the unknown long in the civil process fee account, the County Sheriff failed to remit service, mileage, and other fees for January to June 2020, totaling \$30,615, which were not remitted to the County Treasurer as of audit fieldwork completed in mid-January 2021.
- As of June 30, 2020, moreover, the County Sheriff held a balance of \$2,405 in the Crime Stoppers account that had not been remitted to the County Treasurer by the time of our audit fieldwork in mid-January 2021.
- The Inmate Trust bank account maintained by the County Sheriff had a balance of \$28,189 as of June 30, 2020, owed to inmates; however, the County Sheriff was not able to provide adequate documentation to support the actual individual inmate balances.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) states the following:

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

(Emphasis added.) Neb. Rev. Stat. § 23-1601(1) (Cum. Supp. 2020) provides, in relevant part, the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.*

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

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

A similar finding was included in the prior year report.

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

### **COUNTY CLERK**

#### **Office Procedures**

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

- An unknown cash long of \$280 was noted as of June 30, 2020.
- Receipt records were inaccurate, as the following revenues collected by the County Clerk were not recorded:

<b>Receipt Type</b>	<b>Amount</b>
Insurance Reimbursements	\$ 10,290
District Court Bailiff Reimbursement	\$ 8,499
Special Designated License (SDL)	\$ 80
<b>Total</b>	<b>\$ 18,869</b>

Sound accounting practices and good internal controls require procedures to ensure that office assets are in agreement with office liabilities on, at least, a monthly basis. Those procedures should also include the timely identification and resolution of all variances noted. Finally, such procedures should ensure that all money collected is recorded properly, and monthly activity is reconciled to treasurer receipts on a regular basis.

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

A similar comment was included in the prior year report.

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

## **Keno Proceeds and Disbursements**

During our audit, we noted that the County Clerk maintained a bank account for keno proceeds. During fiscal year 2020, keno proceeds of \$41,267 were deposited into this account, and disbursements of \$35,100 were made from it – including \$28,000 to the CASA (Court Appointed Special Advocates) in Cass County and the remaining \$7,100 to the State for the quarterly tax payments. As of June 30, 2020, the balance held in this account was \$36,844. However, the keno proceeds were not remitted to the County Treasurer, and disbursements were not approved by the County Board through the County's claim and warrant process.

Neb. Rev. Stat. § 23-1601(1) (Cum. Supp. 2020) states the following:

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

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

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

A similar comment was included in the prior year report.

We recommend the County Clerk implement procedures to ensure keno proceeds, as well as any disbursements from those funds, are accounted for by the County Treasurer. The same procedures should ensure also that all expenditures of public funds are subject to the County's claim and warrant process.

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

### **Overdue Case Balance Report Review**

During the audit, we noted that the County Clerk of the District Court was not actively reviewing the Overdue Case Balance Report to ensure that the balances listed therein were proper and appropriate action was taken with regard to those balances during fiscal year 2020.

We tested five balances due to the District Court and noted three of those balances, totaling \$2,430, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. The last activity noted on these cases ranged from 2006 to 2013.

As of August 7, 2020, the report contained 181 overdue criminal case balances, totaling \$66,859. Only 21 of the cases noted had a current warrant or suspension issued.

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

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

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

## COUNTY BOARD

### Payroll Approval

During our testing of salaries for calendar year 2020, we noted that the County Highway Superintendent was paid \$5,822 more than the approved salary resolution; however, this increase was not formally approved by the County Board.

Sound business practices and good internal controls require procedures to ensure all pay increases are formally approved by the County Board, and such approval is documented in the County Board meeting minutes.

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

We recommend the County Board implement procedures to ensure all pay increases are formally approved, and such approval is documented in the County Board meeting minutes.

## COUNTY PLANNING AND ZONING

### Cell Tower Escrow Funds

As of June 30, 2020, the County Planning and Zoning Administrator held \$34,000 in Cell Tower Escrow funds that had not been remitted to the County Treasurer. Subsequent to the fiscal year end, several payments were made from these funds to the Center for Municipal Solutions, totaling \$3,083; those payments were not approved by the County Board.

Neb. Rev. Stat. § 23-1601(1) (Cum. Supp. 2020) states the following:

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

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

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

Cass County Zoning Regulations (Reprint June 2016), Section 7.08, Subsection U, states the following:

*The County Board may hire any consultant and/or expert necessary to assist the Zoning Administrator, Planning Commission and County Board in reviewing and evaluating the Application, including the construction and modification of the site, once permitted, and at any site inspection. The Applicant shall deposit with the County funds sufficient to reimburse the County Board for all reasonable costs of consultant and expert evaluation and consultation to the County in connection with the review of any Application including where applicable, the construction and modification of the site, once permitted. The initial deposit shall be \$8,500.00. The placement of the \$8,500.00 with the County shall precede the pre-application meeting. The County will maintain a separate escrow account for all such funds. The County's consultants/experts shall invoice the County for its services related to the Application. If at any time during the process this escrow account has a balance less than \$2,500.00, the Applicant shall immediately, upon notification by the County, replenish said escrow account so that it has a balance of at least \$5,000.00. Such*

*additional escrow funds shall be deposited with the County before any further action or consideration is taken on the Application. In the event that the amount held in escrow by the County is more than the amount of the actual invoicing at the conclusion of the project, the remaining balance shall upon request of the Applicant, be promptly refunded to the Applicant.*

Good internal controls and sound business practices require procedures to ensure that all funds received are remitted to the County Treasurer, and all purchases of personal property and services are made through the claims process.

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

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

## **COUNTY OVERALL**

### **Segregation of Duties**

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

This issue has been 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.

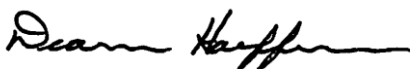
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor