

**AUDIT REPORT
OF
SEWARD COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
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Issued on January 6, 2021

SEWARD COUNTY

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SEWARD COUNTY
529 Seward Street
Seward, NE 68434

LIST OF COUNTY OFFICIALS
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
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
Public Defender	Nicole Tegtmeier	Jan. 2023
Veterans' Service Officer Rural Transit Director	Jeff Baker	Appointed
Weed Superintendent Planning and Zoning	Becky Paulsen	Appointed
Highway Superintendent	Terry Wicht	Appointed
Emergency Manager	Gary Petersen	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

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, 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 Seward County as of June 30, 2020, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

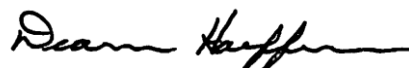
Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-36, 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 15, 2020, 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 15, 2020

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 14,175,709
Investments (Note 1.D)	30,885
TOTAL ASSETS	\$ 14,206,594
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 92,759
Emergency Services	421,016
Aid and Assistance	8,379
Law Enforcement	1,417,539
Preservation of Records	64,467
Debt Service	621,277
Bridge/Road Projects	916,789
Unrestricted	10,664,368
TOTAL NET POSITION	\$ 14,206,594

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, 2020

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,265,336)	\$ 701,307	\$ 145,302	\$ (5,418,727)
Public Safety	(4,819,477)	196,222	970,917	(3,652,338)
Public Works	(4,701,454)	3,177	2,654,079	(2,044,198)
Public Assistance	(364,956)	-	263,108	(101,848)
Culture and Recreation	(37,424)	-	-	(37,424)
Debt Payments	(1,227,618)	-	-	(1,227,618)
Total Governmental Activities	\$ (17,416,265)	\$ 900,706	\$ 4,033,406	(12,482,153)
General Receipts:				
Property Taxes				9,311,260
Grants and Contributions Not Restricted to Specific Programs				1,245,436
Investment Income				269,832
Licenses and Permits				86,577
Insurance Settlements				993,644
Miscellaneous				230,372
Total General Receipts				12,137,121
Increase in Net Position				(345,032)
Net Position - Beginning of year				14,551,626
Net Position - End of year				\$ 14,206,594

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, 2020

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Health Insurance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,337,006	\$ 758,076	\$ 4,476,619	\$ 1,608,446	\$ 4,995,562	\$ 14,175,709
Investments (Note 1.D)	30,885	-	-	-	-	30,885
TOTAL ASSETS	<u><u>\$ 2,367,891</u></u>	<u><u>\$ 758,076</u></u>	<u><u>\$ 4,476,619</u></u>	<u><u>\$ 1,608,446</u></u>	<u><u>\$ 4,995,562</u></u>	<u><u>\$ 14,206,594</u></u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	92,759	92,759
Emergency Services	-	-	-	-	421,016	421,016
Aid and Assistance	-	-	-	-	8,379	8,379
Law Enforcement	-	-	-	-	1,417,539	1,417,539
Preservation of Records	-	-	-	-	64,467	64,467
Debt Service	-	-	-	-	621,277	621,277
Bridge/Road Projects	-	-	-	-	916,789	916,789
Committed to:						
Law Enforcement	-	-	-	-	36,635	36,635
Road Maintenance	-	758,076	-	-	1,076,973	1,835,049
Aid and Assistance	-	-	-	-	5,052	5,052
County Buildings & Equipment	-	-	-	-	303,330	303,330
Reappraisal Services	-	-	-	-	31,346	31,346
Health Insurance	-	-	-	1,608,446	-	1,608,446
Assigned to:						
Other Purposes	-	-	4,476,619	-	-	4,476,619
Unassigned	2,367,891	-	-	-	-	2,367,891
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 2,367,891</u></u>	<u><u>\$ 758,076</u></u>	<u><u>\$ 4,476,619</u></u>	<u><u>\$ 1,608,446</u></u>	<u><u>\$ 4,995,562</u></u>	<u><u>\$ 14,206,594</u></u>

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, 2020

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$7,546,186	\$ -	\$ 521,950	\$ -	\$ 1,243,124	\$ 9,311,260
Licenses and Permits	86,577	-	-	-	-	86,577
Investment Income	266,030	-	-	816	2,986	269,832
Intergovernmental	1,222,194	2,385,283	-	-	1,671,365	5,278,842
Charges for Services	826,721	3,177	-	-	70,808	900,706
Miscellaneous	94,055	6,809	40,565	993,644	88,943	1,224,016
TOTAL RECEIPTS	<u>10,041,763</u>	<u>2,395,269</u>	<u>562,515</u>	<u>994,460</u>	<u>3,077,226</u>	<u>17,071,233</u>
DISBURSEMENTS						
General Government	3,718,769	-	153,583	2,317,780	75,204	6,265,336
Public Safety	2,994,956	-	-	-	1,824,521	4,819,477
Public Works	209,277	3,487,492	-	-	1,004,685	4,701,454
Public Assistance	275,102	-	-	-	89,854	364,956
Culture and Recreation	-	-	-	-	37,424	37,424
Debt Service:						
Principal Payments	-	-	-	-	927,677	927,677
Interest and Fiscal Charges	-	-	-	-	299,941	299,941
TOTAL DISBURSEMENTS	<u>7,198,104</u>	<u>3,487,492</u>	<u>153,583</u>	<u>2,317,780</u>	<u>4,259,306</u>	<u>17,416,265</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,843,659</u>	<u>(1,092,223)</u>	<u>408,932</u>	<u>(1,323,320)</u>	<u>(1,182,080)</u>	<u>(345,032)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	499,882	1,947,068	41,365	1,151,327	1,614,482	5,254,124
Transfers out	<u>(3,512,421)</u>	<u>(1,026,115)</u>	<u>(475,000)</u>	<u>-</u>	<u>(240,588)</u>	<u>(5,254,124)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,012,539)</u>	<u>920,953</u>	<u>(433,635)</u>	<u>1,151,327</u>	<u>1,373,894</u>	<u>-</u>
Net Change in Fund Balances	(168,880)	(171,270)	(24,703)	(171,993)	191,814	(345,032)
CASH BASIS FUND BALANCES - BEGINNING	<u>2,536,771</u>	<u>929,346</u>	<u>4,501,322</u>	<u>1,780,439</u>	<u>4,803,748</u>	<u>14,551,626</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$2,367,891</u>	<u>\$ 758,076</u>	<u>\$ 4,476,619</u>	<u>\$ 1,608,446</u>	<u>\$ 4,995,562</u>	<u>\$ 14,206,594</u>

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, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,952,780
 LIABILITIES	
Due to other governments	
State	524,585
Schools	1,157,736
Educational Service Units	5,604
Technical College	33,528
Natural Resource Districts	9,280
Fire Districts	11,002
Municipalities	88,120
Agricultural Society	4,540
Cemetery Districts	2,613
Airport Authority	1,954
Hospital	616
Others	1,113,202
TOTAL LIABILITIES	2,952,780
 TOTAL NET ASSETS	 \$ -

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, 2020

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 \$74,707 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 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).

SEWARD 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) (2020 Neb. Laws, LB 781, § 8). 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 2020. 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 agent 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 the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

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. As of June 30, 2020, the City of Milford owed the County \$2,528. The City of Seward repaid its balance of \$104,291 in monthly interest-free payments, with the last payment made in September 2019.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

SEWARD 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 \$3,542,226 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.

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 \$14,175,709 for County funds and \$2,952,780 for Fiduciary funds. The bank balances for all funds totaled \$17,036,671. 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 \$30,885 deposited in Nebraska Federal Investment Trust (NFIT). NFIT is a public entity investment pool. 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 NFIT 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 \$.277225/\$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 \$.272203/\$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.

SEWARD 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, 185 employees contributed \$279,664, and the County contributed \$414,982. Contributions included \$9,009 in cash contributions towards the supplemental law enforcement plan for 21 law enforcement employees.

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.

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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

	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:

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 475,000	\$ 24,882	\$ 499,882
Road Fund	1,947,068	-	-	-	1,947,068
Inheritance Fund	-	-	-	41,365	41,365
Health Insurance Fund	1,015,852	-	-	135,475	1,151,327
Nonmajor Funds	549,501	1,026,115	-	38,866	1,614,482
Total	\$ 3,512,421	\$ 1,026,115	\$ 475,000	\$ 240,588	\$ 5,254,124

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

In the year ended June 30, 2020, the County made a one-time transfer of \$24,882 from the Equipment Sinking Fund to the General Fund for tax relief. Additionally, the County made a one-time transfer of \$41,365 from the E911 Fund to the Inheritance Fund to correct a prior year receipt incorrectly recorded to the E911 Fund that should have been recorded to the Inheritance Fund. Finally, the County made a one-time transfer of \$2,600 from the E911 Fund to the Equipment Sinking Fund to purchase equipment.

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:

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. Capital Leases Payable (Concluded)

	Three John Deere Motor Graders
Balance July 1, 2019	\$ 517,175
Purchases	-
Payments	73,763
Balance June 30, 2020	\$ 443,412
Future Payments:	
Year	
2021	\$ 97,510
2022	383,100
Total Payments	480,610
Less Interest	37,198
Present Value of Future Minimum Lease Payments	\$ 443,412
Carrying Value of the Related Fixed Asset	\$ 752,601

8. Contingent Liabilities

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

9. Long-Term Debt

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. On November 26, 2019, the County refinanced this bond for \$7,240,000, with \$875,000 still to be repaid from the Series 2014 bond. As of June 30, 2020, the Series 2014 bond had \$440,000 due to be repaid with \$3,740 in interest during fiscal year 2021. For the Series 2019 bond, the bond payable balance, as of June 30, 2020, was \$7,240,000. 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 2014 Series:			
Year	Principal	Interest	Total
2021	\$ 440,000	\$ 3,740	\$ 443,740

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

Future Payments 2019 Series:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 203,810	\$ 203,810
2022	460,000	196,910	656,910
2023	475,000	182,885	657,885
2024	490,000	168,410	658,410
2025	515,000	153,335	668,335
2026-2030	2,780,000	524,800	3,304,800
2031-2034	2,520,000	120,555	2,640,555
Total Payments	<u>\$ 7,240,000</u>	<u>\$ 1,550,705</u>	<u>\$ 8,790,705</u>

Additionally, the County issued bonds on September 30, 2016, in the amount of \$3,500,000 for the purpose of paying the costs of constructing, equipping, and furnishing the new Justice Center. The bond payable balance, as of June 30, 2020, was \$1,833,581. 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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 506,120	\$ 46,968	\$ 553,088
2022	520,133	32,954	553,087
2023	534,535	18,551	553,086
2024	272,793	3,751	276,544
Total Payments	<u>\$ 1,833,581</u>	<u>\$ 102,224</u>	<u>\$ 1,935,805</u>

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 8,339,000	\$ 8,339,000	\$ 7,546,186	\$ (792,814)
Licenses and Permits	41,122	41,122	86,577	45,455
Interest	150,000	150,000	266,030	116,030
Intergovernmental	280,000	280,000	1,222,194	942,194
Charges for Services	720,000	720,000	826,721	106,721
Miscellaneous	60,000	60,000	94,055	34,055
TOTAL RECEIPTS	9,590,122	9,590,122	10,041,763	451,641
DISBURSEMENTS				
General Government:				
County Board	160,585	160,585	159,369	1,216
County Clerk	179,065	179,065	178,103	962
County Treasurer	338,681	338,681	331,144	7,537
Personnel	157,779	157,779	152,102	5,677
County Assessor	334,135	334,135	332,926	1,209
Election Commissioner	69,920	69,920	57,112	12,808
Clerk of the District Court	272,560	272,560	230,689	41,871
County Court System	31,300	31,300	22,910	8,390
District Judge	108,788	108,788	69,547	39,241
Public Defender	208,093	208,093	197,826	10,267
Building and Grounds	543,166	543,166	504,244	38,922
Agricultural Extension Agent	206,045	206,045	199,014	7,031
Abandoned Cemeteries	5,000	5,000	3,400	1,600
Miscellaneous	2,572,240	2,568,740	1,280,383	1,288,357
Public Safety				
County Sheriff	1,283,692	1,283,692	1,269,988	13,704
County Attorney	693,398	693,398	670,895	22,503
County Jail	1,101,307	1,101,307	952,850	148,457
Emergency Management	116,387	116,387	101,223	15,164
Public Works				
County Surveyor	10,925	10,925	10,675	250
Noxious Weed Control	105,543	105,543	83,851	21,692
Highway Department	131,350	131,350	114,751	16,599
Public Assistance				
Veterans' Service Officer	50,262	50,262	46,920	3,342
Senior Citizen Handi-Bus	224,730	228,230	228,182	48
TOTAL DISBURSEMENTS	8,904,951	8,904,951	7,198,104	1,706,847

(Continued)

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	685,171	685,171	2,843,659	2,158,488
OTHER FINANCING SOURCES (USES)				
Transfers in	499,882	499,882	499,882	-
Transfers out	<u>(2,421,469)</u>	<u>(2,421,469)</u>	<u>(3,512,421)</u>	<u>(1,090,952)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,921,587)</u>	<u>(1,921,587)</u>	<u>(3,012,539)</u>	<u>(1,090,952)</u>
Net Change in Fund Balance	(1,236,416)	(1,236,416)	(168,880)	1,067,536
FUND BALANCE - BEGINNING	<u>2,536,416</u>	<u>2,536,416</u>	<u>2,536,771</u>	<u>355</u>
FUND BALANCE - ENDING	<u><u>\$ 1,300,000</u></u>	<u><u>\$ 1,300,000</u></u>	<u><u>\$ 2,367,891</u></u>	<u><u>\$ 1,067,891</u></u>

(Concluded)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 2,333,157	\$ 2,333,157	\$ 2,385,283	\$ 52,126
Charges for Services	-	-	3,177	3,177
Miscellaneous	-	-	6,809	6,809
TOTAL RECEIPTS	<u>2,333,157</u>	<u>2,333,157</u>	<u>2,395,269</u>	<u>62,112</u>
DISBURSEMENTS	<u>4,809,571</u>	<u>4,809,571</u>	<u>3,487,492</u>	<u>1,322,079</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,476,414)</u>	<u>(2,476,414)</u>	<u>(1,092,223)</u>	<u>1,384,191</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,947,068	1,947,068	1,947,068	-
Transfers out	-	-	(1,026,115)	(1,026,115)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,947,068</u>	<u>1,947,068</u>	<u>920,953</u>	<u>(1,026,115)</u>
Net Change in Fund Balance	(529,346)	(529,346)	(171,270)	358,076
FUND BALANCE - BEGINNING	<u>929,346</u>	<u>929,346</u>	<u>929,346</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 758,076</u>	<u>\$ 358,076</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 521,950	\$ 521,950
Miscellaneous	-	-	40,565	40,565
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>562,515</u>	<u>562,515</u>
DISBURSEMENTS	<u>4,067,687</u>	<u>4,067,687</u>	<u>153,583</u>	<u>3,914,104</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,067,687)</u>	<u>(4,067,687)</u>	<u>408,932</u>	<u>4,476,619</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	41,365	41,365	41,365	-
Transfers out	(475,000)	(475,000)	(475,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(433,635)</u>	<u>(433,635)</u>	<u>(433,635)</u>	<u>-</u>
Net Change in Fund Balance	(4,501,322)	(4,501,322)	(24,703)	4,476,619
FUND BALANCE - BEGINNING	<u>4,501,322</u>	<u>4,501,322</u>	<u>4,501,322</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,476,619</u>	<u>\$ 4,476,619</u>

(Continued)

SEWARD 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)
HEALTH INSURANCE FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 816	\$ 816
Miscellaneous	619,561	1,119,561	993,644	(125,917)
TOTAL RECEIPTS	<u>619,561</u>	<u>1,119,561</u>	<u>994,460</u>	<u>(125,101)</u>
DISBURSEMENTS	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,317,780</u>	<u>182,220</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,380,439)</u>	<u>(1,380,439)</u>	<u>(1,323,320)</u>	<u>57,119</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,151,327	1,151,327
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,151,327</u>	<u>1,151,327</u>
Net Change in Fund Balance	(1,380,439)	(1,380,439)	(171,993)	1,208,446
FUND BALANCE - BEGINNING	<u>1,380,439</u>	<u>1,380,439</u>	<u>1,780,439</u>	<u>400,000</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,608,446</u>	<u>\$ 1,608,446</u>

(Concluded)

SEWARD 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)
ROAD BUYBACK FUND				
Receipts	\$ 266,915	\$ 266,915	\$ 264,606	\$ (2,309)
Disbursements	(854,324)	(854,324)	(14,402)	839,922
Net Change in Fund Balance	(587,409)	(587,409)	250,204	837,613
Fund Balance - Beginning	587,409	587,409	587,409	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837,613</u>	<u>\$ 837,613</u>
SPECIAL ROAD FUND				
Receipts	\$ 74,242	\$ 74,242	\$ 4,421	\$ (69,821)
Disbursements	(1,110,962)	(1,110,962)	(990,283)	120,679
Transfers in	-	-	1,026,115	1,026,115
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,036,720)	(1,036,720)	40,253	1,076,973
Fund Balance - Beginning	1,036,720	1,036,720	1,036,720	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,076,973</u>	<u>\$ 1,076,973</u>
JUSTICE CENTER DEBT SERVICE FUND				
Receipts	\$ 1,200,000	\$ 1,200,000	\$ 1,208,477	\$ 8,477
Disbursements	(1,840,418)	(1,840,418)	(1,227,618)	612,800
Net Change in Fund Balance	(640,418)	(640,418)	(19,141)	621,277
Fund Balance - Beginning	640,418	640,418	640,418	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,277</u>	<u>\$ 621,277</u>
EQUIPMENT SINKING FUND				
Receipts	\$ 16,900	\$ 16,900	\$ 7,932	\$ (8,968)
Disbursements	(308,125)	(308,125)	(52,027)	256,098
Transfers in	20,000	20,000	76,200	56,200
Transfers out	(24,882)	(24,882)	(24,882)	-
Net Change in Fund Balance	(296,107)	(296,107)	7,223	303,330
Fund Balance - Beginning	296,107	296,107	296,107	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,330</u>	<u>\$ 303,330</u>
VISITOR PROMOTION FUND				
Receipts	\$ 57,058	\$ 57,058	\$ 24,640	\$ (32,418)
Disbursements	(70,000)	(70,000)	(15,981)	54,019
Net Change in Fund Balance	(12,942)	(12,942)	8,659	21,601
Fund Balance - Beginning	12,942	12,942	12,942	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,601</u>	<u>\$ 21,601</u>

(Continued)

SEWARD 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)
VISITOR IMPROVEMENT FUND				
Receipts	\$ 22,039	\$ 22,039	\$ 24,640	\$ 2,601
Disbursements	(90,000)	(90,000)	(21,443)	68,557
Net Change in Fund Balance	(67,961)	(67,961)	3,197	71,158
Fund Balance - Beginning	67,961	67,961	67,961	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,158</u>	<u>\$ 71,158</u>
REAPPRAISAL FUND				
Receipts	\$ 29,550	\$ 29,550	\$ 640	\$ (28,910)
Disbursements	(59,270)	(59,270)	(20,515)	38,755
Transfers in	-	-	21,500	21,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(29,720)	(29,720)	1,625	31,345
Fund Balance - Beginning	29,720	29,720	29,721	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,346</u>	<u>\$ 31,345</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 26,601	\$ 26,601	\$ 13,730	\$ (12,871)
Disbursements	(80,000)	(80,000)	(2,662)	77,338
Net Change in Fund Balance	(53,399)	(53,399)	11,068	64,467
Fund Balance - Beginning	53,399	53,399	53,399	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,467</u>	<u>\$ 64,467</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
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>\$ 5,052</u>	<u>\$ 5,052</u>
AGING SERVICES FUND				
Receipts	\$ 76,259	\$ 76,259	\$ 75,961	\$ (298)
Disbursements	(103,954)	(103,954)	(89,854)	14,100
Transfers in	26,174	26,174	26,174	-
Transfers out	-	-	(10,423)	(10,423)
Net Change in Fund Balance	(1,521)	(1,521)	1,858	3,379
Fund Balance - Beginning	6,521	6,521	6,521	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 8,379</u>	<u>\$ 3,379</u>

(Continued)

SEWARD 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)
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 376,199	\$ 376,199	\$ 55,806	\$ (320,393)
Disbursements	(500,000)	(500,000)	(85,837)	414,163
Net Change in Fund Balance	(123,801)	(123,801)	(30,031)	93,770
Fund Balance - Beginning	123,801	123,801	123,801	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,770</u>	<u>\$ 93,770</u>
ATTORNEY FEDERAL TREASURY DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 34,240	\$ 34,240	\$ 45,802	\$ 11,562
Disbursements	(424,225)	(424,225)	(23,838)	400,387
Net Change in Fund Balance	(389,985)	(389,985)	21,964	411,949
Fund Balance - Beginning	389,985	389,985	389,985	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,949</u>	<u>\$ 411,949</u>
ATTORNEY FEDERAL JUSTICE DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 261,756	\$ 261,756	\$ 61,371	\$ (200,385)
Disbursements	(422,200)	(422,200)	-	422,200
Net Change in Fund Balance	(160,444)	(160,444)	61,371	221,815
Fund Balance - Beginning	160,444	160,444	160,444	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,815</u>	<u>\$ 221,815</u>
SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ 300,000	\$ 688,195	\$ 388,195
Disbursements	(479,182)	(779,182)	(678,219)	100,963
Transfers in	-	-	-	-
Transfers out	-	-	(34,877)	(34,877)
Net Change in Fund Balance	(479,182)	(479,182)	(24,901)	454,281
Fund Balance - Beginning	479,182	479,182	479,182	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,281</u>	<u>\$ 454,281</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>SHERIFF FEDERAL DRUG JUSTICE FUND</u>				
Receipts	\$ -	\$ 25,000	\$ 48,051	\$ 23,051
Disbursements	(71,665)	(96,665)	(89,206)	7,459
Transfers in	-	-	-	-
Transfers out	-	-	(3,147)	(3,147)
Net Change in Fund Balance	(71,665)	(71,665)	(44,302)	27,363
Fund Balance - Beginning	71,665	71,665	71,666	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,364</u>	<u>\$ 27,363</u>
<u>ATTORNEY GRANT FUND</u>				
Receipts	\$ 624,962	\$ 624,962	\$ 102,318	\$ (522,644)
Disbursements	(889,551)	(889,551)	(159,011)	730,540
Net Change in Fund Balance	(264,589)	(264,589)	(56,693)	207,896
Fund Balance - Beginning	264,589	264,589	264,589	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,896</u>	<u>\$ 207,896</u>
<u>EMERGENCY MANAGER GRANT FUND</u>				
Receipts	\$ 365,541	\$ 365,541	\$ 49,261	\$ (316,280)
Disbursements	(505,000)	(505,000)	(74,880)	430,120
Net Change in Fund Balance	(139,459)	(139,459)	(25,619)	113,840
Fund Balance - Beginning	139,459	139,459	139,459	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,840</u>	<u>\$ 113,840</u>
<u>E911 GRANT FUND</u>				
Receipts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Disbursements	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ROAD GRANT FUND</u>				
Receipts	\$ 2,920,824	\$ 2,920,824	\$ -	\$ (2,920,824)
Disbursements	(3,000,000)	(3,000,000)	-	3,000,000
Net Change in Fund Balance	(79,176)	(79,176)	-	79,176
Fund Balance - Beginning	79,176	79,176	79,176	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,176</u>	<u>\$ 79,176</u>

(Continued)

SEWARD 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)
MISCELLANEOUS GRANT FUND				
Receipts	\$ 498,916	\$ 498,916	\$ 6,347	\$ (492,569)
Disbursements	(500,000)	(500,000)	(6,968)	493,032
Net Change in Fund Balance	(1,084)	(1,084)	(621)	463
Fund Balance - Beginning	1,084	1,084	1,085	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464</u>	<u>\$ 463</u>
E911 FUND				
Receipts	\$ 303,499	\$ 303,499	\$ 276,974	\$ (26,525)
Disbursements	(730,871)	(730,871)	(606,952)	123,919
Transfers in	428,227	428,227	428,227	-
Transfers out	(41,365)	(41,365)	(130,993)	(89,628)
Net Change in Fund Balance	(40,510)	(40,510)	(32,744)	7,766
Fund Balance - Beginning	100,510	100,510	100,510	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 67,766</u>	<u>\$ 7,766</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 200,000	\$ 200,000	\$ 65,053	\$ (134,947)
Disbursements	(200,000)	(200,000)	(35,141)	164,859
Transfers in	-	-	5,494	5,494
Transfers out	-	-	(30,772)	(30,772)
Net Change in Fund Balance	-	-	4,634	4,634
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,634</u>	<u>\$ 4,634</u>
911 WIRELESS HOLDING FUND				
Receipts	\$ 27,581	\$ 27,581	\$ -	\$ (27,581)
Disbursements	(250,000)	(250,000)	(12,921)	237,079
Transfers in	-	-	30,772	30,772
Transfers out	-	-	(5,494)	(5,494)
Net Change in Fund Balance	(222,419)	(222,419)	12,357	234,776
Fund Balance - Beginning	222,419	222,419	222,419	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,776</u>	<u>\$ 234,776</u>
COMMISSARY FUND				
Receipts	\$ 94,818	\$ 94,818	\$ 53,001	\$ (41,817)
Disbursements	(130,000)	(130,000)	(51,548)	78,452
Net Change in Fund Balance	(35,182)	(35,182)	1,453	36,635
Fund Balance - Beginning	35,182	35,182	35,182	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,635</u>	<u>\$ 36,635</u>

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

	Road Buyback Fund	Special Road Fund	Justice Center Debt Service Fund	Equipment Sinking Fund	Visitor Promotion Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 1,074,966	\$ -	\$ 24,640
Investment Income	-	-	2,986	-	-
Intergovernmental	264,606	-	130,525	-	-
Charges for Services	-	-	-	2,400	-
Miscellaneous	-	4,421	-	5,532	-
TOTAL RECEIPTS	<u>264,606</u>	<u>4,421</u>	<u>1,208,477</u>	<u>7,932</u>	<u>24,640</u>
DISBURSEMENTS					
General Government	-	-	-	52,027	-
Public Safety	-	-	-	-	-
Public Works	14,402	990,283	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	15,981
Principal Payments	-	-	927,677	-	-
Interest and Fiscal Charges	-	-	299,941	-	-
TOTAL DISBURSEMENTS	<u>14,402</u>	<u>990,283</u>	<u>1,227,618</u>	<u>52,027</u>	<u>15,981</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>250,204</u>	<u>(985,862)</u>	<u>(19,141)</u>	<u>(44,095)</u>	<u>8,659</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,026,115	-	76,200	-
Transfers out	-	-	-	(24,882)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,026,115</u>	<u>-</u>	<u>51,318</u>	<u>-</u>
Net Change in Fund Balances	250,204	40,253	(19,141)	7,223	8,659
FUND BALANCES - BEGINNING	<u>587,409</u>	<u>1,036,720</u>	<u>640,418</u>	<u>296,107</u>	<u>12,942</u>
FUND BALANCES - ENDING	<u>\$ 837,613</u>	<u>\$ 1,076,973</u>	<u>\$ 621,277</u>	<u>\$ 303,330</u>	<u>\$ 21,601</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	21,601
Emergency Services	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	621,277	-	-
Bridge/Road Projects	837,613	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	1,076,973	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	303,330	-
Reappraisal Services	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 837,613</u>	<u>\$ 1,076,973</u>	<u>\$ 621,277</u>	<u>\$ 303,330</u>	<u>\$ 21,601</u>

(Continued)

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

	Visitor Improvement Fund	Reappraisal Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Aging Services Fund
RECEIPTS					
Property Taxes	\$ 24,640	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	74,539
Charges for Services	-	640	13,730	-	-
Miscellaneous	-	-	-	-	1,422
TOTAL RECEIPTS	<u>24,640</u>	<u>640</u>	<u>13,730</u>	<u>-</u>	<u>75,961</u>
DISBURSEMENTS					
General Government	-	20,515	2,662	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	89,854
Culture and Recreation	21,443	-	-	-	-
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>21,443</u>	<u>20,515</u>	<u>2,662</u>	<u>-</u>	<u>89,854</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,197</u>	<u>(19,875)</u>	<u>11,068</u>	<u>-</u>	<u>(13,893)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	21,500	-	-	26,174
Transfers out	-	-	-	-	(10,423)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>21,500</u>	<u>-</u>	<u>-</u>	<u>15,751</u>
Net Change in Fund Balances	3,197	1,625	11,068	-	1,858
FUND BALANCES - BEGINNING	<u>67,961</u>	<u>29,721</u>	<u>53,399</u>	<u>5,052</u>	<u>6,521</u>
FUND BALANCES - ENDING	<u>\$ 71,158</u>	<u>\$ 31,346</u>	<u>\$ 64,467</u>	<u>\$ 5,052</u>	<u>\$ 8,379</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	71,158	-	-	-	-
Emergency Services	-	-	-	-	-
Aid and Assistance	-	-	-	-	8,379
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	64,467	-	-
Debt Service	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	5,052	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	31,346	-	-	-
TOTAL FUND BALANCES	<u>\$ 71,158</u>	<u>\$ 31,346</u>	<u>\$ 64,467</u>	<u>\$ 5,052</u>	<u>\$ 8,379</u>

(Continued)

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

	Drug Law Enforcement and Education Fund	Attorney Federal Treasury Drug Law Enforcement Fund	Attorney Federal Justice Drug Law Enforcement Fund	Sheriff Federal Drug Law Enforcement Fund
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-
Intergovernmental	-	45,802	61,371	671,819
Charges for Services	-	-	-	-
Miscellaneous	55,806	-	-	16,376
TOTAL RECEIPTS	55,806	45,802	61,371	688,195
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	85,837	23,838	-	678,219
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	85,837	23,838	-	678,219
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(30,031)	21,964	61,371	9,976
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(34,877)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(34,877)
Net Change in Fund Balances	(30,031)	21,964	61,371	(24,901)
FUND BALANCES - BEGINNING	123,801	389,985	160,444	479,182
FUND BALANCES - ENDING	\$ 93,770	\$ 411,949	\$ 221,815	\$ 454,281
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Emergency Services	-	-	-	-
Aid and Assistance	-	-	-	-
Law Enforcement	93,770	411,949	221,815	454,281
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Bridge/Road Projects	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings & Equipment	-	-	-	-
Reappraisal Services	-	-	-	-
TOTAL FUND BALANCES	\$ 93,770	\$ 411,949	\$ 221,815	\$ 454,281

(Continued)

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

	Sheriff Federal Drug Justice Fund	Attorney Grant Fund	Emergency Manager Grant Fund	Road Grant Fund	Miscellaneous Grant Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	48,051	100,294	45,443	-	6,347
Charges for Services	-	1,037	-	-	-
Miscellaneous	-	987	3,818	-	-
TOTAL RECEIPTS	<u>48,051</u>	<u>102,318</u>	<u>49,261</u>	<u>-</u>	<u>6,347</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	89,206	159,011	74,880	-	6,968
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>89,206</u>	<u>159,011</u>	<u>74,880</u>	<u>-</u>	<u>6,968</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(41,155)</u>	<u>(56,693)</u>	<u>(25,619)</u>	<u>-</u>	<u>(621)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(3,147)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(44,302)	(56,693)	(25,619)	-	(621)
FUND BALANCES - BEGINNING	<u>71,666</u>	<u>264,589</u>	<u>139,459</u>	<u>79,176</u>	<u>1,085</u>
FUND BALANCES - ENDING	<u>\$ 27,364</u>	<u>\$ 207,896</u>	<u>\$ 113,840</u>	<u>\$ 79,176</u>	<u>\$ 464</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Emergency Services	-	-	113,840	-	-
Aid and Assistance	-	-	-	-	-
Law Enforcement	27,364	207,896	-	-	464
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Bridge/Road Projects	-	-	-	79,176	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 27,364</u>	<u>\$ 207,896</u>	<u>\$ 113,840</u>	<u>\$ 79,176</u>	<u>\$ 464</u>

(Continued)

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

	E911 Fund	911 Wireless Service Fund	911 Wireless Holding Fund	Commissary Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 53,825	\$ 65,053	\$ -	\$ -	\$ 1,243,124
Investment Income	-	-	-	-	2,986
Intergovernmental	222,568	-	-	-	1,671,365
Charges for Services	-	-	-	53,001	70,808
Miscellaneous	581	-	-	-	88,943
TOTAL RECEIPTS	<u>276,974</u>	<u>65,053</u>	<u>-</u>	<u>53,001</u>	<u>3,077,226</u>
DISBURSEMENTS					
General Government	-	-	-	-	75,204
Public Safety	606,952	35,141	12,921	51,548	1,824,521
Public Works	-	-	-	-	1,004,685
Public Assistance	-	-	-	-	89,854
Culture and Recreation	-	-	-	-	37,424
Principal Payments	-	-	-	-	927,677
Interest and Fiscal Charges	-	-	-	-	299,941
TOTAL DISBURSEMENTS	<u>606,952</u>	<u>35,141</u>	<u>12,921</u>	<u>51,548</u>	<u>4,259,306</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(329,978)</u>	<u>29,912</u>	<u>(12,921)</u>	<u>1,453</u>	<u>(1,182,080)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	428,227	5,494	30,772	-	1,614,482
Transfers out	(130,993)	(30,772)	(5,494)	-	(240,588)
TOTAL OTHER FINANCING SOURCES (USES)	<u>297,234</u>	<u>(25,278)</u>	<u>25,278</u>	<u>-</u>	<u>1,373,894</u>
Net Change in Fund Balances	(32,744)	4,634	12,357	1,453	191,814
FUND BALANCES - BEGINNING	<u>100,510</u>	<u>-</u>	<u>222,419</u>	<u>35,182</u>	<u>4,803,748</u>
FUND BALANCES - ENDING	<u>\$ 67,766</u>	<u>\$ 4,634</u>	<u>\$ 234,776</u>	<u>\$ 36,635</u>	<u>\$ 4,995,562</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	92,759
Emergency Services	67,766	4,634	234,776	-	421,016
Aid and Assistance	-	-	-	-	8,379
Law Enforcement	-	-	-	-	1,417,539
Preservation of Records	-	-	-	-	64,467
Debt Service	-	-	-	-	621,277
Bridge/Road Projects	-	-	-	-	916,789
Committed to:					
Law Enforcement	-	-	-	36,635	36,635
Road Maintenance	-	-	-	-	1,076,973
Aid and Assistance	-	-	-	-	5,052
County Buildings & Equipment	-	-	-	-	303,330
Reappraisal Services	-	-	-	-	31,346
TOTAL FUND BALANCES	<u>\$ 67,766</u>	<u>\$ 4,634</u>	<u>\$ 234,776</u>	<u>\$ 36,635</u>	<u>\$ 4,995,562</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2019	\$ 29,736	\$ 248,705	\$ 13,068	\$ 237	\$ 20	\$ -
RECEIPTS						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	2,745	-	955	-	-	375
Intergovernmental	167,497	-	80,825	-	-	-
Charges for Services	-	30,046	91,737	45,625	-	724
Miscellaneous	10,951	-	278	-	27	11,934
State Fees	191,163	22,027	-	-	-	179
Other Liabilities	487	479,514	306,527	5,911	-	-
TOTAL RECEIPTS	<u>372,843</u>	<u>531,587</u>	<u>480,322</u>	<u>51,536</u>	<u>27</u>	<u>13,212</u>
DISBURSEMENTS						
Payments to County Treasurer	164,640	30,876	173,842	42,646	19	13,033
Payments to State Treasurer	189,052	21,217	-	-	-	179
Other Liabilities	11,438	620,678	299,579	9,102	-	-
TOTAL DISBURSEMENTS	<u>365,130</u>	<u>672,771</u>	<u>473,421</u>	<u>51,748</u>	<u>19</u>	<u>13,212</u>
BALANCES JUNE 30, 2020	<u>\$ 37,449</u>	<u>\$ 107,521</u>	<u>\$ 19,969</u>	<u>\$ 25</u>	<u>\$ 28</u>	<u>\$ -</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 15,940	\$ 3,664	\$ 3,062	\$ -	\$ 8	\$ -
Petty Cash	7,500	100	5,000	25	20	-
Due to State Treasurer	14,009	2,280	-	-	-	-
Due to Others	-	101,477	11,907	-	-	-
BALANCES JUNE 30, 2020	<u>\$ 37,449</u>	<u>\$ 107,521</u>	<u>\$ 19,969</u>	<u>\$ 25</u>	<u>\$ 28</u>	<u>\$ -</u>

(Continued)

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

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2019	\$ 3,646	\$ 400,000	\$ -	\$ 25	\$ -	\$ 695,437
RECEIPTS						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	8,300	-	-	12,375
Intergovernmental	-	-	-	-	74,539	322,861
Charges for Services	-	-	-	17,436	-	185,568
Miscellaneous	5	2,287,328	-	-	-	2,310,523
State Fees	-	-	-	-	-	213,369
Other Liabilities	-	-	-	-	-	792,439
TOTAL RECEIPTS	<u>5</u>	<u>2,287,328</u>	<u>8,300</u>	<u>17,436</u>	<u>74,539</u>	<u>3,837,135</u>
DISBURSEMENTS						
Payments to County Treasurer	-	-	8,150	17,436	74,539	525,181
Payments to State Treasurer	-	-	-	-	-	210,448
Other Liabilities	-	2,287,328	-	-	-	3,228,125
TOTAL DISBURSEMENTS	<u>-</u>	<u>2,287,328</u>	<u>8,150</u>	<u>17,436</u>	<u>74,539</u>	<u>3,963,754</u>
BALANCES JUNE 30, 2020	<u>\$ 3,651</u>	<u>\$ 400,000</u>	<u>\$ 150</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 568,818</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 3,651	\$ -	\$ 150	\$ -	\$ -	\$ 26,475
Petty Cash	-	400,000	-	25	-	412,670
Due to State Treasurer	-	-	-	-	-	16,289
Due to Others	-	-	-	-	-	113,384
BALANCES JUNE 30, 2020	<u>\$ 3,651</u>	<u>\$ 400,000</u>	<u>\$ 150</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 568,818</u>

(Concluded)

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

Item	2015	2016	2017	2018	2019
Tax Certified by Assessor					
Real Estate	\$ 33,621,254	\$ 35,176,283	\$ 35,850,739	\$ 36,356,033	\$ 37,093,749
Personal and Specials	2,891,034	2,623,056	2,422,233	2,382,456	2,217,259
Total	36,512,288	37,799,339	38,272,972	38,738,489	39,311,008
Corrections					
Additions	17,285	8,694	8,407	16,141	1,213
Deductions	(26,817)	(5,091)	(23,392)	(9,784)	(8,628)
Net Additions/ (Deductions)	(9,532)	3,603	(14,985)	6,357	(7,415)
Corrected Certified Tax	36,502,756	37,802,942	38,257,987	38,744,846	39,303,593
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	22,472,235	-	-	-	-
June 30, 2017	14,016,810	23,523,845	-	-	-
June 30, 2018	10,872	14,274,869	24,745,421	-	-
June 30, 2019	418	1,297	13,503,543	24,386,828	-
June 30, 2020	1,756	1,647	5,627	14,349,334	24,238,704
Total Net Collections	36,502,091	37,801,658	38,254,591	38,736,162	24,238,704
Total Uncollected Tax	\$ 665	\$ 1,284	\$ 3,396	\$ 8,684	\$ 15,064,889
Percentage Uncollected Tax	0.00%	0.00%	0.01%	0.02%	38.33%

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Passed through State Commission on Law Enforcement and Criminal Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	unavailable	390
Equitable Sharing Program	16.922		<u>92,353</u>
Total U.S. Department of Justice			<u>92,743</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	6,544
Emergency Management Performance Grants	97.042	unavailable	<u>45,078</u>
Total U.S. Department of Homeland Security			<u>51,622</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	unavailable	160,562
Passed through City of Lincoln			
Nutrition Services Incentive Program	93.053	unavailable	<u>7,927</u>
Total U.S. Department of Health and Human Services			<u>168,489</u>
DEPARTMENT OF THE INTERIOR			
Office of the Secretary of the Interior			
Payments in Lieu of Taxes	15.226	unavailable	<u>2,954</u>
Total U.S. Department of Transportation			<u>2,954</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	unavailable	75,959
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509		<u>70,334</u>
Total - Formula Grants for Rural Areas and Tribal Transit Program			146,293
State and Community Highway Safety	20.600	unavailable	<u>2,000</u>
Total U.S. Department of Transportation			<u>148,293</u>
DEPARTMENT OF TREASURY			
Equitable Sharing	21.016	*	<u>\$734,934</u>
Total U.S. Department of Transportation			<u>734,934</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,199,035</u></u>

* Represents Major Program
See accompanying Notes to the Schedule of Expenditures of Federal Awards

SEWARD COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

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, 2020, 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 15, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

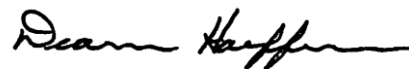
We also noted certain matters that we reported to the management of Seward County in a separate letter dated December 15, 2020.

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 15, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

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

Independent Auditor's Report

Board of Commissioners
Seward County, Nebraska

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

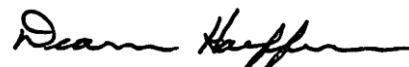
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of Seward County as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

December 15, 2020



Deann Haeffner
Assistant Deputy Auditor
Lincoln, Nebraska

SEWARD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X None Reported

Significant deficiencies identified?

X Yes ___ No

Noncompliance material to financial statements noted?

___ Yes X None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified?

___ Yes X None Reported

Significant deficiencies identified?

___ Yes X None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Major programs: **Equitable Sharing: CFDA#21.016**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ Yes X No

SEWARD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2020-1

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

Section III – Federal Award Findings and Questioned Costs

None Noted



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

December 15, 2020

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, 2020, and have issued our report thereon dated December 15, 2020. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY 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 \$474.
- A monthly asset-to-liability reconciliation was not performed for the inmate account, resulting in a cash long of \$257.

A similar finding was noted in the prior year.

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.

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

We recommend the County Sheriff implement procedures to ensure an asset-to-liability reconciliation is performed.

COUNTY BOARD

Duplicate Payments

We noted that two claims, totaling \$2,070, were duplicate payments, which the County did not discover through its internal review process. One duplicate payment for \$1,806 was discovered by the vendor, who applied a credit on the County's account. The County was unable to provide support that a credit was received for the second claim, totaling \$264.

Payee	Amount	Original Claim		Duplicate Claim	
		Claim #	Date	Claim #	Date
Quest Diagnostics	\$ 264	19080090	8/27/2019	19090085	9/24/2019
Summit Food Services	\$ 1,806	20040071	4/14/2020	20050052	5/12/2020
	\$ 2,070				

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.

Inappropriate Payment

During testing, we noted that the County entered into an interlocal agreement with the City of Seward to share the costs for a road improvement project. The first payment for the road improvement project was for \$157,323, which was paid entirely by the County. However, \$2,000 should have been paid by the City of Seward.

Good internal control and sound business practices require procedures to ensure that the County pays only for its portion of the project.

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

We recommend the County Board implement procedures to ensure that the County pays only for its portion of shared costs.

Property Not Included on Inventory Listing

During testing of claims, we noted that two purchases were not added to the County Sheriff's inventory listing.

Claim #	Description	Amount
19110223	2019 Ford F-150	\$ 32,120
19080210	2019 Chevrolet Tahoe	\$ 37,725

Neb. Rev. Stat. § 23-347 (Reissue 2012) states, in relevant part, the following:

Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer.

Good internal control requires procedures to ensure that personal property is added to the County's inventory listing.

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

We recommend the County implement procedures to ensure that personal property is properly added to the inventory listing.

Fee and Contract Approvals

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

- The County Clerk charged \$25 (which includes sales tax) for the sale of plat maps. The amount charged and collected by this office for fiscal year 2020 totaled \$538 (excluding sales tax).
- The County Highway Department charged for the sale of aluminum at \$0.22 per pound, and used culverts are sold based on market value. The amount charged and collected by this office for fiscal year 2020 totaled \$4,421.

Additionally, we noted that the County Sheriff did not have a signed agreement on file for law enforcement services provided to the Village of Garland, resulting in 12 receipts, totaling \$1,482, that could not be traced to a contractual or County Board authorized rate.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns responsibility to the County Board for managing the County’s funds and business.

Additionally, good internal control and sound accounting practices require procedures to ensure that fees are set by the County Board and documented in the relevant meeting minutes, and adequate documentation is maintained to support receipts and amounts charged by County offices.

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

We recommend the County Board approve all County office fees not set by statute and maintain documentation of such approvals. We also recommend the County Sheriff and County Board review contracts in place to ensure that final, formal versions of those agreements are on file to support all amounts charged pursuant thereto.

COUNTY OVERALL

Segregation of Duties

We noted that several offices of the County collect and remit money to the County Treasurer, and 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 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.

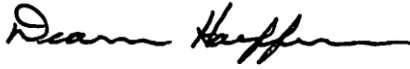
* * * * *

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

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

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

Sincerely,

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

Deann Haeffner, CPA
Assistant Deputy Auditor