

**AUDIT REPORT
OF
CASS COUNTY**

JULY 1, 2020, THROUGH JUNE 30, 2021

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the Auditor of Public Accounts.**

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Issued on April 19, 2022

CASS COUNTY

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CASS COUNTY
346 Main Street
Plattsmouth, NE 68048

LIST OF COUNTY OFFICIALS
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Daniel Henry Janet McCartney Duane Murdoch Jim Peterson Dale Sharp	Jan. 2025 Jan. 2023 Jan. 2025 Jan. 2023 Jan. 2025
Assessor	Teresa Salinger	Jan. 2023
Attorney	S. Colin Palm	Jan. 2023
Clerk	Geri Draper	Jan. 2023
Clerk of the District Court	Barbara Prokupek	Jan. 2023
Public Defender	Eugene Slattery III	Jan. 2023
Register of Deeds	Laura Pohlmeier	Jan. 2023
Sheriff	William Brueggemann	Jan. 2023
Surveyor	Charles Jordan	Jan. 2023
Treasurer	Cindy Fenton	Jan. 2023
Election Commissioner	Linn Moore	Appointed
Veterans' Service Officer	Brian Coffman	Appointed
Weed Superintendent	Randy Group	Appointed
Highway Superintendent	Lenny Thorne	Appointed
Planning & Zoning	Mike Jensen	Appointed
Emergency Manager	Sandy Weyers	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

CASS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cass County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Cass County as of June 30, 2021, 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 17-30, 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 April 11, 2022, on our consideration of Cass County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County's internal control over financial reporting and compliance.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

April 11, 2022

CASS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2021

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 11,442,941
Investments (Note 1.D)	9,399,395
TOTAL ASSETS	\$ 20,842,336
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 324,989
911 Emergency Services	375,063
Drug Education	8,235
Preservation of Records	121,241
Coronavirus Relief & Assistance	2,549,316
Road Maintenance	1,232,378
Unrestricted	16,231,114
TOTAL NET POSITION	\$ 20,842,336

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

CASS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2021

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	\$ (9,555,722)	\$ 1,318,000	\$ 2,690,445	\$ (5,547,277)
Public Safety	(7,440,808)	1,122,680	1,447,204	(4,870,924)
Public Works	(5,325,545)	64,714	4,149,204	(1,111,627)
Public Assistance	(118,823)	-	-	(118,823)
Culture and Recreation	(138,855)	-	-	(138,855)
Total Governmental Activities	<u>\$ (22,579,753)</u>	<u>\$ 2,505,394</u>	<u>\$ 8,286,853</u>	<u>(11,787,506)</u>

General Receipts:

Taxes	16,434,451
Grants and Contributions Not Restricted to Specific Programs	1,432,948
Investment Income	42,539
Licenses and Permits	356,223
Miscellaneous	556,892
Total General Receipts	<u>18,823,053</u>

Increase in Net Position	7,035,547
Net Position - Beginning of year	13,806,789
Net Position - End of year	<u>\$ 20,842,336</u>

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

CASS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 685,957	\$ 487,345	\$ 5,309,538	\$ 2,549,316	\$ 2,410,785	\$ 11,442,941
Investments (Note 1.D)	7,317,917	-	2,072,626	-	8,852	9,399,395
TOTAL ASSETS	<u><u>\$ 8,003,874</u></u>	<u><u>\$ 487,345</u></u>	<u><u>\$ 7,382,164</u></u>	<u><u>\$ 2,549,316</u></u>	<u><u>\$ 2,419,637</u></u>	<u><u>\$ 20,842,336</u></u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	324,989	324,989
911 Emergency Services	-	-	-	-	375,063	375,063
Drug Education	-	-	-	-	8,235	8,235
Preservation of Records	-	-	-	-	121,241	121,241
Coronavirus Relief & Assistance	-	-	-	2,549,316	-	2,549,316
Road Maintenance	-	-	-	-	1,232,378	1,232,378
Committed to:						
Law Enforcement	-	-	-	-	5,641	5,641
Road Maintenance	-	487,345	-	-	173,193	660,538
Emergency Management	-	-	-	-	178,897	178,897
Assigned to:						
Other Purposes	-	-	7,382,164	-	-	7,382,164
Unassigned	8,003,874	-	-	-	-	8,003,874
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 8,003,874</u></u>	<u><u>\$ 487,345</u></u>	<u><u>\$ 7,382,164</u></u>	<u><u>\$ 2,549,316</u></u>	<u><u>\$ 2,419,637</u></u>	<u><u>\$ 20,842,336</u></u>

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

CASS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$14,372,695	\$ -	\$1,700,743	\$ -	\$ 361,013	\$ 16,434,451
Licenses and Permits	356,223	-	-	-	-	356,223
Investment Income	42,403	-	-	133	3	42,539
Intergovernmental	2,885,697	3,690,470	-	2,549,183	594,451	9,719,801
Charges for Services	2,403,699	64,714	-	-	36,981	2,505,394
Miscellaneous	547,778	74	-	-	9,040	556,892
TOTAL RECEIPTS	20,608,495	3,755,258	1,700,743	2,549,316	1,001,488	29,615,300
DISBURSEMENTS						
General Government	9,549,880	-	-	-	5,842	9,555,722
Public Safety	7,182,586	-	-	-	258,222	7,440,808
Public Works	142,737	5,182,808	-	-	-	5,325,545
Public Assistance	118,823	-	-	-	-	118,823
Culture and Recreation	-	-	-	-	138,855	138,855
TOTAL DISBURSEMENTS	16,994,026	5,182,808	-	-	402,919	22,579,753
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,614,469	(1,427,550)	1,700,743	2,549,316	598,569	7,035,547
OTHER FINANCING SOURCES (USES)						
Transfers in	52,815	1,000,000	-	-	-	1,052,815
Transfers out	(1,000,000)	-	-	-	(52,815)	(1,052,815)
TOTAL OTHER FINANCING SOURCES (USES)	(947,185)	1,000,000	-	-	(52,815)	-
Net Change in Fund Balances	2,667,284	(427,550)	1,700,743	2,549,316	545,754	7,035,547
CASH BASIS FUND BALANCES - BEGINNING	5,336,590	914,895	5,681,421	-	1,873,883	13,806,789
CASH BASIS FUND BALANCES - ENDING	\$ 8,003,874	\$ 487,345	\$7,382,164	\$ 2,549,316	\$ 2,419,637	\$ 20,842,336

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

CASS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

	Custodial Fund Balances July 1, 2020 (as restated)	Receipts	Disbursements	Custodial Fund Balances June 30, 2021
ASSETS				
Cash and Cash Equivalents	\$ 5,741,694	\$ 72,898,475	\$ 72,130,587	\$ 6,509,582
Investments	1,599,723	636	-	1,600,359
TOTAL ASSETS	\$ 7,341,417	\$ 72,899,111	\$ 72,130,587	\$ 8,109,941
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	852,523	7,914,566	7,979,645	787,444
State - Collected by Other Offices	43,246	473,277	472,405	44,118
Schools	2,296,846	47,277,998	47,233,314	2,341,530
Educational Service Units	9,195	565,885	568,000	7,080
Technical College	56,835	3,519,211	3,531,932	44,114
Natural Resource Districts	18,817	1,135,071	1,139,787	14,101
Fire Districts	17,132	1,080,290	1,082,655	14,767
Municipalities	142,100	4,948,633	4,973,418	117,315
Agricultural Society	2,441	206,552	205,972	3,021
Cemetery District	481	26,574	26,650	405
Sanitary and Improvement Districts	3,470,770	3,326,765	2,723,183	4,074,352
Others - Collected by County Treasurer	104,825	1,017,690	1,004,978	117,537
Others - Collected by Other Offices	326,206	1,406,599	1,188,648	544,157
TOTAL LIABILITIES	7,341,417	72,899,111	72,130,587	8,109,941
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$72,674 toward the operation of the Region during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2021. 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) (Supp. 2021). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

American Rescue Plan Act Fund. This fund is used to account for aid received from the American Rescue Plan Act and is used for coronavirus aid and assistance in accordance with Federal guidelines.

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.

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

The County designates fund balances as follows:

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

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

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

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

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

D. Assets and Net Position

Cash and Cash Equivalents. The County's cash and cash equivalents are considered to be cash on hand, certificates of deposits, 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 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 \$4,611,222 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.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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 \$11,442,941 for County funds and \$6,509,582 for Fiduciary funds. The bank balances for all funds totaled \$18,163,719. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, 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 \$9,399,395 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$1,600,359 for Fiduciary Funds. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **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 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.364651/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.367847/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes** (Concluded)

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.

The tax receipts classification also contains collections from the assessment of inheritance taxes, 911 surcharges, occupation taxes, and lodging taxes.

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. 2020) 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, 2021, 234 employees contributed \$469,404, and the County contributed \$694,641. Contributions included \$24,765 in cash contributions towards the supplemental law enforcement plan for 45 law enforcement employees. Lastly, the County paid \$1,256 directly to seven retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 104 counties and local governments throughout Nebraska.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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

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

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

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

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Nonmajor Funds	
General Fund	\$ -	\$ 52,815	\$ 52,815
Road Fund	1,000,000	-	1,000,000
Total	<u>\$ 1,000,000</u>	<u>\$ 52,815</u>	<u>\$ 1,052,815</u>

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

During the fiscal year ended June 30, 2021, the County closed the Veterans' Aid Fund and Historical Society Fund, and transferred the remaining balances, totaling \$2,174 and \$641, respectively, to the General Fund. In addition, the County transferred \$50,000 from the FEMA Grant Fund to the General Fund during fiscal year 2021 to reimburse for emergency management expenses incurred in the General Fund.

7. **Long-Term Obligations**

Capital Leases

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

7. **Long-Term Obligations** (Concluded)

	Motorola Radio System	Motorola Consoles	Total
Balance July 1, 2020	\$ 1,132,624	\$ 197,196	\$ 1,329,820
Purchases	70,868	-	70,868
Payments	288,070	63,698	351,768
Balance June 30, 2021	<u>\$ 915,422</u>	<u>\$ 133,498</u>	<u>\$ 1,048,920</u>
Future Payments:			
Year			
2022	\$ 323,072	\$ 69,929	\$ 393,001
2023	323,072	69,930	393,002
2024	<u>323,072</u>	<u>-</u>	<u>323,072</u>
Total Payments	969,216	139,859	1,109,075
Less Interest	<u>53,794</u>	<u>6,361</u>	<u>60,155</u>
Present Value of Future Minimum Lease Payments	<u>\$ 915,422</u>	<u>\$ 133,498</u>	<u>\$ 1,048,920</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,786,163</u>	<u>\$ 446,749</u>	<u>\$ 2,232,912</u>

8. **Contingent Liabilities**

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

9. **Cass County Historical Society**

During the fiscal year, the Cass County Historical Society received \$40,000 of funding from the County per Neb. Rev. Stat. § 23-355.01(2) (Reissue 2012). Of this balance, the Cass County Historical Society spent all \$40,000. The bank and investment balances of the Cass County Historical Society were not included in the financial statements as it is a separate non-profit organization.

10. **Prior Period Adjustment**

The beginning balances were increased by \$369,452 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 15,301,250	\$ 15,301,250	\$ 14,372,695	\$ (928,555)
Licenses and Permits	210,700	210,700	356,223	145,523
Investment Income	125,000	125,000	42,403	(82,597)
Intergovernmental	1,282,500	1,282,500	2,885,697	1,603,197
Charges for Services	2,318,260	2,318,260	2,403,699	85,439
Miscellaneous	432,500	432,500	547,778	115,278
TOTAL RECEIPTS	19,670,210	19,670,210	20,608,495	938,285
DISBURSEMENTS				
General Government:				
County Board	154,250	154,250	148,592	5,658
County Clerk	332,760	332,760	292,224	40,536
County Treasurer	479,101	479,101	412,567	66,534
Register of Deeds	214,950	214,950	210,972	3,978
County Assessor	312,363	312,363	253,621	58,742
GIS Department	141,700	141,700	128,301	13,399
Election Commissioner	183,970	183,970	176,155	7,815
Planning and Zoning	236,600	236,600	204,569	32,031
Data Processing Department	298,400	298,400	248,338	50,062
Clerk of the District Court	215,974	215,974	203,093	12,881
County Court System	26,100	26,100	20,119	5,981
District Judge	62,874	62,874	59,539	3,335
Public Defender	328,630	328,630	323,816	4,814
Building and Grounds	151,300	151,300	127,711	23,589
Reappraisal	257,642	257,642	206,837	50,805
Agricultural Extension Agent	133,271	133,271	130,003	3,268
Miscellaneous	8,402,844	8,402,844	6,403,423	1,999,421
Public Safety				
County Sheriff	3,498,067	3,498,067	3,152,625	345,442
County Attorney	697,186	697,186	545,846	151,340
Child Support	69,858	69,858	62,758	7,100
Crime Commission	88,326	88,326	25,471	62,855
County Jail	2,779,236	2,779,236	2,449,655	329,581
Emergency Management	961,419	961,419	946,231	15,188
Public Works				
County Surveyor	70,591	70,591	68,891	1,700
Recycle	12,100	12,100	4,385	7,715
Noxious Weed Control	94,375	94,375	69,461	24,914

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	104,478	104,478	99,291	5,187
Veterans' Aid	12,000	12,000	6,242	5,758
Poor Relief	33,000	33,000	13,290	19,710
TOTAL DISBURSEMENTS	20,353,365	20,353,365	16,994,026	3,359,339
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(683,155)	(683,155)	3,614,469	4,297,624
OTHER FINANCING SOURCES (USES)				
Transfers in	847,815	847,815	52,815	(795,000)
Transfers out	(4,000,000)	(4,000,000)	(1,000,000)	3,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(3,152,185)	(3,152,185)	(947,185)	2,205,000
Net Change in Fund Balance	(3,835,340)	(3,835,340)	2,667,284	6,502,624
FUND BALANCE - BEGINNING	5,336,590	5,336,590	5,336,590	-
FUND BALANCE - ENDING	\$ 1,501,250	\$ 1,501,250	\$ 8,003,874	\$ 6,502,624

(Concluded)

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 3,265,500	\$ 3,265,500	\$ 3,690,470	\$ 424,970
Charges for Services	203,000	203,000	64,714	(138,286)
Miscellaneous	1,800	1,800	74	(1,726)
TOTAL RECEIPTS	3,470,300	3,470,300	3,755,258	284,958
DISBURSEMENTS	11,774,425	11,774,425	5,182,808	6,591,617
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(8,304,125)	(8,304,125)	(1,427,550)	6,876,575
OTHER FINANCING SOURCES (USES)				
Transfers in	7,500,000	7,500,000	1,000,000	(6,500,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,500,000	7,500,000	1,000,000	(6,500,000)
Net Change in Fund Balance	(804,125)	(804,125)	(427,550)	376,575
FUND BALANCE - BEGINNING	914,895	914,895	914,895	-
FUND BALANCE - ENDING	\$ 110,770	\$ 110,770	\$ 487,345	\$ 376,575
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 800,000	\$ 800,000	\$ 1,700,743	\$ 900,743
TOTAL RECEIPTS	800,000	800,000	1,700,743	900,743
DISBURSEMENTS	1,575,000	1,575,000	-	1,575,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(775,000)	(775,000)	1,700,743	2,475,743
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(4,175,000)	(4,175,000)	-	4,175,000
TOTAL OTHER FINANCING SOURCES (USES)	(4,175,000)	(4,175,000)	-	4,175,000
Net Change in Fund Balance	(4,950,000)	(4,950,000)	1,700,743	6,650,743
FUND BALANCE - BEGINNING	5,681,421	5,681,421	5,681,421	-
FUND BALANCE - ENDING	\$ 731,421	\$ 731,421	\$ 7,382,164	\$ 6,650,743

(Continued)

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>AMERICAN RESCUE PLAN ACT FUND</u>				
RECEIPTS				
Investment Income	\$ -	\$ -	\$ 133	\$ 133
Intergovernmental	-	-	2,549,183	2,549,183
TOTAL RECEIPTS	-	-	2,549,316	2,549,316
DISBURSEMENTS				
	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	-	-	2,549,316	2,549,316
Net Change in Fund Balance	-	-	2,549,316	2,549,316
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,549,316</u>	<u>\$ 2,549,316</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD SINKING FUND				
Receipts	\$ 30,000	\$ 30,000	\$ 5,720	\$ (24,280)
Disbursements	(167,029)	(167,029)	-	167,029
Net Change in Fund Balance	(137,029)	(137,029)	5,720	142,749
Fund Balance - Beginning	167,473	167,473	167,473	-
Fund Balance - Ending	<u>\$ 30,444</u>	<u>\$ 30,444</u>	<u>\$ 173,193</u>	<u>\$ 142,749</u>
ROAD BUYBACK FUND				
Receipts	\$ 459,279	\$ 459,279	\$ 459,279	\$ -
Disbursements	(773,099)	(773,099)	-	773,099
Net Change in Fund Balance	(313,820)	(313,820)	459,279	773,099
Fund Balance - Beginning	773,099	773,099	773,099	-
Fund Balance - Ending	<u>\$ 459,279</u>	<u>\$ 459,279</u>	<u>\$ 1,232,378</u>	<u>\$ 773,099</u>
JUVENILE DIVERSION FUND				
Receipts	\$ 33,558	\$ 33,558	\$ 33,296	\$ (262)
Disbursements	(41,663)	(41,663)	(35,760)	5,903
Net Change in Fund Balance	(8,105)	(8,105)	(2,464)	5,641
Fund Balance - Beginning	8,105	8,105	8,105	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,641</u>	<u>\$ 5,641</u>
VISITOR PROMOTION FUND				
Receipts	\$ 75,000	\$ 75,000	\$ 86,690	\$ 11,690
Disbursements	(137,407)	(137,407)	(67,064)	70,343
Net Change in Fund Balance	(62,407)	(62,407)	19,626	82,033
Fund Balance - Beginning	100,254	100,254	100,254	-
Fund Balance - Ending	<u>\$ 37,847</u>	<u>\$ 37,847</u>	<u>\$ 119,880</u>	<u>\$ 82,033</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ 70,000	\$ 70,000	\$ 86,690	\$ 16,690
Disbursements	(218,356)	(218,356)	(71,791)	146,565
Net Change in Fund Balance	(148,356)	(148,356)	14,899	163,255
Fund Balance - Beginning	190,210	190,210	190,210	-
Fund Balance - Ending	<u>\$ 41,854</u>	<u>\$ 41,854</u>	<u>\$ 205,109</u>	<u>\$ 163,255</u>

(Continued)

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 36,125	\$ 16,125
Disbursements	(86,000)	(86,000)	(5,842)	80,158
Net Change in Fund Balance	(66,000)	(66,000)	30,283	96,283
Fund Balance - Beginning	90,958	90,958	90,958	-
Fund Balance - Ending	<u>\$ 24,958</u>	<u>\$ 24,958</u>	<u>\$ 121,241</u>	<u>\$ 96,283</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(2,174)	(2,174)	(2,174)	-
Net Change in Fund Balance	(2,174)	(2,174)	(2,174)	-
Fund Balance - Beginning	2,174	2,174	2,174	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HISTORICAL SOCIETY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(641)	(641)	(641)	-
Net Change in Fund Balance	(641)	(641)	(641)	-
Fund Balance - Beginning	641	641	641	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
E911 FUND				
Receipts	\$ 75,000	\$ 75,000	\$ 76,353	\$ 1,353
Disbursements	(233,752)	(233,752)	(131,652)	102,100
Net Change in Fund Balance	(158,752)	(158,752)	(55,299)	103,453
Fund Balance - Beginning	163,079	163,079	163,079	-
Fund Balance - Ending	<u>\$ 4,327</u>	<u>\$ 4,327</u>	<u>\$ 107,780</u>	<u>\$ 103,453</u>
DRUG LAW ENFORCEMENT & EDUCATION FUND				
Receipts	\$ 80	\$ 80	\$ 509	\$ 429
Disbursements	(8,840)	(8,840)	(1,129)	7,711
Net Change in Fund Balance	(8,760)	(8,760)	(620)	8,140
Fund Balance - Beginning	8,855	8,855	8,855	-
Fund Balance - Ending	<u>\$ 95</u>	<u>\$ 95</u>	<u>\$ 8,235</u>	<u>\$ 8,140</u>

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL GRANT FUND				
Receipts	\$ 275,000	\$ 275,000	\$ 132,402	\$ (142,598)
Disbursements	(245,623)	(245,623)	(46,852)	198,771
Transfers in	-	-	-	-
Transfers out	(150,000)	(150,000)	(50,000)	100,000
Net Change in Fund Balance	(120,623)	(120,623)	35,550	156,173
Fund Balance - Beginning	137,162	137,162	137,162	-
Fund Balance - Ending	<u>\$ 16,539</u>	<u>\$ 16,539</u>	<u>\$ 172,712</u>	<u>\$ 156,173</u>
PRIVATE GRANT FUND				
Receipts	\$ 5,500	\$ 5,500	\$ 1,240	\$ (4,260)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(4,500)	(4,500)	1,240	5,740
Fund Balance - Beginning	4,945	4,945	4,945	-
Fund Balance - Ending	<u>\$ 445</u>	<u>\$ 445</u>	<u>\$ 6,185</u>	<u>\$ 5,740</u>
EMERGENCY TEAMS GRANT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	(30,000)	(30,000)	-	30,000
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	20,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
E911 WIRELESS SERVICE FUND				
Receipts	\$ 83,184	\$ 83,184	\$ 83,184	\$ -
Disbursements	(304,301)	(304,301)	(42,829)	261,472
Net Change in Fund Balance	(221,117)	(221,117)	40,355	261,472
Fund Balance - Beginning	226,928	226,928	226,928	-
Fund Balance - Ending	<u>\$ 5,811</u>	<u>\$ 5,811</u>	<u>\$ 267,283</u>	<u>\$ 261,472</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Road Sinking Fund	Road Buyback Fund	Juvenile Diversion Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ 28,096	\$ 86,690	\$ 86,690
Investment Income	-	-	-	-	-
Intergovernmental	-	459,279	2,770	-	-
Charges for Services	-	-	350	-	-
Miscellaneous	5,720	-	2,080	-	-
TOTAL RECEIPTS	<u>5,720</u>	<u>459,279</u>	<u>33,296</u>	<u>86,690</u>	<u>86,690</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	35,760	-	-
Culture and Recreation	-	-	-	67,064	71,791
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>35,760</u>	<u>67,064</u>	<u>71,791</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,720</u>	<u>459,279</u>	<u>(2,464)</u>	<u>19,626</u>	<u>14,899</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,720	459,279	(2,464)	19,626	14,899
FUND BALANCES - BEGINNING	<u>167,473</u>	<u>773,099</u>	<u>8,105</u>	<u>100,254</u>	<u>190,210</u>
FUND BALANCES - ENDING	<u>\$ 173,193</u>	<u>\$ 1,232,378</u>	<u>\$ 5,641</u>	<u>\$ 119,880</u>	<u>\$ 205,109</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	119,880	205,109
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	-	1,232,378	-	-	-
Committed to:					
Law Enforcement	-	-	5,641	-	-
Road Maintenance	173,193	-	-	-	-
Emergency Management	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 173,193</u>	<u>\$ 1,232,378</u>	<u>\$ 5,641</u>	<u>\$ 119,880</u>	<u>\$ 205,109</u>

(Continued)

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

For the Year Ended June 30, 2021

	Preservation and Modernization Fund	Veterans' Aid Fund	Historical Society Fund	E911 Fund
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ 76,353
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	36,125	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>36,125</u>	<u>-</u>	<u>-</u>	<u>76,353</u>
DISBURSEMENTS				
General Government	5,842	-	-	-
Public Safety	-	-	-	131,652
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>5,842</u>	<u>-</u>	<u>-</u>	<u>131,652</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>30,283</u>	<u>-</u>	<u>-</u>	<u>(55,299)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(2,174)	(641)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(2,174)</u>	<u>(641)</u>	<u>-</u>
Net Change in Fund Balances	30,283	(2,174)	(641)	(55,299)
FUND BALANCES - BEGINNING	<u>90,958</u>	<u>2,174</u>	<u>641</u>	<u>163,079</u>
FUND BALANCES - ENDING	<u>\$ 121,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,780</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	107,780
Drug Education	-	-	-	-
Preservation of Records	121,241	-	-	-
Road Maintenance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
Emergency Management	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 121,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,780</u>

(Continued)

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

For the Year Ended June 30, 2021

	Drug Law Enforcement & Education Fund	FEMA Grant Fund	Private Grant Fund	E911 Wireless Service Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ 83,184	\$ 361,013
Investment Income	3	-	-	-	3
Intergovernmental	-	132,402	-	-	594,451
Charges for Services	506	-	-	-	36,981
Miscellaneous	-	-	1,240	-	9,040
TOTAL RECEIPTS	<u>509</u>	<u>132,402</u>	<u>1,240</u>	<u>83,184</u>	<u>1,001,488</u>
DISBURSEMENTS					
General Government	-	-	-	-	5,842
Public Safety	1,129	46,852	-	42,829	258,222
Culture and Recreation	-	-	-	-	138,855
TOTAL DISBURSEMENTS	<u>1,129</u>	<u>46,852</u>	<u>-</u>	<u>42,829</u>	<u>402,919</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(620)</u>	<u>85,550</u>	<u>1,240</u>	<u>40,355</u>	<u>598,569</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(50,000)	-	-	(52,815)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(52,815)</u>
Net Change in Fund Balances	(620)	35,550	1,240	40,355	545,754
FUND BALANCES - BEGINNING	<u>8,855</u>	<u>137,162</u>	<u>4,945</u>	<u>226,928</u>	<u>1,873,883</u>
FUND BALANCES - ENDING	<u>\$ 8,235</u>	<u>\$ 172,712</u>	<u>\$ 6,185</u>	<u>\$ 267,283</u>	<u>\$ 2,419,637</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	324,989
911 Emergency Services	-	-	-	267,283	375,063
Drug Education	8,235	-	-	-	8,235
Preservation of Records	-	-	-	-	121,241
Road Maintenance	-	-	-	-	1,232,378
Committed to:					
Law Enforcement	-	-	-	-	5,641
Road Maintenance	-	-	-	-	173,193
Emergency Management	-	172,712	6,185	-	178,897
TOTAL FUND BALANCES	<u>\$ 8,235</u>	<u>\$ 172,712</u>	<u>\$ 6,185</u>	<u>\$ 267,283</u>	<u>\$ 2,419,637</u>

(Concluded)

CASS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2021

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Election Commissioner	Highway Superintendent
BALANCES JULY 1, 2020	\$ 475	\$ 72,903	\$ 267,140	\$ 169,835	\$ 500	\$ -	\$ 100
RECEIPTS							
Taxes	-	-	-	59,723	-	-	-
Licenses and Permits	5,960	-	-	3,815	-	-	-
Intergovernmental	60,556	-	-	-	-	-	-
Charges for Services	8,260	392,899	41,905	1,179,983	160	27,955	3,033
Miscellaneous	96,685	-	14	78,207	263	1,117	5,720
State Fees	-	428,783	43,005	911	-	-	8
Other Liabilities	9,117	65	1,138,718	173,179	16,578	-	-
TOTAL RECEIPTS	180,578	821,747	1,223,642	1,495,818	17,001	29,072	8,761
DISBURSEMENTS							
Payments to County Treasurer	171,458	392,300	39,800	1,318,814	160	29,072	8,753
Payments to State Treasurer	-	428,708	41,275	1,008	-	-	8
Petty Cash	-	-	14	25,064	263	-	-
Other Liabilities	9,037	65	933,233	166,403	16,578	-	-
TOTAL DISBURSEMENTS	180,495	821,073	1,014,322	1,511,289	17,001	29,072	8,761
BALANCES JUNE 30, 2021	<u>\$ 558</u>	<u>\$ 73,577</u>	<u>\$ 476,460</u>	<u>\$ 154,364</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 100</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 378	\$ 33,604	\$ 4,493	\$ 115,307	\$ -	\$ -	\$ -
Petty Cash	100	-	150	4,050	500	-	100
Due to State Treasurer	-	39,973	4,103	42	-	-	-
Due to Others	80	-	467,714	34,965	-	-	-
BALANCES JUNE 30, 2021	<u>\$ 558</u>	<u>\$ 73,577</u>	<u>\$ 476,460</u>	<u>\$ 154,364</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 100</u>

(Continued)

CASS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2021

	Veterans' Service Officer	Planning & Zoning	GIS Office	KENO Function	CASA	Total
BALANCES JULY 1, 2020	\$ 11,600	\$ 42,767	\$ 19	\$ 37,282	\$ 1,164	\$ 603,785
RECEIPTS						
Taxes	-	-	-	-	-	59,723
Licenses and Permits	-	205,332	-	-	-	215,107
Intergovernmental	6,000	-	-	-	-	66,556
Charges for Services	-	3,178	85	-	-	1,657,458
Miscellaneous	100	-	-	2,416	-	184,522
State Fees	-	-	-	570	-	473,277
Other Liabilities	-	68,942	-	-	-	1,406,599
TOTAL RECEIPTS	<u>6,100</u>	<u>277,452</u>	<u>85</u>	<u>2,986</u>	<u>-</u>	<u>4,063,242</u>
DISBURSEMENTS						
Payments to County Treasurer	-	210,972	75	5,424	-	2,176,828
Payments to State Treasurer	-	-	-	1,406	-	472,405
Petty Cash	6,626	-	-	33,000	-	64,967
Other Liabilities	-	62,168	-	-	1,164	1,188,648
TOTAL DISBURSEMENTS	<u>6,626</u>	<u>273,140</u>	<u>75</u>	<u>39,830</u>	<u>1,164</u>	<u>3,902,848</u>
BALANCES JUNE 30, 2021	<u>\$ 11,074</u>	<u>\$ 47,079</u>	<u>\$ 29</u>	<u>\$ 438</u>	<u>\$ -</u>	<u>\$ 764,179</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 11,074	\$ 5,681	\$ 16	\$ 438	\$ -	\$ 170,991
Petty Cash	-	-	13	-	-	4,913
Due to State Treasurer	-	-	-	-	-	44,118
Due to Others	-	41,398	-	-	-	544,157
BALANCES JUNE 30, 2021	<u>\$ 11,074</u>	<u>\$ 47,079</u>	<u>\$ 29</u>	<u>\$ 438</u>	<u>\$ -</u>	<u>\$ 764,179</u>

(Concluded)

CASS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2021

Item	2016	2017	2018	2019	2020
Tax Certified by Assessor					
Real Estate	\$ 57,371,229	\$ 59,084,678	\$ 60,620,675	\$ 61,193,472	\$ 63,063,154
Personal and Specials	2,041,913	2,096,359	2,107,082	2,089,901	2,290,684
Total	59,413,142	61,181,037	62,727,757	63,283,373	65,353,838
Corrections					
Additions	26,780	23,630	64,795	28,844	17,233
Deductions	(97,459)	(106,213)	(138,105)	(60,669)	(58,771)
Net Additions/ (Deductions)	(70,679)	(82,583)	(73,310)	(31,825)	(41,538)
Corrected Certified Tax	59,342,463	61,098,454	62,654,447	63,251,548	65,312,300
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	34,905,636	-	-	-	-
June 30, 2018	24,327,293	37,314,958	-	-	-
June 30, 2019	68,995	23,736,041	36,965,383	-	-
June 30, 2020	8,283	6,330	25,619,249	37,723,024	-
June 30, 2021	10,248	13,795	40,137	25,468,695	39,338,472
Total Net Collections	59,320,455	61,071,124	62,624,769	63,191,719	39,338,472
Total Uncollected Tax	\$ 22,008	\$ 27,330	\$ 29,678	\$ 59,829	\$ 25,973,828
Percentage Uncollected Tax	0.04%	0.04%	0.05%	0.09%	39.77%

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

CASS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51279 Y3 51247 Y3	\$ 129,800
Total U.S. Department of Health and Human Services			<u>129,800</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	11,711
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	13,190
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>24,901</u>
Emergency Management Performance Grants	97.042	20-SR 8698-01	116,154
Total U.S. Department of Homeland Security			<u>141,055</u>
DEPARTMENT OF INTERIOR			
Payment in Lieu of Tax	15.226	not applicable	6,981
Total U.S. Department of Interior			<u>6,981</u>
DEPARTMENT OF TREASURY			
Passed through Nebraska Military Department			
Coronavirus Relief Fund	21.019	not applicable *	1,277,241
Total U.S. Department of Treasury			<u>1,277,241</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,555,077</u></u>

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

CASS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Cass County (County) under programs of the Federal government for the year ended June 30, 2021. 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 the 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. The County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance, except for the Child Support Enforcement Program, which used the rate as approved by the pass-through entity.

3. Disaster Grants – Public Assistance (Presidentially Declared Disasters)

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The schedule of expenditures of Federal awards reports expenditures of \$24,901 for this program, of which \$20,853 was incurred and paid prior to the fiscal year ended June 30, 2021.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

CASS COUNTY

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

Board of Commissioners
Cass County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated April 11, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

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

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

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

County Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Compliance and Other Matters

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

Additional Items

We also noted certain matters that we reported to the management of Cass County in a separate letter dated April 11, 2022.

Cass County’s Response to Findings

Cass County’s response to the finding identified in our audit is described above. Cass County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

April 11, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

CASS COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners
Cass County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Cass 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 Cass County's major Federal programs for the year ended June 30, 2021. Cass 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 Cass 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 Cass 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 Cass County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Cass 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, 2021.

Report on Internal Control Over Compliance

Management of Cass 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 Cass 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 Cass 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-02, that we consider to be a significant deficiency.

Cass County's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Cass County's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

April 11, 2022

CASS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings

Finding # 2021-1

- 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

Finding # 2021-2

- Program - AL 21.019 - Coronavirus Relief Fund - Allowability
- Grant Number & Year - Not Available, FFY 2021
- Federal Grantor Agency - U.S. Department of Treasury
- Criteria - Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.403 (January 1, 2021) requires costs charged to Federal programs to be reasonable, necessary, and adequately documented. Further, Title 2 CFR § 200.430(i)(1) (January 1, 2021) states, “Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.”
- A good internal control plan requires adequate procedures to ensure that Federal reimbursement requests are accurately completed using appropriate underlying data, such as timesheets and payroll registers, to confirm the amounts requested properly reflect the amounts claimed and paid by the County.

CASS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Condition -

During testing of eight employees' payroll from March 2020 through May 2020, we noted the following:

- For six of eight employees, we noted that the County was reimbursed for a total of 266 hours in which the employees were using vacation or sick leave; however, the County was reimbursed for leave earned during that period as part of the fringe benefit calculation. The inclusion of these hours in the request resulted in a duplicate reimbursement of vacation and sick leave hours used.
- For eight of eight employees, we noted that the County did not correctly calculate fringe benefits associated with each employee. This appears to be due to the failure of the County to consider each employee's individual fringe benefit costs and, instead, the same fringe benefit percentages were used for every employee. Further, the County did not consider a different fringe benefit calculation for overtime hours, nor for employees who did not work a standard 2080-hour work year.

The table below details the variances:

Employee	Payroll Calculations			Fringe Calculations	Total Over (Under) Reimbursement
	Reimbursed Hours	Auditor Calculated Hours	Payroll \$ Variances	Fringe \$ Variances	
Employee 1	520	451	\$ 2,149	\$ (3,596)	\$ (1,447)
Employee 2	526	486	\$ 1,002	\$ (1,223)	\$ (221)
Employee 3	548	487	\$ 1,185	\$ (1,188)	\$ (3)
Employee 4	540	492	\$ 1,376	\$ (1,240)	\$ 136
Employee 5	520	496	\$ 660	\$ 1,000	\$ 1,660
Employee 6	-	-	\$ -	\$ 356	\$ 356
Employee 7	-	-	\$ -	\$ 338	\$ 338
Employee 8	564	540	\$ 573	\$ (1,106)	\$ (533)
Totals	3,218	2,952	\$ 6,945	\$ (6,659)	\$ 286

The total Federal sample tested was \$120,809, and the total Federal CRF expenditures were \$1,272,845. Based on the sample tested, the case error rate was 100% (8/8). The dollar error rate was 0.24% (\$286/\$120,809), which projects the potential dollars at risk for fiscal year 2021 to be \$3,055.

Repeat Finding -

No

Questioned Costs -

\$286

Statistical Sample -

No

Cause -

Unknown

CASS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Concluded)

Effect - Without adequate procedures to ensure reimbursed wages and fringe benefits are calculated appropriately, and for actual and allowable costs, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations.

Recommendation - We recommend the County implement procedures to ensure wages and fringe benefits charged to a Federal grant are calculated appropriately, and for actual and allowable costs.

View of Officials - The Coronavirus Relief Fund (CRF) Grant was a one-time grant associated with the COVID-19 pandemic. The County does not anticipate this grant to be available for any future reimbursements. The County will consider implementing procedures should similar grants become available in the future. Such procedures would include a secondary review of grant reimbursements to ensure amounts requested are proper. Future grants will have more checks and balances prior to submission.

Sandra L. Weyers
Director

sandy@co.cass.ne.us



Chad Korte
Assistant Director

chad6207@co.cass.ne.us

Cass County Emergency Management Agency
Emergency Medical Services
8400 144th St., Suite 200
Weeping Water, NE 68463
PHONE: 402-267-6765
FAX: 402-267-7945
www.cassema.org

CORRECTIVE ACTION PLAN

Year Ended June 30, 2021

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

Finding 2021-1 Segregation of Duties

Corrective Action Planned: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Anticipated Completion Date: Ongoing

Responsible Party: Cass County Emergency Management and Cass County

Finding 2021-2 Coronavirus Relief Fund Allowability

Corrective Action Planned: The Coronavirus Relief Fund (CRF) Grant was a one-time grant associated with the COVID-19 pandemic. The County does not anticipate this grant to be available for any future reimbursements. The County will consider implementing procedures should similar grants become available in the future. Such procedures would include a secondary review of grant reimbursements to ensure amounts requested are proper. Future grants will have more checks and balances prior to submission.

Anticipated Completion Date: Not Applicable

Responsible Party: Cass County Board of Commissioners and Cass County Emergency Management

Sandy Weyers, Director

Cassie Cox, Grants administrator



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

April 11, 2022

Board of Commissioners
Cass County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Cass County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated April 11, 2022. 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 BOARD

Lack of Adequate Documentation

During the fiscal year, we tested four grant payments, totaling \$21,108, paid from the Visitor Promotion Fund and the Visitor Improvement Fund; however, the County did not undertake any subsequent inquiry to ensure that the funds were used appropriately. The following table details these payments.

Payee	Amount	Approved Use
Cass County Agricultural Society	\$ 14,853	Handicap Parking and Sidewalk Improvements
Nebraska Lutheran Outdoor	2,419	New Retreat & Conference Promotion
B.U.I.L.D.	1,336	Craft & Vendor Show
Friends of Lewis & Clark	2,500	Brochures
Total	\$ 21,108	

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

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

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

Payroll Issues

While testing one paycheck during the fiscal year, we noted the following for one employee of the Clerk's office:

- There was no documented approval of the employee's hourly rate.
- The amount of Federal income tax withheld did not agree to that specified on the IRS Form W-4 on file. The form was originally completed on December 20, 2017; however, notes regarding changes to the withholding were subsequently written on the side of the form instead of the Employee completing a new Form W-4 and verifying that the information was accurate. As such, additional taxes of \$91 for the period tested should have been withheld per IRS regulations. With biweekly paychecks, this results in an annual under-withholding of \$2,354 for tax year 2021.

Additionally, no documentation was on file to support a uniform allowance paid to the County Sheriff and Deputy Sheriff, totaling \$660.

IRS Tax Topic No. 753 (3/15/2022) (<https://www.irs.gov/taxtopics/tc753>) states the following:

Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies that the form is correct, material defacing of the form, or any writing on the form other than the entries requested. A Form W-4 is also invalid if by the date an employee gives it to you, he or she indicates in any way that it's false. When you get an invalid Form W-4, don't use it to determine federal income tax withholding. Tell the employee that it's invalid and ask for another one. If the employee doesn't give you a valid one, withhold taxes as if the employee is single or married filing separately with no other entries in step 2, 3, and 4. However, if you have an earlier Form W-4 for this employee that's valid, withhold as you did before.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) states, "The county board shall manage the county funds and county business except as otherwise specifically provided."

Good internal controls and sound business practices require procedures to ensure that all pay changes and accurate IRS forms are adequately documented, and any uniform allowances are approved properly by the County Board.

Without such procedures, there is an increased risk of noncompliance with IRS regulations, as well as an increased risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure all hourly rates and additional allowances are documented properly, and tax withholdings are completed in compliance with IRS regulations.

COUNTY CLERK

Billing Procedures

During the audit, we noted that two receipts for Sarpy County's share of the wages and benefits for the District Court Bailiff were calculated incorrectly, as follows:

- For 2020 4th Quarter, the County billed for taxable wages instead of gross wages, resulting in a shortage of \$326.
- For 2021 3rd Quarter, the County miscalculated the invoice, resulting in an overage received of \$1,958.

Good internal controls and sound business practices require procedures to ensure that all receipts are calculated correctly and reviewed for accuracy.

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

We recommend the County Clerk implement procedures to ensure that all receipts are calculated correctly and reviewed for accuracy.

COUNTY CLERK OF THE DISTRICT COURT

Case Balance Reports Review

During the audit, we noted the following issues with the County Clerk of the District Court's review of the Monthly Case Balance Report and the Overdue Case Account Report to ensure that the balances listed therein were proper, and appropriate action was taken with regard to those balances during fiscal year 2021.

- The District Court was not actively reviewing and following up on the Monthly Case Balance Report. We tested 10 balances held by the District Court and noted that four of those balances, totaling \$2,115, did not have timely action taken to resolve the balance. Action on the cases was last noted from October 2014 to November 2017. No further action or other follow-up with the County Attorney or County Judge on these cases was noted.
- The District Court was not actively reviewing the Overdue Case Account Report. We tested eight balances due to the District Court and noted that four of those balances, totaling \$4,663, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. The last activity noted on these cases ranged from 2006 to 2013. As of March 31, 2021, the report contained 611 overdue criminal case balances, totaling \$198,983. Only 44 of the cases noted had a current warrant or suspension issued.

Neb. Rev. Stat. § 24-345 (Supp. 2021) states the following:

All money, other than witness fees, fines, penalties, forfeitures and license money, that comes into the possession of the clerk of the district court for any county in the State of Nebraska by virtue of his or her office and remains in the custody of the clerk of the district court, uncalled for by the party or parties entitled to the money for a period of three years following the close of litigation in relation to the money, shall be remitted by the clerk of the district court to the State Treasurer on the first Tuesday in January, April, July, or October, respectively, following the expiration of the three-year period, for deposit in the Unclaimed Property Escheat Trust Fund pursuant to section 69-1317. Such payment shall release the bond of the clerk of the district court making such payment from all liability for the money so paid in compliance with this section.

Furthermore, good internal controls and sound business practices require procedures to ensure that trust case balances and overdue amounts of the District Court are reviewed on an ongoing, timely basis to determine what action should be taken to collect, remit, or otherwise resolve those balances.

Without such procedures, there is an increased risk for not only the District Court's overdue balances not being pursued for collection but also noncompliance with State statute.

A similar comment was included in the prior audit.

We recommend the District Court implement procedures to ensure the Monthly Case Balance Report and the Overdue Case Account Report are reviewed on an ongoing basis to ensure the timely collection and/or resolution of the balances listed therein.

Insufficient Pledged Collateral

During our audit, we noted that the County Clerk of the District Court did not maintain securities to fully cover deposits in the District Court's bank account. The account was uncollateralized for 55 days during fiscal year 2021, with uncollateralized balances ranging from \$173,916 to \$196,718.

Neb. Rev. Stat. § 77-2395(1) (Supp. 2021) states, in relevant part, the following:

[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation [FDIC], unless and until the depository has provided a deposit guaranty bond or furnished securities, or any combination thereof, to the custodial official, and the total value of such deposit guaranty bond and the market value of such securities are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.

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

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

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

COUNTY ELECTION COMMISSIONER

Billing Procedures

We tested two reimbursements for Election Recovery Costs and noted that the County Election Commissioner had calculated both incorrectly, resulting in the County overcharging \$4,756, as follows:

- For the reimbursement from Louisville Public Schools, the County miscalculated the invoice, resulting in an overcharge to the School District of \$3,805.
- For the reimbursement from SID #5, the County listed incorrect rates for the cost of envelopes and the hourly rate of an employee, resulting in an overcharge to the SID of \$951.

Neb. Rev. Stat. § 32-1202 (Reissue 2016), states the following:

The cost of publication and posting of notices and ballots, the cost of precinct registration lists, the compensation of temporary employees, inspectors, judges and clerks of election, and members of counting boards, the overtime costs of all permanent employees of the election commissioner or county clerk relating to elections, the cost of renting, heating, lighting, and equipping polling places including placing and removing ballot boxes and other fixtures and equipment, the cost of printing and delivering ballots and sample ballots, the cost of postage, cards of instructions for voters, maps, voter books for the polling place, other election supplies, and electronic media, the expense of programming and operation of voting systems, and all other expenses of conducting statewide primary and general elections not listed in section 32-1201 shall be chargeable to the political subdivisions in and for which such elections are held.

Furthermore, good internal controls and sound business practices require procedures to ensure that all receipts are calculated correctly and reviewed for accuracy.

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

We recommend the County Election Commissioner implement procedures to ensure that all receipts are calculated correctly and reviewed for accuracy.

COUNTY HIGHWAY SUPERINTENDENT

Receipt Procedures

During our audit, we noted the following issues with the County Highway Superintendent's receipt procedures for the Recycling Center and Scrap Metal:

Recycling Center

We tested two months of receipts from the Recycling Center and noted the following:

- A monthly reconciliation between the cash received at the Recycling Center and the receipts written during that period was not completed. During testing, we noted five days of receipts in which the total amount remitted to the County Treasurer did not agree to the total individual receipts recorded by the Highway Superintendent, resulting in \$6 recorded in the receipts that was not remitted to the County Treasurer.
- For four days of receipts, totaling \$361, the amounts were not remitted to the County Treasurer in a timely manner. The remittance of these receipts to the County Treasurer ranged from 33 to 41 days after the receipt date.
- For one month tested, we noted that \$137 in receipts was not recorded in the Highway Superintendent's logs for over a month after the money was remitted to the County Treasurer.

Scrap Metal Receipts

We tested all receipts during the fiscal year for scrap metal and noted the following:

- A monthly reconciliation between cash received and receipts written during that period was not completed. During testing, we noted that an additional \$100 was remitted to the County Treasurer; however, no corresponding receipt was noted.
- For 11 days of receipts, totaling \$3,621, the amounts were not remitted to the County Treasurer in a timely manner. The remittance of these receipts to the County Treasurer ranged from 34 to 72 days after the receipt date.

Good internal controls and sound business practices require procedures to ensure the following: 1) a reconciliation of cash received to receipts written is performed; 2) receipts are remitted to the County Treasurer in a timely manner; and 3) receipts are promptly written and maintained on file for all money received.

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

We recommend the County Highway Superintendent implement procedures to ensure: 1) a reconciliation of cash received to receipts written is performed; 2) receipts are remitted to the County Treasurer in a timely manner; and 3) receipts are promptly written and maintained on file for all money received.

COUNTY SHERIFF

Balancing Procedures

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

- The County Sheriff had more office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) than office liabilities (fees and trust accounts), resulting in an unknown long balance of \$5,636 at June 30, 2021, which consisted of the following:

Account	Long
Fee Account (Non-Civil Process)	\$ 2,719
Fee Account (Civil Process)	\$ 2,917
Total Long	\$ 5,636

For the non-civil fee process account, this long appears to have been the result of the County Sheriff's failure to do the following: 1) perform a periodic office asset-to-liability reconciliation; 2) maintain a listing of accounts receivable; and 3) reconcile the account to the authorized petty cash amount of \$3,500 for the checking account.

- As of June 30, 2021, the Inmate Trust bank account maintained by the County Sheriff had a balance of \$34,965 owed to inmates; however, the County Sheriff was unable to provide adequate documentation to support the actual individual inmate balances.

Good internal controls and sound business practices require procedures to ensure that office assets agree with office liabilities on, at least, a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted and ensure that all balances are adequately supported. Those procedures should also ensure adequate documentation is maintained to support all trust balances held.

Without such procedures, there is an increased risk for loss, theft, or misuse of County funds, as well as errors going undetected more easily.

A similar comment was included in the prior audit.

We recommend the County Sheriff implement procedures to ensure office assets are in agreement with office liabilities on, at least, a monthly basis, an adequate listing of inmate balances is maintained, and any variances noted during the reconciliation process are resolved in a timely manner and are adequately supported.

COUNTY TREASURER

Bond Forfeitures

Bond Forfeitures, totaling \$14,569, were collected by the Cass County Court throughout fiscal year 2021; however, this balance was credited to the County General Fund, not to the School Fines and Licenses Fund. Because they were credited to the incorrect fund, the forfeitures were not subsequently remitted to the County Schools, as required by State statute.

Article VII, § 5(1), of the Nebraska Constitution states the following:

Except as provided in subsections (2) and (3) of this section, all fines, penalties, and license money arising under the general laws of the state, except fines and penalties for violation of laws prohibiting the overloading of vehicles used upon the public roads and highways of this state, shall belong and be paid over to the counties respectively where the same may be levied or imposed, and all fines, penalties, and license money arising under the rules, bylaws, or ordinances of cities, villages, precincts, or other municipal subdivision less than a county shall belong and be paid over to the same respectively. All such fines, penalties, and license money shall be appropriated exclusively to the use and support of the common schools in the respective subdivisions where the same may accrue, except that all fines and penalties for violation of laws prohibiting the overloading of vehicles used upon the public roads and highways shall be placed as follows: Seventy-five per cent in a fund for state highways and twenty-five per cent to the county general fund where the fine or penalty is paid.

Likewise, Neb. Rev. Stat. § 29-2708 (Reissue 2016), states, as is relevant, “All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, Section 5, Constitution of Nebraska”

Good internal controls and sound business practices requires procedures to ensure that bond forfeitures are credited to the School Fines and Licenses Fund for subsequent remittance to the County Schools. Those same procedures should ensure also that corrections are made for any monies that were credited to the wrong fund.

Without such procedures, there is an increased risk of not only bond forfeitures being credited to the wrong fund but also noncompliance with both the Nebraska Constitution and State statute, increasing the risk for loss or misuse of public funds.

We recommend the County Treasurer implement procedures to ensure that bond forfeitures are credited properly to the School Fines and Licenses Fund.

COUNTY OVERALL

Meeting Minute Statutory Requirements

During the audit, we noted that the following statutory items were not completed:

- The County Treasurer did not report any changes in pledged collateral to the County Board.
- The County Board did not direct the County Treasurer to issue tax sale certificates.
- The County Sheriff did not file the Distress Warrant Report with the County Board.

Neb. Rev. Stat. § 77-2318.01 (Reissue 2018) states the following:

The county treasurer may deposit in any bank, capital stock financial institution, or qualifying mutual financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the county board. Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 77-2365.01 shall apply to deposits in qualifying mutual financial institutions.

Neb. Rev. Stat. § 77-1918 (Reissue 2018) states, in relevant part, the following:

On or before October 1 of each year, the county treasurer shall make a report in writing to the county board setting out a complete list of all real property in the county on which any taxes are delinquent and which was not sold for want of bidders at the last annual tax sale held in such county. It shall be the duty of the county board, at its first meeting held after the making of such report, to carefully examine the same, and while it may direct the issuance of tax sale certificates to the county upon any real property upon which there are any delinquent taxes, it shall, as to all real property upon which taxes are delinquent for three or more years, either enter an order directing the foreclosure of the lien of such taxes as provided in section 77-1901 or enter an order for the county treasurer to issue tax sale certificates to the county covering the delinquent taxes upon such real property, to be foreclosed upon in the manner and at the time provided in sections 77-1901 to 77-1918.

Neb. Rev Stat. § 77-1719.01 (Reissue 2018) states the following:

On or before August 1 of each year, the sheriff shall report to the county board showing the total amount collected on current distress warrants and the amount remaining uncollected.

Good internal controls require procedures to ensure the following: 1) the County Treasurer reports any changes in pledged collateral to the County Board; 2) the County Board directs the County Treasurer to issue tax sale certificates as required; and 3) the County Sheriff files the Distress Warrant Report with the County Board.

Without such procedures, there is an increased risk of noncompliance with State statute.

We recommend the County implement procedures to ensure the following: 1) the County Treasurer reports any changes in pledged collateral to the County Board; 2) the County Board directs the County Treasurer to issue tax sale certificates as required; and 3) the County Sheriff files the Distress Warrant Report with the County Board.

Payments Not Approved by County Board

During our audit, we noted that the County Planning and Zoning Administrator and the County Clerk maintained bank accounts for Cell Tower Escrow funds and Keno proceeds, respectively. We noted the following issues with regards to disbursements from these accounts.

- During fiscal year 2021, several payments, totaling \$35,183, were made to the Planning and Zoning Administrator through the Cell Tower Escrow bank account; however, they were not approved by the County Board through the claims process. The recipients of these disbursements were the Center for Municipal Solutions - \$28,108 and High Maintenance & Mods, Inc. - \$7,075.
- During fiscal year 2021, one disbursement of \$33,000, was made from the Keno bank account to CASA (Court Appointed Special Advocates) in Cass County. This disbursement was not approved by the County Board through the claims process. Furthermore, the County lacks a documented review for ensuring CASA's proper use of County funds.

Both the Cell Tower Escrow bank account and the Keno bank account were turned over to the County Treasurer in fiscal year 2022.

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

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

Neb. Rev. Stat. § 23-1601(1) (Supp. 2021) states the following:

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

Good internal controls require procedures for ensuring that not only all expenditures of public funds are approved by the County Board through the claims process but also a documented review is performed to confirm that public monies are utilized properly by the recipients thereof.

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

A similar comment was included in the prior audit.

We recommend the County implement procedures to ensure: 1) all expenditures of public funds are approved by the County Board through the claims process; and 2) a documented review is performed to ensure that public monies are utilized properly by the recipients thereof.

Segregation of Duties

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

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

This was also noted in prior audits.

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

County Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

* * * * *

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

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

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.

Sincerely,



Zachary Wells, CPA, CISA
Assistant Deputy Auditor