

**AUDIT REPORT  
OF  
HOLT COUNTY**

**JULY 1, 2021, THROUGH JUNE 30, 2022**

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the Auditor of Public Accounts.**

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**Issued on November 4, 2022**

# HOLT COUNTY

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HOLT COUNTY  
204 N. 4<sup>th</sup> Street  
O'Neill, NE 68763

**LIST OF COUNTY OFFICIALS**  
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Dustin Breiner	Jan. 2025
	Donald Butterfield	Jan. 2023
	Doug Frahm	Jan. 2023
	Scott Keyes	Jan. 2025
	Darrin Paxon	Jan. 2025
	William Tielke	Jan. 2023
	Josh Treptow	Jan. 2023
Assessor	Tim Wallinger	Jan. 2023
Attorney	Brent Kelly	Jan. 2023
Clerk	Cathy Pavel	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Junior Young	Jan. 2023
Public Defender	Rod Smith	Jan. 2023
Sheriff	Ben Matchett	Jan. 2023
Treasurer	Shelly Ross	Jan. 2023
Surveyor	Steven Rasmussen	Appointed
Veterans' Service Officer	Ken Stenka	Appointed
Weed Superintendent	Bill Babutzke	Appointed
Highway Superintendent	Gary Connot	Appointed
Planning & Zoning	Mike Durre	Appointed
Emergency Manager	Deb Hilker	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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## HOLT COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Holt County, Nebraska

#### Report on the Audit of the Financial Statements

##### *Opinions*

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holt County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 the aggregate remaining fund information of Holt County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

##### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### *Emphasis of Matter – 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.

##### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that 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, pages 19-34, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 October 24, 2022, on our consideration of Holt County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Holt County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE  
Audit Manager  
Lincoln, Nebraska

October 24, 2022

HOLT COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2022

	Governmental Activities
	<hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 6,486,311
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 6,486,311</b> <hr/>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 100,548
Emergency Management	20
Law Enforcement	74,026
Preservation of Records	43,394
Debt Service	8,883
Road Maintenance	403,460
Aid and Assistance	25,107
Federal Relief	978,572
Unrestricted	4,852,301
<b>TOTAL NET POSITION</b>	<hr/> <b>\$ 6,486,311</b> <hr/>

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

HOLT COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2022

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (4,577,413)	\$ 648,255	\$ 93,967	\$ (3,835,191)
Public Safety	(1,115,375)	41,215	56,298	(1,017,862)
Public Works	(11,027,591)	88,632	5,261,159	(5,677,800)
Public Assistance	(95,950)	-	-	(95,950)
Culture and Recreation	(130,719)	-	-	(130,719)
Debt Payments	(1,173,665)	-	-	(1,173,665)
Total Governmental Activities	<u>\$ (18,120,713)</u>	<u>\$ 778,102</u>	<u>\$ 5,411,424</u>	<u>(11,931,187)</u>

General Receipts:

Taxes	10,176,116
Grants and Contributions Not Restricted to Specific Programs	1,478,885
Investment Income	15,014
Licenses and Permits	63,389
Miscellaneous	141,581
Total General Receipts	<u>11,874,985</u>
Change in Net Position	(56,202)
Net Position - Beginning of year	6,542,513
Net Position - End of year	<u>\$ 6,486,311</u>

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



HOLT COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2022

	General Fund	Road Fund	Inheritance Fund	Construction Asphalt Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 912,970	\$935,705	\$1,075,104	\$ 1,827,889	\$ 978,572	\$ 756,071	\$ 6,486,311
<b>TOTAL ASSETS</b>	<u>\$ 912,970</u>	<u>\$935,705</u>	<u>\$1,075,104</u>	<u>\$ 1,827,889</u>	<u>\$ 978,572</u>	<u>\$ 756,071</u>	<u>\$ 6,486,311</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	100,548	100,548
Emergency Management	-	-	-	-	-	20	20
Law Enforcement	-	-	-	-	-	74,026	74,026
Preservation of Records	-	-	-	-	-	43,394	43,394
Debt Service	-	-	-	-	-	8,883	8,883
Road Maintenance	-	-	-	-	-	403,460	403,460
Aid and Assistance	-	-	-	-	-	25,107	25,107
Federal Relief	-	-	-	-	978,572	-	978,572
Committed to:							
Law Enforcement	-	-	-	-	-	14,630	14,630
Road Maintenance & Equipment	-	935,705	-	1,827,889	-	86,003	2,849,597
Assigned to:							
Other Purposes	-	-	1,075,104	-	-	-	1,075,104
Unassigned	912,970	-	-	-	-	-	912,970
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 912,970</u>	<u>\$935,705</u>	<u>\$1,075,104</u>	<u>\$ 1,827,889</u>	<u>\$ 978,572</u>	<u>\$ 756,071</u>	<u>\$ 6,486,311</u>

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

HOLT COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	General Fund	Road Fund	Inheritance Fund	Construction Asphalt Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Taxes	\$8,616,486	\$ 144	\$ 533,335	\$ 164	\$ -	\$ 1,025,987	\$ 10,176,116
Licenses and Permits	62,589	800	-	-	-	-	63,389
Investment Income	13,940	-	-	-	873	201	15,014
Intergovernmental	1,452,636	4,852,012	-	-	-	585,661	6,890,309
Charges for Services	668,453	88,632	-	-	-	21,017	778,102
Miscellaneous	9,631	131,828	-	-	-	122	141,581
<b>TOTAL RECEIPTS</b>	<b>10,823,735</b>	<b>5,073,416</b>	<b>533,335</b>	<b>164</b>	<b>873</b>	<b>1,632,988</b>	<b>18,064,511</b>
<b>DISBURSEMENTS</b>							
General Government	4,577,413	-	-	-	-	-	4,577,413
Public Safety	1,061,308	-	-	-	-	54,067	1,115,375
Public Works	315,455	8,852,666	-	1,555,903	-	303,567	11,027,591
Public Assistance	89,450	-	-	-	-	6,500	95,950
Culture and Recreation	-	-	-	-	-	130,719	130,719
Debt Service:							
Principal Payments	-	-	-	-	-	1,142,080	1,142,080
Interest and Fiscal Charges	-	-	-	-	-	31,585	31,585
<b>TOTAL DISBURSEMENTS</b>	<b>6,043,626</b>	<b>8,852,666</b>	<b>-</b>	<b>1,555,903</b>	<b>-</b>	<b>1,668,518</b>	<b>18,120,713</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>4,780,109</b>	<b>(3,779,250)</b>	<b>533,335</b>	<b>(1,555,739)</b>	<b>873</b>	<b>(35,530)</b>	<b>(56,202)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	1,000,000	4,550,000	-	2,924,000	-	-	8,474,000
Transfers out	(7,474,000)	-	(1,000,000)	-	-	-	(8,474,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,474,000)</b>	<b>4,550,000</b>	<b>(1,000,000)</b>	<b>2,924,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(1,693,891)	770,750	(466,665)	1,368,261	873	(35,530)	(56,202)
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>2,606,861</b>	<b>164,955</b>	<b>1,541,769</b>	<b>459,628</b>	<b>977,699</b>	<b>791,601</b>	<b>6,542,513</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 912,970</b>	<b>\$ 935,705</b>	<b>\$ 1,075,104</b>	<b>\$ 1,827,889</b>	<b>\$ 978,572</b>	<b>\$ 756,071</b>	<b>\$ 6,486,311</b>

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

HOLT COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2022

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
ASSETS				
Cash and Cash Equivalents	\$ 1,277,084	\$ 39,976,459	\$ 40,346,563	\$ 906,980
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	307,395	3,575,945	3,576,461	306,879
State - Collected by Other Offices	17,387	229,413	220,480	26,320
Schools	352,398	26,593,154	26,627,017	318,535
Educational Service Units	4,346	445,456	446,143	3,659
Technical College	30,631	2,901,965	2,909,703	22,893
Natural Resource Districts	35,172	1,125,941	1,100,880	60,233
Fire Districts	5,000	532,590	533,457	4,133
Municipalities	37,982	2,163,892	2,157,671	44,203
Agricultural Society	642	77,781	77,742	681
Reclamation Districts	1,458	-	-	1,458
Townships	450,679	795,964	1,203,248	43,395
Airport Authorities	1,496	93,614	92,983	2,127
Others - Collected by County Treasurer	891	499,206	494,670	5,427
Others - Collected by Other Offices	31,607	941,538	906,108	67,037
TOTAL LIABILITIES	1,277,084	39,976,459	40,346,563	906,980
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

#### 1. Summary of Significant Accounting Policies

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

##### **A. Reporting Entity**

Holt County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

##### **Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$65,634 toward the operation of the Region during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

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

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

during fiscal year 2022. 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.

Boyd Holt E911 Communications Center – The County has entered into an agreement with the Boyd Holt E911 Communications Center (Center) to establish a countywide 911 service. Participating members of the Center are the city of O'Neill and the counties of Boyd and Holt. The Center's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by 911 surcharges collected by the State of Nebraska and local telephone companies, and local funding is provided on a per capita basis by the participating entities. The County contributed \$107,103 toward the operation of the Center during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Center is required to be audited in accordance with Neb. Rev. Stat. § 84- 304(4) (Supp. 2021). An audit waiver was requested for fiscal year 2021; financial information for the Center is available in that waiver.

Holt County Economic Development Agency – The County has entered into an agreement with the Holt County Economic Development Agency (Agency) to establish a countywide economic development plan. Participating members of the Agency are the cities of O'Neill and Atkinson, the villages of Stuart, Ewing, Chambers, Emmet, Inman, and Page, and the county of Holt. The Agency's governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Funding is provided by local funding as a percentage of the Agency's annual budget. The County contributed \$13,768 toward the operation of the Agency during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

#### **B. Basis of Presentation**

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

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

**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

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

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

The County reports the following major governmental funds:

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

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

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

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

**COVID American Rescue Plan Act Fund.** This fund is used to account for aid received from the American Rescue Plan Act and will be used for various relief 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.

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

The County designates fund balances as follows:

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

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

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

#### D. **Assets and Net Position**

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

## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,634,010 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 and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

#### 2. Deposits and Investments

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

At year end, the County's carrying amount of deposits was \$6,486,311 for County funds and \$906,980 for Fiduciary funds. The bank balances for all funds totaled \$7,827,096. The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.



## HOLT COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 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 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.331716/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.318512/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

The tax receipts classification also contains collections from the assessment of inheritance 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, 2022 Neb. Laws LB 700, §§ 1-3) 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.

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2022, 103 employees contributed \$176,066, and the County contributed \$262,434. Contributions included \$3,331 in cash contributions towards the supplemental law enforcement plan for nine law enforcement employees. Lastly, the County paid \$1,094 directly to 13 retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures.

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2022.

The County self-insures for employee health insurance and has contracted with Meritain Health to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions. The activity of the plan is reflected in the County's financial statements under the General Fund. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained specific stop-loss coverage to limit the County's total exposure to \$50,000 per enrolled member, per calendar year. The County has also obtained aggregate stop-loss coverage to limit the County's maximum exposure for the calendar year. For calendar year 2022, the maximum exposure for Holt County was \$975,561.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

<b>Transfers to</b>	<b>Transfers from</b>		<b>Total</b>
	<b>General Fund</b>	<b>Inheritance Fund</b>	
General Fund	\$ -	\$ 1,000,000	\$ 1,000,000
Road Fund	4,550,000	-	4,550,000
Construction Asphalt Fund	2,924,000	-	2,924,000
Total	\$ 7,474,000	\$ 1,000,000	\$ 8,474,000

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

7. **Long-Term Obligations**

**Lease-Purchase Agreements**

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

HOLT COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

	County Vehicles	County Motorgraders	Total
Balance July 1, 2021	\$ 26,553	\$ 651,360	\$ 677,913
Purchases	-	-	-
Payments	13,713	651,360	665,073
Balance June 30, 2022	<u>\$ 12,840</u>	<u>\$ -</u>	<u>\$ 12,840</u>
Future Payments:			
<b>Year</b>			
2023	\$ 13,183	\$ -	\$ 13,183
Total Payments	13,183		13,183
Less Interest	343		343
Present Value of Future Minimum Lease Payments	<u>\$ 12,840</u>	<u>\$ -</u>	<u>\$ 12,840</u>
Carrying Value of the Related Fixed Asset	<u>\$ 79,220</u>	<u>\$ 651,360</u>	<u>\$ 730,580</u>

**Bonds**

**Limited Tax County Road Bond Series 2019A.** The County issued bonds on May 30, 2019, in the amount of \$4,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to extreme flooding. The bond payable balance, as of June 30, 2022, was \$1,650,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	Principal	Interest	Total
2023	\$ 815,000	\$ 33,010	\$ 848,010
2024	835,000	17,118	852,118
Total Payments	<u>\$ 1,650,000</u>	<u>\$ 50,128</u>	<u>\$ 1,700,128</u>

**Limited Tax County Road Bond Series 2019B.** The County issued bonds on December 26, 2019, in the amount of \$1,520,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements related to extreme flooding. The bond payable balance, as of June 30, 2022, was \$645,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	Principal	Interest	Total
2023	320,000	10,160	330,160
2024	325,000	5,200	330,200
Total Payments	<u>645,000</u>	<u>15,360</u>	<u>660,360</u>

HOLT COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**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. Noxious Weed Board**

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

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 9,100,250	\$ 9,100,250	\$ 8,616,486	\$ (483,764)
Licenses and Permits	60,525	60,525	62,589	2,064
Investment Income	25,000	25,000	13,940	(11,060)
Intergovernmental	564,803	564,803	1,452,636	887,833
Charges for Services	639,915	639,915	668,453	28,538
Miscellaneous	354,537	354,537	9,631	(344,906)
<b>TOTAL RECEIPTS</b>	<b>10,745,030</b>	<b>10,745,030</b>	<b>10,823,735</b>	<b>78,705</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	149,300	149,300	146,445	2,855
County Clerk	210,150	210,150	209,527	623
County Treasurer	267,150	267,150	246,932	20,218
County Assessor	321,585	321,585	298,447	23,138
Election Commissioner	47,650	47,650	24,078	23,572
Building and Zoning	11,950	11,950	8,397	3,553
Personnel Costs	2,557,500	2,549,823	2,373,044	176,779
Clerk of the District Court	128,950	129,773	129,773	-
County Court System	20,000	20,000	8,999	11,001
District Judge	15,400	15,401	15,401	-
Public Defender	109,990	109,990	101,978	8,012
Building and Grounds	625,900	625,900	170,685	455,215
Juvenile Court	99,910	99,910	42,904	57,006
Agricultural Extension Agent	116,900	116,900	98,899	18,001
Counsel & Jury Costs	129,900	129,900	93,006	36,894
Economic Development	29,500	29,500	15,023	14,477
Miscellaneous	1,292,200	1,292,200	593,875	698,325
Public Safety				
County Sheriff	517,500	517,500	489,390	28,110
County Attorney	210,220	210,220	192,167	18,053
County Jail	319,050	319,050	289,029	30,021
Emergency Management	34,350	39,191	39,191	-
District Probation Office	57,500	57,500	51,531	5,969
Public Works				
County Surveyor	30,520	31,532	31,532	-
Noxious Weed Control	126,760	126,760	121,883	4,877
Highway Department	161,040	162,040	162,040	-

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS (Concluded)</b>				
Public Assistance				
Veterans' Service Officer	97,752	97,752	89,450	8,302
<b>TOTAL DISBURSEMENTS</b>	<u>7,688,627</u>	<u>7,688,627</u>	<u>6,043,626</u>	<u>1,645,001</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,056,403</u>	<u>3,056,403</u>	<u>4,780,109</u>	<u>1,723,706</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,000,000	2,000,000	1,000,000	(1,000,000)
Transfers out	<u>(6,835,045)</u>	<u>(6,835,045)</u>	<u>(7,474,000)</u>	<u>(638,955)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,835,045)</u>	<u>(4,835,045)</u>	<u>(6,474,000)</u>	<u>(1,638,955)</u>
Net Change in Fund Balance	(1,778,642)	(1,778,642)	(1,693,891)	84,751
<b>FUND BALANCE - BEGINNING</b>	<u>2,378,642</u>	<u>2,378,642</u>	<u>2,606,861</u>	<u>228,219</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 600,000</u></u>	<u><u>\$ 600,000</u></u>	<u><u>\$ 912,970</u></u>	<u><u>\$ 312,970</u></u>
				(Concluded)

HOLT COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 144	\$ 144
Licenses and Permits	1,000	1,000	800	(200)
Intergovernmental	5,561,504	5,561,504	4,852,012	(709,492)
Charges for Services	70,496	70,496	88,632	18,136
Miscellaneous	278,500	278,500	131,828	(146,672)
TOTAL RECEIPTS	5,911,500	5,911,500	5,073,416	(838,084)
DISBURSEMENTS	9,911,500	9,911,500	8,852,666	1,058,834
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,000,000)	(4,000,000)	(3,779,250)	220,750
OTHER FINANCING SOURCES (USES)				
Transfers in	3,835,045	3,835,045	4,550,000	714,955
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,835,045	3,835,045	4,550,000	714,955
Net Change in Fund Balance	(164,955)	(164,955)	770,750	935,705
FUND BALANCE - BEGINNING	164,955	164,955	164,955	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 935,705	\$ 935,705
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ 600,000	\$ 600,000	\$ 533,335	\$ (66,665)
TOTAL RECEIPTS	600,000	600,000	533,335	(66,665)
DISBURSEMENTS	141,769	141,769	-	141,769
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	458,231	458,231	533,335	75,104
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,000,000)	(2,000,000)	(1,000,000)	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,000,000)	(2,000,000)	(1,000,000)	1,000,000
Net Change in Fund Balance	(1,541,769)	(1,541,769)	(466,665)	1,075,104
FUND BALANCE - BEGINNING	1,541,769	1,541,769	1,541,769	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,075,104	\$ 1,075,104

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CONSTRUCTION ASPHALT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 164	\$ 164
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>164</u>	<u>164</u>
<b>DISBURSEMENTS</b>	<u>3,459,628</u>	<u>3,459,628</u>	<u>1,555,903</u>	<u>1,903,725</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(3,459,628)</u>	<u>(3,459,628)</u>	<u>(1,555,739)</u>	<u>1,903,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,000,000	3,000,000	2,924,000	(76,000)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,924,000</u>	<u>(76,000)</u>
Net Change in Fund Balance	(459,628)	(459,628)	1,368,261	1,827,889
<b>FUND BALANCE - BEGINNING</b>	<u>459,628</u>	<u>459,628</u>	<u>459,628</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,827,889</u>	<u>\$ 1,827,889</u>
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
<b>RECEIPTS</b>				
Investment Income	-	-	873	873
Intergovernmental	970,000	970,000	-	(970,000)
<b>TOTAL RECEIPTS</b>	<u>970,000</u>	<u>970,000</u>	<u>873</u>	<u>(969,127)</u>
<b>DISBURSEMENTS</b>	<u>1,947,699</u>	<u>1,947,699</u>	<u>-</u>	<u>1,947,699</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(977,699)</u>	<u>(977,699)</u>	<u>873</u>	<u>978,572</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(977,699)	(977,699)	873	978,572
<b>FUND BALANCE - BEGINNING</b>	<u>977,699</u>	<u>977,699</u>	<u>977,699</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 978,572</u>	<u>\$ 978,572</u>



HOLT COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY ROAD BRIDGE BUYBACK FUND</b>				
Receipts	\$ 354,034	\$ 354,034	\$ 353,669	\$ (365)
Disbursements	(707,392)	(707,392)	(303,567)	403,825
Net Change in Fund Balance	(353,358)	(353,358)	50,102	403,460
Fund Balance - Beginning	353,358	353,358	353,358	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,460</u>	<u>\$ 403,460</u>
<b>INTERLOCAL ROAD FUND</b>				
Receipts	\$ 28,519	\$ 28,519	\$ -	\$ (28,519)
Disbursements	(36,000)	(36,000)	-	36,000
Net Change in Fund Balance	(7,481)	(7,481)	-	7,481
Fund Balance - Beginning	7,481	7,481	7,481	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,481</u>	<u>\$ 7,481</u>
<b>EQUIPMENT RESERVE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(78,522)	(78,522)	-	78,522
Net Change in Fund Balance	(78,522)	(78,522)	-	78,522
Fund Balance - Beginning	78,522	78,522	78,522	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,522</u>	<u>\$ 78,522</u>
<b>DATA MASTER FUND</b>				
Receipts	\$ 700	\$ 700	\$ 385	\$ (315)
Disbursements	(3,248)	(3,248)	-	3,248
Net Change in Fund Balance	(2,548)	(2,548)	385	2,933
Fund Balance - Beginning	2,548	2,548	2,548	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,933</u>	<u>\$ 2,933</u>
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 60,000	\$ 60,000	\$ 70,269	\$ 10,269
Disbursements	(122,894)	(122,894)	(81,025)	41,869
Net Change in Fund Balance	(62,894)	(62,894)	(10,756)	52,138
Fund Balance - Beginning	62,894	62,894	66,029	3,135
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,273</u>	<u>\$ 55,273</u>

(Continued)

HOLT COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 60,000	\$ 60,000	\$ 70,269	\$ 10,269
Disbursements	(85,835)	(85,835)	(49,694)	36,141
Net Change in Fund Balance	(25,835)	(25,835)	20,575	46,410
Fund Balance - Beginning	25,835	25,835	24,700	(1,135)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,275</u>	<u>\$ 45,275</u>

<b>REGISTER OF DEEDS PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 10,000	\$ 10,000	\$ 11,125	\$ 1,125
Disbursements	(42,269)	(42,269)	-	42,269
Net Change in Fund Balance	(32,269)	(32,269)	11,125	43,394
Fund Balance - Beginning	32,269	32,269	32,269	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,394</u>	<u>\$ 43,394</u>

<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 202	\$ 202
Disbursements	(31,405)	(31,405)	(6,500)	24,905
Net Change in Fund Balance	(31,405)	(31,405)	(6,298)	25,107
Fund Balance - Beginning	31,405	31,405	31,405	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,107</u>	<u>\$ 25,107</u>

<b>STOP PROGRAM FUND</b>				
Receipts	\$ 500	\$ 500	\$ 1,850	\$ 1,350
Disbursements	(3,850)	(3,850)	(2,000)	1,850
Net Change in Fund Balance	(3,350)	(3,350)	(150)	3,200
Fund Balance - Beginning	3,350	3,350	3,350	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,200</u>	<u>\$ 3,200</u>

<b>LAW ENFORCEMENT GRANTS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(22,909)	(22,909)	-	22,909
Net Change in Fund Balance	(22,909)	(22,909)	-	22,909
Fund Balance - Beginning	22,909	22,909	22,909	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,909</u>	<u>\$ 22,909</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MISCELLANEOUS GRANTS (NEMA) FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20)	(20)	-	20
Net Change in Fund Balance	(20)	(20)	-	20
Fund Balance - Beginning	20	20	20	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
<b>JUVENILE JUSTICE GRANT HHS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(5,743)	(5,743)	-	5,743
Net Change in Fund Balance	(5,743)	(5,743)	-	5,743
Fund Balance - Beginning	5,743	5,743	5,743	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,743</u>	<u>\$ 5,743</u>
<b>FEDERAL FORFEITURE FUND</b>				
Receipts	\$ 86,140	\$ 86,140	\$ -	\$ (86,140)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	(13,860)	(13,860)	-	13,860
Fund Balance - Beginning	13,860	13,860	13,860	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,860</u>	<u>\$ 13,860</u>
<b>LAW ENFORCEMENT CONTRACT FUND</b>				
Receipts	\$ 33,426	\$ 33,426	\$ 33,597	\$ 171
Disbursements	(80,000)	(80,000)	(48,657)	31,343
Net Change in Fund Balance	(46,574)	(46,574)	(15,060)	31,514
Fund Balance - Beginning	46,574	46,574	46,574	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,514</u>	<u>\$ 31,514</u>
<b>JAIL COMMISSARY FUND</b>				
Receipts	\$ 10,750	\$ 10,750	\$ 7,657	\$ (3,093)
Disbursements	(15,000)	(15,000)	(3,410)	11,590
Net Change in Fund Balance	(4,250)	(4,250)	4,247	8,497
Fund Balance - Beginning	4,250	4,250	4,250	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,497</u>	<u>\$ 8,497</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER DEBT SERVICE FUND</b>				
Receipts	\$ 1,085,087	\$ 1,085,087	\$ 1,083,965	\$ (1,122)
Disbursements	(1,183,670)	(1,183,670)	(1,173,665)	10,005
Net Change in Fund Balance	(98,583)	(98,583)	(89,700)	8,883
Fund Balance - Beginning	98,583	98,583	98,583	-
Fund Balance - Ending	\$ -	\$ -	\$ 8,883	\$ 8,883

(Concluded)

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

For the Year Ended June 30, 2022

	Highway Road Bridge Buyback Fund	Interlocal Road Fund	Equipment Reserve Fund	Data Master Fund	Visitors Promotion Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 70,269
Investment Income	-	-	-	-	-
Intergovernmental	353,669	-	-	-	-
Charges for Services	-	-	-	385	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>353,669</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>70,269</u>
<b>DISBURSEMENTS</b>					
Public Safety	-	-	-	-	-
Public Works	303,567	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	81,025
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>303,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,025</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>50,102</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>(10,756)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	50,102	-	-	385	(10,756)
<b>FUND BALANCES - BEGINNING</b>	<u>353,358</u>	<u>7,481</u>	<u>78,522</u>	<u>2,548</u>	<u>66,029</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 403,460</u>	<u>\$ 7,481</u>	<u>\$ 78,522</u>	<u>\$ 2,933</u>	<u>\$ 55,273</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	55,273
Emergency Management	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road Maintenance	403,460	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	2,933	-
Road Maintenance & Equipment	-	7,481	78,522	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 403,460</u>	<u>\$ 7,481</u>	<u>\$ 78,522</u>	<u>\$ 2,933</u>	<u>\$ 55,273</u>

(Continued)

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

For the Year Ended June 30, 2022

	Visitors Improvement Fund	Register of Deeds Preservation and Modernization Fund	Veterans' Aid Fund	Stop Program Fund
<b>RECEIPTS</b>				
Taxes	\$ 70,269	\$ -	\$ 1	\$ -
Investment Income	-	-	201	-
Intergovernmental	-	-	-	-
Charges for Services	-	11,125	-	1,850
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>70,269</u>	<u>11,125</u>	<u>202</u>	<u>1,850</u>
<b>DISBURSEMENTS</b>				
Public Safety	-	-	-	2,000
Public Works	-	-	-	-
Public Assistance	-	-	6,500	-
Culture and Recreation	49,694	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>49,694</u>	<u>-</u>	<u>6,500</u>	<u>2,000</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>20,575</u>	<u>11,125</u>	<u>(6,298)</u>	<u>(150)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	20,575	11,125	(6,298)	(150)
<b>FUND BALANCES - BEGINNING</b>	<u>24,700</u>	<u>32,269</u>	<u>31,405</u>	<u>3,350</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 45,275</u>	<u>\$ 43,394</u>	<u>\$ 25,107</u>	<u>\$ 3,200</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	45,275	-	-	-
Emergency Management	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	43,394	-	-
Debt Service	-	-	-	-
Road Maintenance	-	-	-	-
Aid and Assistance	-	-	25,107	-
Committed to:				
Law Enforcement	-	-	-	3,200
Road Maintenance & Equipment	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 45,275</u>	<u>\$ 43,394</u>	<u>\$ 25,107</u>	<u>\$ 3,200</u>

(Continued)

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

For the Year Ended June 30, 2022

	Law Enforcement Grants Fund	Miscellaneous Grants (NEMA) Fund	Juvenile Justice Grant HHS Fund	Federal Forfeiture Fund
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>22,909</u>	<u>20</u>	<u>5,743</u>	<u>13,860</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 22,909</u>	<u>\$ 20</u>	<u>\$ 5,743</u>	<u>\$ 13,860</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	-
Emergency Management	-	20	-	-
Law Enforcement	22,909	-	5,743	13,860
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Road Maintenance	-	-	-	-
Aid and Assistance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance & Equipment	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 22,909</u>	<u>\$ 20</u>	<u>\$ 5,743</u>	<u>\$ 13,860</u>

(Continued)

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

For the Year Ended June 30, 2022

	Law Enforcement Contract Fund	Jail Commissary Fund	Other Debt Service Fund	Total Nonmajor Funds
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 885,448	\$ 1,025,987
Investment Income	-	-	-	201
Intergovernmental	33,475	-	198,517	585,661
Charges for Services	-	7,657	-	21,017
Miscellaneous	122	-	-	122
<b>TOTAL RECEIPTS</b>	<u>33,597</u>	<u>7,657</u>	<u>1,083,965</u>	<u>1,632,988</u>
<b>DISBURSEMENTS</b>				
Public Safety	48,657	3,410	-	54,067
Public Works	-	-	-	303,567
Public Assistance	-	-	-	6,500
Culture and Recreation	-	-	-	130,719
Debt Service:				
Principal Payments	-	-	1,142,080	1,142,080
Interest and Fiscal Charges	-	-	31,585	31,585
<b>TOTAL DISBURSEMENTS</b>	<u>48,657</u>	<u>3,410</u>	<u>1,173,665</u>	<u>1,668,518</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(15,060)</u>	<u>4,247</u>	<u>(89,700)</u>	<u>(35,530)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(15,060)	4,247	(89,700)	(35,530)
<b>FUND BALANCES - BEGINNING</b>	<u>46,574</u>	<u>4,250</u>	<u>98,583</u>	<u>791,601</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 31,514</u>	<u>\$ 8,497</u>	<u>\$ 8,883</u>	<u>\$ 756,071</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	100,548
Emergency Management	-	-	-	20
Law Enforcement	31,514	-	-	74,026
Preservation of Records	-	-	-	43,394
Debt Service	-	-	8,883	8,883
Road Maintenance	-	-	-	403,460
Aid and Assistance	-	-	-	25,107
Committed to:				
Law Enforcement	-	8,497	-	14,630
Road Maintenance & Equipment	-	-	-	86,003
<b>TOTAL FUND BALANCES</b>	<u>\$ 31,514</u>	<u>\$ 8,497</u>	<u>\$ 8,883</u>	<u>\$ 756,071</u>

(Concluded)



HOLT COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2022

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2021	\$ 824	\$ 28,339	\$ 34,561	\$ 9,062	\$ 2,080	\$ 125
RECEIPTS						
Taxes	-	-	-	24,485	-	-
Licenses and Permits	1,150	-	-	1,360	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,290	137,847	22,291	30,667	-	6
Miscellaneous	107	-	155	588	1,749	37
State Fees	1,542	212,448	12,124	-	-	-
Other Liabilities	-	-	898,607	41,155	1,776	-
TOTAL RECEIPTS	4,089	350,295	933,177	98,255	3,525	43
DISBURSEMENTS						
Payments to County Treasurer	2,579	135,431	23,127	60,713	483	6
Payments to State Treasurer	1,717	202,724	12,740	-	-	-
Petty Cash & Other Payments	8	-	155	432	1,834	37
Other Liabilities	-	-	867,784	36,079	2,245	-
TOTAL DISBURSEMENTS	4,304	338,155	903,806	97,224	4,562	43
BALANCES JUNE 30, 2022	\$ 609	\$ 40,479	\$ 63,932	\$ 10,093	\$ 1,043	\$ 125
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 189	\$ 14,978	\$ 1,950	\$ 2,314	\$ 43	\$ -
Petty Cash	350	-	225	1,750	1,000	125
Due to State Treasurer	70	25,501	749	-	-	-
Due to Others	-	-	61,008	6,029	-	-
BALANCES JUNE 30, 2022	\$ 609	\$ 40,479	\$ 63,932	\$ 10,093	\$ 1,043	\$ 125

(Continued)

**HOLT COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2022

	Highway Superintendent	Veterans' Service Officer	County Treasurer	County Assessor	North Central Problem- Solving Court	Total
BALANCES JULY 1, 2021	\$ -	\$ 1,179	\$ 200	\$ 150	\$ 40,717	\$ 117,237
RECEIPTS						
Taxes	-	-	-	-	-	24,485
Licenses and Permits	-	-	-	-	-	2,510
Intergovernmental	-	7,255	389	40	-	7,684
Charges for Services	71,684	-	-	19	9,980	273,784
Miscellaneous	125,739	51	-	-	-	128,426
State Fees	3,299	-	-	-	-	229,413
Other Liabilities	-	-	-	-	-	941,538
TOTAL RECEIPTS	200,722	7,306	389	59	9,980	1,607,840
DISBURSEMENTS						
Payments to County Treasurer	197,423	-	-	19	-	419,781
Payments to State Treasurer	3,299	-	-	-	-	220,480
Petty Cash & Other Payments	-	6,582	389	40	4,323	13,800
Other Liabilities	-	-	-	-	-	906,108
TOTAL DISBURSEMENTS	200,722	6,582	389	59	4,323	1,560,169
BALANCES JUNE 30, 2022	\$ -	\$ 1,903	\$ 200	\$ 150	\$ 46,374	\$ 164,908
BALANCES CONSIST OF:						
Due to County Treasurer	\$ -	\$ 1,903	\$ -	\$ -	\$ 46,374	\$ 67,751
Petty Cash	-	-	200	150	-	3,800
Due to State Treasurer	-	-	-	-	-	26,320
Due to Others	-	-	-	-	-	67,037
BALANCES JUNE 30, 2022	\$ -	\$ 1,903	\$ 200	\$ 150	\$ 46,374	\$ 164,908

(Concluded)

HOLT COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2022

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 34,060,388	\$ 35,667,593	\$ 35,517,914	\$ 35,665,651	\$ 34,661,714
Personal and Specials	1,820,860	1,807,498	1,815,088	2,051,498	2,014,813
Total	<u>35,881,248</u>	<u>37,475,091</u>	<u>37,333,002</u>	<u>37,717,149</u>	<u>36,676,527</u>
Corrections					
Additions	6,677	10,896	24,105	20,375	324,039
Deductions	(19,657)	(31,937)	(21,259)	(9,136)	(324,793)
Net Additions/ (Deductions)	<u>(12,980)</u>	<u>(21,041)</u>	<u>2,846</u>	<u>11,239</u>	<u>(754)</u>
Corrected Certified Tax	<u>35,868,268</u>	<u>37,454,050</u>	<u>37,335,848</u>	<u>37,728,388</u>	<u>36,675,773</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	22,879,753	-	-	-	-
June 30, 2019	12,957,087	23,521,409	-	-	-
June 30, 2020	17,916	13,892,741	23,431,934	-	-
June 30, 2021	7,814	31,018	13,885,182	24,265,061	-
June 30, 2022	1,785	3,701	11,481	13,449,651	23,940,267
Total Net Collections	<u>35,864,355</u>	<u>37,448,869</u>	<u>37,328,597</u>	<u>37,714,712</u>	<u>23,940,267</u>
Total Uncollected Tax	<u>\$ 3,913</u>	<u>\$ 5,181</u>	<u>\$ 7,251</u>	<u>\$ 13,676</u>	<u>\$ 12,735,506</u>
Percentage Uncollected Tax	<u>0.01%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.04%</u>	<u>34.72%</u>

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

HOLT COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	089-99089-00 *	1,036,295
Total U.S. Department of Homeland Security			<u>1,036,295</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
		51293 Y3	
Child Support Enforcement	93.563	51421 Y3	75,073
Total U.S. Department of Health and Human Services			<u>75,073</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,111,368</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

## HOLT COUNTY

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Holt County (County) under programs of the Federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Holt County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Holt County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except 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 \$1,036,295 for this program, of which \$186,051 was incurred and paid prior to the fiscal year ended June 30, 2022.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

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HOLT COUNTY

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

Board of Supervisors  
Holt County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holt County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 24, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the 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 a 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 first paragraph of this section 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.*

### **Report on Compliance and Other Matters**

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

### **Additional Items**

We also noted certain matters that we reported to the management of Holt County in a separate letter dated October 24, 2022.

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

*Government Auditing Standards* require the auditor to perform limited procedures on the County's response to the finding identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 results 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.



Dakota Christensen, CPA, CFE  
Audit Manager  
Lincoln, Nebraska

October 24, 2022



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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### HOLT 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 Supervisors  
Holt County, Nebraska

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Holt County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Holt County's major Federal programs for the year ended June 30, 2022. Holt County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Holt County complied, in all material respects, with the 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, 2022

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Holt County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Holt County's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Holt County's Federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Holt County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Holt County's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Holt County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Holt County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Holt County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of 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.

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

October 24, 2022

Dakota Christensen, CPA, CFE  
Audit Manager  
Lincoln, Nebraska

HOLT COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

**Financial Statements**

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

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ None Reported

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☐ Yes ☒ None Reported

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

**Unmodified**

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

☐ Yes ☒ No

Major programs: **Disaster Grants - Public Assistance (Presidentially Declared Disasters): AL #97.036**

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

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

HOLT COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(Concluded)

**Section II – Financial Statement Findings**

**Finding # 2022-001**

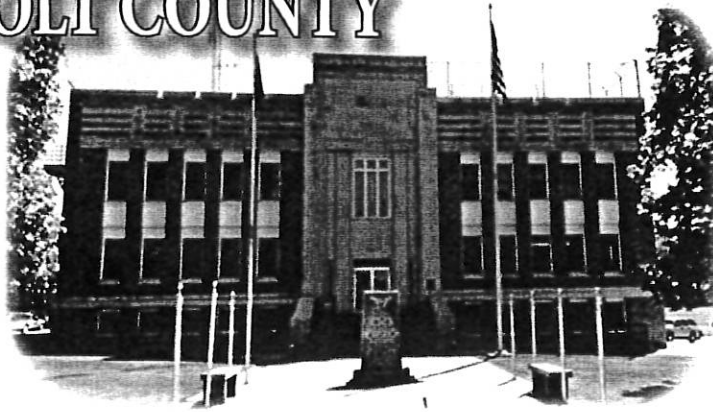
<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated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

**Section III – Federal Award Findings and Questioned Costs**

**None Noted**

# HOLT COUNTY

OFFICE OF THE  
**COUNTY CLERK**  
**CATHY PAVEL**



Phone: 402-336-1762

P.O. Box 329

204 N. 4th Street

[holtclerk.cathy@holtcountyne.gov](mailto:holtclerk.cathy@holtcountyne.gov)

**O'Neill, Nebraska 68763**

## **SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Year Ended June 30, 2022

### **Finding 2021-1 (Since 2019) Segregation of Duties**

**Status:** On-going

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

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William J. Tielke, County Board Chairperson

# HOLT COUNTY

OFFICE OF THE  
COUNTY CLERK  
CATHY PAVEL



O'Neill, Nebraska 68763

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P.O. Box 329  
204 N. 4th Street

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## CORRECTIVE ACTION PLAN

Year Ended June 30, 2022

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

### Finding 2022-1 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: County Board William J. Tielke, Board Chairperson

---

William J. Tielke, County Board Chairperson



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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October 24, 2022

Board of Supervisors  
Holt County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Holt County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated October 24, 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

#### County Self-Insurance Health Account

During fiscal year 2022, Holt County self-insured for employee health insurance and contracted with Meritain Health to administer the County's self-insured plan. For the self-insured plan, a bank account is maintained to account for the County's self-insurance funds. We noted the following regarding this account:

- As of June 30, 2022, the bank account had a book balance of \$266,882, and total receipts and disbursements for this account for fiscal year 2022 were \$1,016,187 and \$977,524, respectively.

However, this account is held outside the County Treasurer and is not included in the County's financials. The County was unable to provide documentation to support that the County Board approved this account to be maintained outside the County Treasurer.

- Meritain Health is the current holder of these funds and had direct access to the bank account to make deposits and to withdraw money without prior approval of the County Board.

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

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

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

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

Neb. Rev. Stat. § 23-106 (Reissue 2012) states the following regarding management of County funds and authorized petty cash funds:

*(1) The county board shall manage the county funds and county business except as otherwise specifically provided.*

*(2) The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

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

Unless the County Board designates the self-insurance bank account as a “petty cash fund” under § 23-106(2), there is no authority for allowing it to be maintained outside the County Treasurer. If the bank account is to be treated as a “petty cash fund” under § 23-106(2), moreover, the County Board budget message should reflect the authorized petty cash amount to ensure compliance with State statute.

Good internal controls and sound accounting practices require procedures to ensure that County funds remain in the custody and care of the County Treasurer – unless the County Board authorizes those monies to be placed in petty cash fund – and accounted for accordingly in the County’s financial records. Furthermore, for any authorized petty cash fund, those same administrative procedures should ensure also that periodic reconciliation and balancing methods are used to verify that such fund is maintained at the authorized amount, and the County Board reimburses the account for actual expenses.

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

A similar finding was included in prior year’s report.

We recommend the County Board implement procedures to ensure County funds remain in the custody and care of the County Treasurer – unless the County Board authorizes those monies to be placed in a petty cash fund – and accounted for accordingly in the County’s financial records. If the County Board approves such a petty cash fund, we recommend the County implement procedures to ensure the following: (1) the fund is maintained at the authorized amount; (2) a periodic reconciliation to the authorized petty cash amount is performed; (3) the County Board reimburses the account for actual expenses; and (5) the County Board budget message reflects all authorized petty cash balances.

*County Clerk Response: [A]t the last meeting the Board did approve a petty cash outside of the Treasurer.*

### **Lack of Supporting Documentation**

During testing, we noted that four claims had no supporting documentation, or the County lacked procedures to ensure grant funds were spent appropriately. Further details about these claims are provided below.



Claim #	Claim Date	Payee	Amount	Description
21090468	10/29/2021	U.S. Bank	\$ 103	Postage, stamps, office supplies
21110492	12/16/2021	O'Neill Summerfest Entertainment	\$ 20,000	Outdoor concert
22040203	4/18/2022	Ewing Young Member's Club	\$ 10,000	Ewing Summer Funfest
<b>Total</b>			<b>\$ 30,103</b>	

Claims #21110492 and #22040203 were paid from the County's Visitor's Promotion and Improvement funds for various grants; however, the County lacked follow-up procedures for ensuring that the funds were spent appropriately.

Additionally, claim #21090468 included \$10 of late fees.

Good internal controls require adequate supporting documentation to be maintained for all claims paid by the County. Furthermore, good internal controls and sound business practice require procedures to ensure that all County grant awards are supported by documentation showing how those funds were spent, and late fees are avoided.

A similar finding was included in the prior year's audit report.

We recommend the Board implement policies and procedures to ensure the following: 1) that adequate supporting documentation is kept for all claims paid by the County; 2) grant awards are supported by documentation that shows whether those funds were spent appropriately; and 3) late fees are avoided.

### **Untimely Claim Filing**

During testing of claims, we noted that one claim, for \$1,221, was submitted to the County Clerk for mileage reimbursement on June 15, 2021, and approved by the County Board on July 16, 2021. However, this claim included trips for mileage that occurred from October 1, 2020, to May 31, 2021. It was noted that 26 trips, for a total of \$1,001, were incurred at least 90 days prior to the date when the claim was submitted to the County Clerk.

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

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

Good internal controls and sound business practices require procedure to ensure that claims against the County are submitted in a timely manner.

When such procedures do not exist, there is not only an increased risk of loss, misuse, or theft but also an increased risk of noncompliance with State statute.

We recommend the County Board implement procedures to ensure claims against the County are submitted in a timely manner.

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

### **Trust Balance**

During testing of the case balances held by the District Court, we noted that a \$4,500 bond held for one case was forfeited on March 14, 2022. However, as of September 12, 2022, the balance was still being held by the District Court.

Good internal control and sound business practices require procedures to ensure that trust balances are reviewed on a regular basis, and those ordered forfeit are resolved in a timely manner.

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

We recommend the District Court implement procedures to ensure that trust balances are reviewed on a regular basis, and those ordered forfeit are resolved in a timely manner.

### **Petty Cash Procedures**

During our audit, we noted the following issues related to the District Court's petty cash procedures:

- A log of expenses and reimbursements was not maintained for the entire fiscal year 2022. During fiscal year 2022, the District Court was reimbursed \$191 for petty cash expenses from the County Board.
- The cash held, totaling \$225, was not recorded in JUSTICE, the District Court's accounting system; therefore, the records do not reflect accurately that balance.
- One petty cash claim included \$35 for six postage receipts that were not submitted for reimbursement within 90 days. These expenses were incurred 91 to 114 days prior to the claim date.

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

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

Good internal controls and sound accounting practices require procedures to ensure that petty cash account activity logs are maintained, and all expenses and reimbursements are submitted in a timely manner with adequate documentation. Additionally, those same procedures should require all balances held by the office to be recorded accurately in the financial records.

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

A similar finding was included in the prior year's audit report.

We recommend the District Court implement procedures to ensure: 1) petty cash account activity logs are maintained, and all expenses and reimbursements are adequately documented; 2) petty cash reimbursements are submitted in a timely manner; and 3) all balances held by the office are recorded accurately in the financial records.

### **Lack of Pledged Collateral**

During the period of June 7, 2022, through July 11, 2022, the District Court's bank account exceeded the Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. The District Court failed to obtain pledged collateral to ensure deposits in excess of FDIC coverage were adequately protected. The District Court's bank account had a balance of \$482,828 as of June 30, 2022, and a maximum balance of \$491,516 on July 7, 2022.

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

*If a bank, capital stock financial institution, or qualifying mutual financial institution designated as a depository provides a deposit guaranty bond or furnishes securities or any combination thereof, pursuant to section 77-2389, the 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, 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.*

Good internal control and sound business practices requires procedures to ensure that all deposits held in the District Court's bank account are adequately protected by FDIC coverage or pledged collateral if FDIC coverage is exceeded.

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

We recommend the District Court implement procedures to ensure all bank deposits are adequately protected by FDIC coverage or pledged collateral.

## **COUNTY SHERIFF**

### **Accounting Procedures**

During the audit, we noted the following issues with the County Sheriff's accounting procedures at June 30, 2022:

- An accurate book balance was not maintained for the Bond Account. The reconciled balance was \$1,850 at June 30, 2022; however, per the check register, the County Sheriff's book balance was \$1,500 at June 30, 2022. The check register included a \$350 disbursement to the County Treasurer that was recorded in March 2022 but never issued.
- The County Sheriff remitted fees of \$2,739 on June 23, 2022, and the checks were issued out of the fee account; however, monies for the remittance were held in the miscellaneous account and were not transferred to the fee account until July 2022. This resulted in the fee bank account having a negative bank balance from July 5, 2022, through July 8, 2022, with the largest negative balance of \$199. We also noted an unknown short of \$2 in the County Sheriff's fee account as of June 30, 2022.
- An accurate book balance and bank reconciliation was not maintained for the miscellaneous account. The June 30, 2022, bank reconciliation for the fee account included in-transit transfers in of \$1,206 from the miscellaneous account. The miscellaneous account bank reconciliation for the same period did not include any in-transit transfers out of the account, which resulted in a \$1,206 overstatement of the book balance.
- The County Sheriff paid \$15 to the Holt County Treasurer for title change costs out of the miscellaneous account; however, the office did not seek reimbursement for the expense from the County, resulting in the miscellaneous account being short by \$15. Furthermore, the miscellaneous account held an unknown long of \$38 as of June 30, 2022. The County Sheriff believed this to be receipts for distress warrants but could not support this claim. As a result, the net long for the miscellaneous account was \$23.
- As of June 30, 2022, the County Sheriff's petty cash log indicated a petty cash balance of \$228, with \$30 of outstanding cash items that had not been claimed; thus, the total petty cash held was \$258, or \$8 more than the authorized \$250.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

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

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

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

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

Good internal controls and sound accounting practices require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Those same procedures should also ensure 1) all funds owed to the County are remitted to the Treasurer in a timely manner; 2) cash items are claimed in a timely manner; and 3) petty cash is maintained at the authorized amount and reflected in the budget message.

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

A similar finding was included in the prior year's audit report.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular asset-to-liability reconciliations. We further recommend the County Sheriff implement procedures to ensure the following: 1) all funds owed to the County are remitted to the Treasurer in a timely manner; 2) cash items are claimed in a timely manner; and 3) petty cash is maintained at the authorized amount and reflected in the budget message.

*County Sheriff Response: The \$350 disbursement should have been voided in March 2022. It was reissued after June 30, 2022. The County Sheriff's Office notified the bank that the bank had deposited funds incorrectly during June 2022, resulting in a negative balance, and a correction was made by the bank in July 2022. A claim of \$2 has been made for the unknown short in the fee account. The miscellaneous account overstatement has been resolved. A claim has been made for the \$15 to reimburse the miscellaneous account. The net long in the miscellaneous account has been remitted to the County. The \$8.00 long in the petty cash has been remitted to the County.*

## **COUNTY ATTORNEY**

### **Petty Cash Procedures**

During the audit, we noted the following issues with the County Attorney's accounting procedures at June 30, 2022:

- Accurate monthly bank reconciliations were not performed for the petty cash account, including maintaining an accurate book balance and list of outstanding checks. This resulted in \$536 of petty cash reimbursement being erroneously deposited into the County Attorney's personal business trust account in May 2022. The County Attorney was unaware of this error until we inquired about the petty cash reimbursement during fieldwork. At the end of fieldwork, the County Attorney was informed by the bank that the funds were incorrectly deposited into the wrong account and a correction was being made.
- During the fiscal year, other non-petty cash revenues were deposited into the petty cash account; however, as no asset-to-liability reconciliation was being performed, a long of \$43 was noted in the account.
- One postage expense for \$306 was submitted as a petty cash reimbursement 111 days after the expense was incurred.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

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

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

Additionally, good internal control and sound accounting practices require procedures to ensure that periodic reconciliation and balancing methods are used to ensure that petty cash is maintained at the authorized amount, other revenues are remitted to the County Treasurer in a timely manner, and county funds, such as petty cash reimbursements, are deposited into the correct bank accounts.

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

A similar finding was included in the prior year's audit report.

We recommend the County Attorney implement procedures to ensure periodic reconciliation and balancing methods are used to ensure that petty cash is maintained at the authorized amount, other revenues are remitted to the County Treasurer in a timely manner, and county funds, such as petty cash reimbursements, are deposited into the correct bank accounts.

### **NORTH CENTRAL PROBLEM-SOLVING COURT**

#### **Accounting Procedures**

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

Per a May 16, 2018, interlocal agreement with the Court Administrator's Office, the County has agreed to "provide assistance in the collection and disbursement of participant fees for approved operating program expenses such as testing, program materials, and the like, and provide accounting services in respect thereto." In addition, the agreement states, "The cost of training and travel shall lie with the [Court Administrator's] Office."

#### **Accounting Procedures**

As noted above, the County had taken responsibility for the "collection and disbursement" of NCPSC participant fees. In doing so, however, the County has failed to follow the same statutory safeguards that ensure the proper receipt, holding, and disbursement of its own public monies. In fact, most payments out of this account were made through direct debit card transactions, without the specific oversight and approval of any County official. Additionally, all funds received by NCPSC are receipted by the district courts located in each county and then remitted to the NCPSC; however, there is no central system or database to track receipts. Therefore, we were unable to verify the funds deposited into the bank account, totaling \$9,980, during fiscal year 2022 were accurate. Lastly, NCPSC could not provide any policies or other documentation to support the appropriate use of the funds from this account. During the fiscal year, NCPSC paid \$4,322 out of this bank account. As of June 30, 2022, the bank balance for this account was \$46,374.

Among the statutes applicable to the County's own funds is Neb. Rev. Stat. § 23-1601(1) (Supp. 2021), which 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.*

Likewise, 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.*

Additionally, good internal controls and sound business practices require procedures to ensure the following: 1) written policies are created to govern the use of all NCPSC funds held by the County; 2) any funds held under the County's FTIN, including those in the NCPSC account, are included in the accounting systems used to prepare financial statements, and disbursements of such funds are recorded in the County Treasurer's financials and subject to the County's claim and warrant process; 3) adequate records are maintained to support the balance, receipt, and disbursement of NCPSC funds, and such records are reconciled to the bank balances and activity; and 4) adequate supporting documentation is maintained for all expenditures of funds from a County bank account.

Without such procedures, there is an increased risk for the loss, theft, or misuse of funds entrusted to the custody and care of the County.

A similar finding was included in the prior year's audit report.

We recommend the County work with the Court Administrator's Office to develop written policies and procedures for the proper handling of NCPSC funds. We also recommend the implementation of procedures to ensure the following:

- All funds held under the County's FTIN, including those in the NCPSC account, are included in the accounting systems used to prepare financial statements, and disbursements of such funds are recorded in the County Treasurer's financials and subject to the County's claim and warrant process; and
- Adequate records are maintained to support the balance, receipts, and disbursements of all funds held by the County, including those held in the NCPSC account, and such records are reconciled to the bank balances and activity.

## **COUNTY OVERALL**

### **Segregation of Duties**

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

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.

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,

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE  
Audit Manager