

**AUDIT REPORT  
OF  
NEMAHA COUNTY**

**JULY 1, 2020, THROUGH JUNE 30, 2021**

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the Auditor of Public Accounts.**

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**Issued on May 17, 2022**

NEMAHA COUNTY

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NEMAHA COUNTY  
1824 N Street  
Auburn, NE 68305

**LIST OF COUNTY OFFICIALS**  
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Mike Hall Larry Holtzman Bryan Mellage	Jan. 2023 Jan. 2023 Jan. 2025
Assessor	Mallory Lempka	Jan. 2023
Attorney	Louie Ligouri	Jan. 2023
Clerk Election Commissioner Register of Deeds	Diane Johnson	Jan. 2023
Clerk of the District Court	Amy Hector	Jan. 2023
Sheriff	Brent Lottman	Jan. 2023
Treasurer	Jana Gerdes	Jan. 2023
Surveyor	Tom Catlett	Appointed
Veterans' Service Officer	Jim Reed	Appointed
Highway Superintendent	Mark Mainelli	Appointed
Emergency Manager	Renee Crister	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NEMAHA COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Nemaha County, Nebraska

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Summary of Opinions

<b>Opinion Unit</b>	<b>Type of Opinion</b>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

### **Basis for Adverse Opinion on the Discretely Presented Component Unit**

The financial statements do not include financial data for the County’s legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Nemaha County, as of June 30, 2021, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Nemaha County, as of June 30, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

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

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

### **Report on Supplementary Information**

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

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 20-34, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of Nemaha County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Nemaha County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

April 22, 2022

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 4,544,111
Investments (Note 1.D)	677,115
<b>TOTAL ASSETS</b>	<b>\$ 5,221,226</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 33,412
911 Emergency Services	256,246
Law Enforcement	1,223
Preservation of Records	1,895
Coronavirus Relief & Assistance	677,115
Road & Bridge Projects	655,745
Unrestricted	3,595,590
<b>TOTAL NET POSITION</b>	<b>\$ 5,221,226</b>

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

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

<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	\$ (1,897,407)	\$ 356,297	\$ 736,849	\$ (804,261)
Public Safety	(2,122,921)	439,611	436,205	(1,247,105)
Public Works	(3,219,857)	3,186	2,040,759	(1,175,912)
Public Assistance	(21,774)	-	-	(21,774)
Culture and Recreation	(7,279)	-	-	(7,279)
Capital Outlay	(23,084)	-	-	(23,084)
<b>Total Governmental Activities</b>	<b>\$ (7,292,322)</b>	<b>\$ 799,094</b>	<b>\$ 3,213,813</b>	<b>(3,279,415)</b>

General Receipts:

Taxes	4,277,158
Grants and Contributions Not Restricted to Specific Programs	464,772
Investment Income	9,230
Licenses and Permits	33,550
Miscellaneous	103,740
<b>Total General Receipts</b>	<b>4,888,450</b>
Increase in Net Position	1,609,035
Net Position - Beginning of year	3,612,191
<b>Net Position - End of year</b>	<b>\$ 5,221,226</b>

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

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

	General Fund	Road Fund	Inheritance Fund	Highway Bridge Buyback Program Fund	Road Bridge Improvement Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents (Note 1.D)	\$ 948,892	\$ 321,050	\$ 856,796	\$ 655,745	\$ 686,494	\$ -	\$ 1,075,134	\$ 4,544,111
Investments (Note 1.D)	-	-	-	-	-	677,115	-	677,115
<b>TOTAL ASSETS</b>	<b>\$ 948,892</b>	<b>\$ 321,050</b>	<b>\$ 856,796</b>	<b>\$ 655,745</b>	<b>\$ 686,494</b>	<b>\$ 677,115</b>	<b>\$ 1,075,134</b>	<b>\$ 5,221,226</b>
<b>FUND BALANCES</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	33,412	33,412
911 Emergency Services	-	-	-	-	-	-	256,246	256,246
Law Enforcement	-	-	-	-	-	-	1,223	1,223
Preservation of Records	-	-	-	-	-	-	1,895	1,895
Coronavirus Relief & Assistance	-	-	-	-	-	677,115	-	677,115
Road & Bridge Projects	-	-	-	655,745	-	-	-	655,745
Committed to:								
Law Enforcement	-	-	-	-	-	-	17,705	17,705
Road & Bridge Maintenance	-	321,050	-	-	686,494	-	-	1,007,544
County Buildings	-	-	-	-	-	-	50,000	50,000
Future Compensation Benefits	-	-	-	-	-	-	20,000	20,000
Disaster Recovery	-	-	-	-	-	-	210,991	210,991
911 Emergency Services	-	-	-	-	-	-	4,962	4,962
Other Projects	-	-	-	-	-	-	410,128	410,128
Road Equipment	-	-	-	-	-	-	68,572	68,572
Assigned to:								
Other Purposes	-	-	856,796	-	-	-	-	856,796
Unassigned	948,892	-	-	-	-	-	-	948,892
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 948,892</b>	<b>\$ 321,050</b>	<b>\$ 856,796</b>	<b>\$ 655,745</b>	<b>\$ 686,494</b>	<b>\$ 677,115</b>	<b>\$ 1,075,134</b>	<b>\$ 5,221,226</b>

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

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

	General Fund	Road Fund	Inheritance Fund	Highway Bridge Buyback Program Fund
<b>RECEIPTS</b>				
Taxes	\$3,980,213	\$ -	\$ 201,092	\$ -
Licenses and Permits	33,550	-	-	-
Investment Income	9,230	-	-	-
Intergovernmental	928,310	1,239,393	-	389,427
Charges for Services	779,754	3,186	-	-
Miscellaneous	20,638	7,749	-	-
<b>TOTAL RECEIPTS</b>	<u>5,751,695</u>	<u>1,250,328</u>	<u>201,092</u>	<u>389,427</u>
<b>DISBURSEMENTS</b>				
General Government	1,889,269	-	2,697	-
Public Safety	2,012,399	-	-	-
Public Works	-	2,315,093	-	226,545
Public Assistance	21,774	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>3,923,442</u>	<u>2,315,093</u>	<u>2,697</u>	<u>226,545</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,828,253</u>	<u>(1,064,765)</u>	<u>198,395</u>	<u>162,882</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,120,027	130,000	-
Transfers out	(1,325,761)	(3,157)	(223,700)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,325,761)</u>	<u>1,116,870</u>	<u>(93,700)</u>	<u>-</u>
Net Change in Fund Balances	502,492	52,105	104,695	162,882
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>446,400</u>	<u>268,945</u>	<u>752,101</u>	<u>492,863</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 948,892</u>	<u>\$ 321,050</u>	<u>\$ 856,796</u>	<u>\$ 655,745</u>

(Continued)

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

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

	Road Bridge Improvement Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 95,853	\$ 4,277,158
Licenses and Permits	-	-	-	33,550
Investment Income	-	-	-	9,230
Intergovernmental	294,047	677,115	150,293	3,678,585
Charges for Services	-	-	16,154	799,094
Miscellaneous	-	-	75,353	103,740
<b>TOTAL RECEIPTS</b>	<u>294,047</u>	<u>677,115</u>	<u>337,653</u>	<u>8,901,357</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	5,441	1,897,407
Public Safety	-	-	110,522	2,122,921
Public Works	377,870	-	300,349	3,219,857
Public Assistance	-	-	-	21,774
Culture and Recreation	-	-	7,279	7,279
Capital Outlay	-	-	23,084	23,084
<b>TOTAL DISBURSEMENTS</b>	<u>377,870</u>	<u>-</u>	<u>446,675</u>	<u>7,292,322</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(83,823)</u>	<u>677,115</u>	<u>(109,022)</u>	<u>1,609,035</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	460,234	1,710,261
Transfers out	-	-	(157,643)	(1,710,261)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>302,591</u>	<u>-</u>
Net Change in Fund Balances	(83,823)	677,115	193,569	1,609,035
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>770,317</u>	<u>-</u>	<u>881,565</u>	<u>3,612,191</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 686,494</u>	<u>\$ 677,115</u>	<u>\$ 1,075,134</u>	<u>\$ 5,221,226</u>

(Concluded)

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

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

	Custodial Fund Balances July 1, 2020 (as restated)	Receipts	Disbursements	Custodial Fund Balances June 30, 2021
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 524,004	\$ 17,314,171	\$ 17,265,121	\$ 573,054
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	174,001	1,854,041	1,824,963	203,079
State - Collected by Other Offices	4,107	89,281	88,962	4,426
Schools	205,926	11,441,239	11,488,820	158,345
Educational Service Units	2,274	174,366	175,345	1,295
Technical College	14,203	1,089,009	1,095,121	8,091
Natural Resource Districts	4,064	309,893	311,661	2,296
Fire Districts	4,038	329,963	331,982	2,019
Municipalities	31,994	1,316,756	1,310,871	37,879
Agricultural Society	715	54,699	55,007	407
Drainage Districts	31,337	127,434	104,348	54,423
Others - Collected by County Treasurer	15,916	289,817	274,053	31,680
Others - Collected by Other Offices	35,429	237,673	203,988	69,114
<b>TOTAL LIABILITIES</b>	<b>524,004</b>	<b>17,314,171</b>	<b>17,265,121</b>	<b>573,054</b>
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Nemaha 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.

**Component Unit.** These financial statements present the County (the primary government). The Nemaha County Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$33,401 toward the operation of the Region during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2021). Financial information for the Department is available in that report.

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

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County was named the fiscal agent for the 911 Region in 2016, and a separate County fund was created to account for the financial activity. The activity of this fund was included in the financial statements of the County and is included in this report. 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 and the Hospital. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

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

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

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

**Highway Bridge Buyback Program 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 purchase of Federal aid transportation funds at a discounted rate.

**Road Bridge Improvement Fund.** This fund is used to set aside resources for future road and bridge projects. It is funded primarily by transfers from other funds.

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

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

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

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

**Capital Project Funds.** The Other Capital Projects Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

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

D. **Assets and Net Position**

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

NEMAHA 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 \$1,625,636 of restricted net position, which is fully restricted by enabling legislation.

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

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

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 \$4,544,111 for County funds and \$573,054 for Fiduciary funds. The bank balances for all funds totaled \$5,100,878. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. **Deposits and Investments** (Concluded)

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$677,115 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

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

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

The levy set in October 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.345263/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.340413/\$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, 911 surcharges, and lodging taxes.

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2020) and may be amended through legislative action.

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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

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

For the year ended June 30, 2021, 70 employees contributed \$112,814, and the County contributed \$180,756. Contributions included \$6,944 in cash contributions towards the supplemental law enforcement plan for 17 law enforcement employees. Lastly, the County paid \$552 directly to seven retired employees for prior service benefits.

5. **Risk Management**

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

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

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

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

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

6. **Interfund Transfers**

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

<b>Transfers to</b>	<b>Transfers from</b>				<b>Total</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Inheritance Fund</b>	<b>Nonmajor Funds</b>	
Road Fund	\$ 1,120,027	\$ -	\$ -	\$ -	\$ 1,120,027
Inheritance Fund	30,000	-	-	100,000	130,000
Nonmajor Funds	175,734	3,157	223,700	57,643	460,234
<b>Total</b>	<b>\$ 1,325,761</b>	<b>\$ 3,157</b>	<b>\$ 223,700</b>	<b>\$ 157,643</b>	<b>\$ 1,710,261</b>

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

In the year ended June 30, 2021, the County made a one-time transfer of \$3,157 from the Road Fund to the Vacation/Sick Leave Claim Reserve Fund to pay the accrued vacation and sick leave earned for Road Employee leave reserves. The County also made a one-time transfer of \$100,000 from the Disaster Fund to the Inheritance Fund to pay back previously loaned monies. Additionally, the County made a one-time transfer of \$25,840 from the 911 Wireless Service Fund to the 911 Wireless Service Holding Fund to set aside funds for future 911 projects. Lastly, the County made one-time transfers of \$30,000 from the 911 Emergency Management Fund and \$1,803 from the 911 Wireless Service Fund to the 911 Emergency Comm. Study Agreement Fund to repay costs originally paid from the fund.

7. **Long-Term Obligations**

Capital Leases

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

	<b>John Deere Motor Grader</b>
Balance July 1, 2020	\$ -
Purchases	233,832
Payments	118,374
Balance June 30, 2021	<u>\$ 115,458</u>
Future Payments:	
<b>Year</b>	
2022	<u>\$ 118,910</u>
Total Payments	118,910
Less Interest	<u>3,452</u>
Present Value of Future Minimum Lease Payments	<u>\$ 115,458</u>
Carrying Value of the Related Fixed Asset	<u>\$ 233,832</u>

NEMAHA COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**8. Prior Period Adjustment**

The beginning balances were increased by \$39,536 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,155,205	\$ 4,155,205	\$ 3,980,213	\$ (174,992)
Licenses and Permits	23,500	23,500	33,550	10,050
Investment Income	14,030	14,030	9,230	(4,800)
Intergovernmental	629,454	629,454	928,310	298,856
Charges for Services	721,375	721,375	779,754	58,379
Miscellaneous	6,400	6,400	20,638	14,238
<b>TOTAL RECEIPTS</b>	<u>5,549,964</u>	<u>5,549,964</u>	<u>5,751,695</u>	<u>201,731</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	84,146	84,146	80,810	3,336
County Clerk	147,827	147,827	143,519	4,308
County Treasurer	153,949	153,949	153,364	585
County Assessor	183,547	183,547	176,613	6,934
Election Commissioner	23,325	23,325	21,303	2,022
Flood Plain Administrator	12,265	12,265	11,822	443
Clerk of the District Court	114,145	114,145	102,804	11,341
County Court System	5,300	5,300	1,517	3,783
District Judge	52,630	52,630	48,326	4,304
Building and Grounds	225,695	225,695	159,870	65,825
Agricultural Extension Agent	64,869	64,869	64,154	715
Co Building Annex - Multi-Plex Bldg	77,500	77,500	21,217	56,283
Miscellaneous	1,085,208	1,085,208	903,950	181,258
Public Safety				
County Sheriff	1,162,487	1,162,487	949,057	213,430
County Attorney	160,527	160,527	160,523	4
Communication Center	331,726	331,726	326,376	5,350
Child Support	19,000	19,000	18,064	936
County Jail	491,721	491,721	422,587	69,134
Emergency Management	154,646	154,646	135,792	18,854
Public Assistance				
Veterans' Service Officer	25,300	25,300	14,709	10,591
Institutions	4,500	4,500	2,190	2,310
Relief	6,900	6,900	4,875	2,025
<b>TOTAL DISBURSEMENTS</b>	<u>4,587,213</u>	<u>4,587,213</u>	<u>3,923,442</u>	<u>663,771</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>962,751</u>	<u>962,751</u>	<u>1,828,253</u>	<u>865,502</u>

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(1,159,151)</u>	<u>(1,159,151)</u>	<u>(1,325,761)</u>	<u>(166,610)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,159,151)</u>	<u>(1,159,151)</u>	<u>(1,325,761)</u>	<u>(166,610)</u>
Net Change in Fund Balance	(196,400)	(196,400)	502,492	698,892
<b>FUND BALANCE - BEGINNING</b>	<u>446,400</u>	<u>446,400</u>	<u>446,400</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 250,000</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 948,892</u></u>	<u><u>\$ 698,892</u></u>

(Concluded)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,144,335	\$ 1,144,335	\$ 1,239,393	\$ 95,058
Charges for Services	-	-	3,186	3,186
Miscellaneous	5,000	5,000	7,749	2,749
<b>TOTAL RECEIPTS</b>	<u>1,149,335</u>	<u>1,149,335</u>	<u>1,250,328</u>	<u>100,993</u>
<b>DISBURSEMENTS</b>	<u>2,534,274</u>	<u>2,534,274</u>	<u>2,315,093</u>	<u>219,181</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(1,384,939)</u>	<u>(1,384,939)</u>	<u>(1,064,765)</u>	<u>320,174</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,119,151	1,119,151	1,120,027	876
Transfers out	(3,157)	(3,157)	(3,157)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,115,994</u>	<u>1,115,994</u>	<u>1,116,870</u>	<u>876</u>
Net Change in Fund Balance	(268,945)	(268,945)	52,105	321,050
FUND BALANCE - BEGINNING	268,945	268,945	268,945	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,050</u>	<u>\$ 321,050</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 75,000	\$ 75,000	\$ 201,092	\$ 126,092
<b>TOTAL RECEIPTS</b>	<u>75,000</u>	<u>75,000</u>	<u>201,092</u>	<u>126,092</u>
<b>DISBURSEMENTS</b>	<u>733,401</u>	<u>733,401</u>	<u>2,697</u>	<u>730,704</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(658,401)</u>	<u>(658,401)</u>	<u>198,395</u>	<u>856,796</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	130,000	130,000	130,000	-
Transfers out	(223,700)	(223,700)	(223,700)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(93,700)</u>	<u>(93,700)</u>	<u>(93,700)</u>	<u>-</u>
Net Change in Fund Balance	(752,101)	(752,101)	104,695	856,796
FUND BALANCE - BEGINNING	752,101	752,101	752,101	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 856,796</u>	<u>\$ 856,796</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BRIDGE BUYBACK PROGRAM FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 283,313	\$ 283,313	\$ 389,427	\$ 106,114
TOTAL RECEIPTS	<u>283,313</u>	<u>283,313</u>	<u>389,427</u>	<u>106,114</u>
 DISBURSEMENTS	 <u>776,176</u>	 <u>776,176</u>	 <u>226,545</u>	 <u>549,631</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(492,863)</u>	 <u>(492,863)</u>	 <u>162,882</u>	 <u>655,745</u>
 Net Change in Fund Balance	 (492,863)	 (492,863)	 162,882	 655,745
FUND BALANCE - BEGINNING	<u>492,863</u>	<u>492,863</u>	<u>492,863</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,745</u>	<u>\$ 655,745</u>
 <b>ROAD BRIDGE IMPROVEMENT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 294,047	\$ 294,047
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>294,047</u>	<u>294,047</u>
 DISBURSEMENTS	 <u>770,317</u>	 <u>770,317</u>	 <u>377,870</u>	 <u>392,447</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(770,317)</u>	 <u>(770,317)</u>	 <u>(83,823)</u>	 <u>686,494</u>
 Net Change in Fund Balance	 (770,317)	 (770,317)	 (83,823)	 686,494
FUND BALANCE - BEGINNING	<u>770,317</u>	<u>770,317</u>	<u>770,317</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 686,494</u>	<u>\$ 686,494</u>
 <b>AMERICAN RESCUE PLAN ACT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 677,115	\$ 677,115
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>677,115</u>	<u>677,115</u>
 DISBURSEMENTS	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>-</u>	 <u>-</u>	 <u>677,115</u>	 <u>677,115</u>
 Net Change in Fund Balance	 -	 -	 677,115	 677,115
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677,115</u>	<u>\$ 677,115</u>

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD EQUIPMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 64,853	\$ 64,853
Disbursements	(197,630)	(197,630)	(193,911)	3,719
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(97,630)	(97,630)	(29,058)	68,572
Fund Balance - Beginning	97,630	97,630	97,630	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,572</u>	<u>\$ 68,572</u>
<b>COUNTY VISITORS' PROMOTION FUND</b>				
Receipts	\$ 7,500	\$ 7,500	\$ 10,657	\$ 3,157
Disbursements	(10,689)	(10,689)	(3,275)	7,414
Net Change in Fund Balance	(3,189)	(3,189)	7,382	10,571
Fund Balance - Beginning	3,189	3,189	3,189	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,571</u>	<u>\$ 10,571</u>
<b>COUNTY VISITORS' IMPROVEMENT FUND</b>				
Receipts	\$ 7,500	\$ 7,500	\$ 10,657	\$ 3,157
Disbursements	(23,688)	(23,688)	(4,004)	19,684
Net Change in Fund Balance	(16,188)	(16,188)	6,653	22,841
Fund Balance - Beginning	16,188	16,188	16,188	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,841</u>	<u>\$ 22,841</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 4,000	\$ 4,000	\$ 5,883	\$ 1,883
Disbursements	(5,453)	(5,453)	(5,441)	12
Net Change in Fund Balance	(1,453)	(1,453)	442	1,895
Fund Balance - Beginning	1,453	1,453	1,453	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,895</u>	<u>\$ 1,895</u>
<b>VACATION/SICK LEAVE CLAIM RESERVE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20,000)	(20,000)	-	20,000
Transfers in	13,157	13,157	13,157	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(6,843)	(6,843)	13,157	20,000
Fund Balance - Beginning	6,843	6,843	6,843	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>DIVERSION PROGRAM STOP FUND</u></b>				
Receipts	\$ 3,000	\$ 3,000	\$ 2,500	\$ (500)
Disbursements	(12,705)	(12,705)	(7,087)	5,618
Net Change in Fund Balance	(9,705)	(9,705)	(4,587)	5,118
Fund Balance - Beginning	9,705	9,705	9,705	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,118</u>	<u>\$ 5,118</u>
<b><u>FEDERAL DRUG FORFEITURE FUND</u></b>				
Receipts	\$ 10,000	\$ 10,000	\$ 500	\$ (9,500)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	-	-	500	500
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
<b><u>CANINE DOG FUND</u></b>				
Receipts	\$ 7,500	\$ 7,500	\$ -	\$ (7,500)
Disbursements	(8,608)	(8,608)	(510)	8,098
Net Change in Fund Balance	(1,108)	(1,108)	(510)	598
Fund Balance - Beginning	1,108	1,108	1,108	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598</u>	<u>\$ 598</u>
<b><u>FEDERAL CRIME GRANT FUND</u></b>				
Receipts	\$ 2,250	\$ 2,250	\$ 1,173	\$ (1,077)
Disbursements	(2,700)	(2,700)	(900)	1,800
Net Change in Fund Balance	(450)	(450)	273	723
Fund Balance - Beginning	450	450	450	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723</u>	<u>\$ 723</u>
<b><u>DISASTER FUND</u></b>				
Receipts	\$ 1,500,000	\$ 1,500,000	\$ 121,013	\$ (1,378,987)
Disbursements	(1,696,416)	(1,696,416)	(106,438)	1,589,978
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	(296,416)	(296,416)	(85,425)	210,991
Fund Balance - Beginning	296,416	296,416	296,416	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,991</u>	<u>\$ 210,991</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>911 EMERGENCY MANAGEMENT FUND</u></b>				
Receipts	\$ 273,500	\$ 273,500	\$ 26,051	\$ (247,449)
Disbursements	(325,988)	(325,988)	(20,988)	305,000
Transfers in	-	-	-	-
Transfers out	-	-	(30,000)	(30,000)
Net Change in Fund Balance	(52,488)	(52,488)	(24,937)	27,551
Fund Balance - Beginning	52,488	52,488	52,488	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,551</u>	<u>\$ 27,551</u>
<b><u>911 WIRELESS SERVICE FUND</u></b>				
Receipts	\$ 48,488	\$ 48,488	\$ 48,488	\$ -
Disbursements	(45,500)	(45,500)	(20,845)	24,655
Transfers in	-	-	-	-
Transfers out	(2,988)	(2,988)	(27,643)	(24,655)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>911 WIRELESS SERVICE HOLDING FUND</u></b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(205,843)	(205,843)	-	205,843
Transfers in	2,988	2,988	25,840	22,852
Transfers out	-	-	-	-
Net Change in Fund Balance	(202,855)	(202,855)	25,840	228,695
Fund Balance - Beginning	202,855	202,855	202,855	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,695</u>	<u>\$ 228,695</u>
<b><u>LAW ENFORCEMENT OPERATING FUND</u></b>				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,071)	(10,071)	-	10,071
Net Change in Fund Balance	(71)	(71)	-	71
Fund Balance - Beginning	71	71	71	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 71</u>
<b><u>JAIL COMMISSARY FUND</u></b>				
Receipts	\$ 6,000	\$ 6,000	\$ 7,771	\$ 1,771
Disbursements	(13,587)	(13,587)	(3,503)	10,084
Net Change in Fund Balance	(7,587)	(7,587)	4,268	11,855
Fund Balance - Beginning	7,587	7,587	7,650	63
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,918</u>	<u>\$ 11,918</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY BUILDINGS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	50,000	50,000
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	50,000	50,000
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<b>911 EMERGENCY COMM. STUDY AGREEMENT FUND</b>				
Receipts	\$ 100,000	\$ 100,000	\$ 28,107	\$ (71,893)
Disbursements	(101,741)	(101,741)	(56,689)	45,052
Transfers in	-	-	31,803	31,803
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,741)	(1,741)	3,221	4,962
Fund Balance - Beginning	1,741	1,741	1,741	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,962</u>	<u>\$ 4,962</u>
<b>OTHER CAPITAL PROJECTS FUND</b>				
Receipts	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Disbursements	(317,478)	(317,478)	(23,084)	294,394
Transfers in	123,700	123,700	239,434	115,734
Transfers out	-	-	-	-
Net Change in Fund Balance	(183,778)	(183,778)	226,350	410,128
Fund Balance - Beginning	183,778	183,778	183,778	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,128</u>	<u>\$ 410,128</u>

(Concluded)

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

	Road Equipment Fund	County Visitors' Promotion Fund	County Visitors' Improvement Fund	Preservation and Modernization Fund	Vacation/Sick Leave Claim Reserve Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ 10,657	\$ 10,657	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	5,883	-
Miscellaneous	64,853	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>64,853</u>	<u>10,657</u>	<u>10,657</u>	<u>5,883</u>	<u>-</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	5,441	-
Public Safety	-	-	-	-	-
Public Works	193,911	-	-	-	-
Culture and Recreation	-	3,275	4,004	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>193,911</u>	<u>3,275</u>	<u>4,004</u>	<u>5,441</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(129,058)</u>	<u>7,382</u>	<u>6,653</u>	<u>442</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	100,000	-	-	-	13,157
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,157</u>
Net Change in Fund Balances	(29,058)	7,382	6,653	442	13,157
<b>FUND BALANCES - BEGINNING</b>	<u>97,630</u>	<u>3,189</u>	<u>16,188</u>	<u>1,453</u>	<u>6,843</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 68,572</u>	<u>\$ 10,571</u>	<u>\$ 22,841</u>	<u>\$ 1,895</u>	<u>\$ 20,000</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	10,571	22,841	-	-
911 Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	1,895	-
Committed to:					
Law Enforcement	-	-	-	-	-
County Buildings	-	-	-	-	-
Future Compensation Benefits	-	-	-	-	20,000
Disaster Recovery	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Other Projects	-	-	-	-	-
Road Equipment	68,572	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 68,572</u>	<u>\$ 10,571</u>	<u>\$ 22,841</u>	<u>\$ 1,895</u>	<u>\$ 20,000</u>

(Continued)

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

For the Year Ended June 30, 2021

	Diversion Program Stop Fund	Federal Drug Forfeiture Fund	Canine Dog Fund	Federal Crime Grant Fund	Disaster Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,173	121,013
Charges for Services	2,500	-	-	-	-
Miscellaneous	-	500	-	-	-
<b>TOTAL RECEIPTS</b>	<b>2,500</b>	<b>500</b>	<b>-</b>	<b>1,173</b>	<b>121,013</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	7,087	-	510	900	-
Public Works	-	-	-	-	106,438
Culture and Recreation	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>7,087</b>	<b>-</b>	<b>510</b>	<b>900</b>	<b>106,438</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(4,587)</b>	<b>500</b>	<b>(510)</b>	<b>273</b>	<b>14,575</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>
Net Change in Fund Balances	(4,587)	500	(510)	273	(85,425)
<b>FUND BALANCES - BEGINNING</b>	<b>9,705</b>	<b>-</b>	<b>1,108</b>	<b>450</b>	<b>296,416</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 5,118</b>	<b>\$ 500</b>	<b>\$ 598</b>	<b>\$ 723</b>	<b>\$ 210,991</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Law Enforcement	-	500	-	723	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	5,118	-	598	-	-
County Buildings	-	-	-	-	-
Future Compensation Benefits	-	-	-	-	-
Disaster Recovery	-	-	-	-	210,991
911 Emergency Services	-	-	-	-	-
Other Projects	-	-	-	-	-
Road Equipment	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 5,118</b>	<b>\$ 500</b>	<b>\$ 598</b>	<b>\$ 723</b>	<b>\$ 210,991</b>

(Continued)

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

For the Year Ended June 30, 2021

	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Law Enforcement Operating Fund	Jail Commissary Fund
<b>RECEIPTS</b>					
Taxes	\$ 26,051	\$ 48,488	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	7,771
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>26,051</b>	<b>48,488</b>	<b>-</b>	<b>-</b>	<b>7,771</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	20,988	20,845	-	-	3,503
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>20,988</b>	<b>20,845</b>	<b>-</b>	<b>-</b>	<b>3,503</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>5,063</b>	<b>27,643</b>	<b>-</b>	<b>-</b>	<b>4,268</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	25,840	-	-
Transfers out	(30,000)	(27,643)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(30,000)</b>	<b>(27,643)</b>	<b>25,840</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(24,937)	-	25,840	-	4,268
<b>FUND BALANCES - BEGINNING</b>	<b>52,488</b>	<b>-</b>	<b>202,855</b>	<b>71</b>	<b>7,650</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 27,551</b>	<b>\$ -</b>	<b>\$ 228,695</b>	<b>\$ 71</b>	<b>\$ 11,918</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	27,551	-	228,695	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	71	11,918
County Buildings	-	-	-	-	-
Future Compensation Benefits	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Other Projects	-	-	-	-	-
Road Equipment	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 27,551</b>	<b>\$ -</b>	<b>\$ 228,695</b>	<b>\$ 71</b>	<b>\$ 11,918</b>

(Continued)

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

	County Buildings Fund	911 Emergency Comm. Study Agreement Fund	Other Capital Projects Fund	Total Nonmajor Funds
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ 95,853
Intergovernmental	-	28,107	-	150,293
Charges for Services	-	-	-	16,154
Miscellaneous	-	-	10,000	75,353
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>28,107</b>	<b>10,000</b>	<b>337,653</b>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	5,441
Public Safety	-	56,689	-	110,522
Public Works	-	-	-	300,349
Culture and Recreation	-	-	-	7,279
Capital Projects	-	-	23,084	23,084
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>56,689</b>	<b>23,084</b>	<b>446,675</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>-</b>	<b>(28,582)</b>	<b>(13,084)</b>	<b>(109,022)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	31,803	239,434	460,234
Transfers out	-	-	-	(157,643)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,000</b>	<b>31,803</b>	<b>239,434</b>	<b>302,591</b>
Net Change in Fund Balances	50,000	3,221	226,350	193,569
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>1,741</b>	<b>183,778</b>	<b>881,565</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 50,000</b>	<b>\$ 4,962</b>	<b>\$ 410,128</b>	<b>\$ 1,075,134</b>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	33,412
911 Emergency Services	-	-	-	256,246
Law Enforcement	-	-	-	1,223
Preservation of Records	-	-	-	1,895
Committed to:				
Law Enforcement	-	-	-	17,705
County Buildings	50,000	-	-	50,000
Future Compensation Benefits	-	-	-	20,000
Disaster Recovery	-	-	-	210,991
911 Emergency Services	-	4,962	-	4,962
Other Projects	-	-	410,128	410,128
Road Equipment	-	-	-	68,572
<b>TOTAL FUND BALANCES</b>	<b>\$ 50,000</b>	<b>\$ 4,962</b>	<b>\$ 410,128</b>	<b>\$ 1,075,134</b>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Board	Extension Office	Veterans' Service Officer	Total
BALANCES JULY 1, 2020	\$ 6,761	\$ 33,751	\$ 21,624	\$ 5,910	\$ 5,000	\$ 25	\$ 2,833	\$ 75,904
<b>RECEIPTS</b>								
Taxes	-	-	8,384	-	-	-	-	8,384
Licenses and Permits	1,282	-	1,045	-	-	-	-	2,327
Intergovernmental	-	-	9,931	-	-	-	-	9,931
Charges for Services	65,575	16,032	69,808	130	-	-	-	151,545
Miscellaneous	1,126	-	1,996	69	-	-	-	3,191
State Fees	69,475	19,407	399	-	-	-	-	89,281
Other Liabilities	696	146,277	80,523	10,177	-	-	-	237,673
<b>TOTAL RECEIPTS</b>	<b>138,154</b>	<b>181,716</b>	<b>172,086</b>	<b>10,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>502,332</b>
<b>DISBURSEMENTS</b>								
Payments to County Treasurer	66,048	15,795	106,539	199	5,000	-	-	193,581
Payments to State Treasurer	68,758	19,805	399	-	-	-	-	88,962
Petty Cash	1,126	-	1,996	-	-	-	-	3,122
Other Liabilities	696	112,813	80,302	10,177	-	-	-	203,988
<b>TOTAL DISBURSEMENTS</b>	<b>136,628</b>	<b>148,413</b>	<b>189,236</b>	<b>10,376</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>489,653</b>
BALANCES JUNE 30, 2021	<u>\$ 8,287</u>	<u>\$ 67,054</u>	<u>\$ 4,474</u>	<u>\$ 5,910</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 2,833</u>	<u>\$ 88,583</u>
<b>BALANCES CONSIST OF:</b>								
Due to County Treasurer	\$ 4,942	\$ 1,577	\$ 1,752	\$ 1,114	\$ -	\$ -	\$ 2,833	\$ 12,218
Petty Cash	300	-	2,500	-	-	25	-	2,825
Due to State Treasurer	3,045	1,381	-	-	-	-	-	4,426
Due to Others	-	64,096	222	4,796	-	-	-	69,114
BALANCES JUNE 30, 2021	<u>\$ 8,287</u>	<u>\$ 67,054</u>	<u>\$ 4,474</u>	<u>\$ 5,910</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 2,833</u>	<u>\$ 88,583</u>

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

Item	2016	2017	2018	2019	2020
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 14,952,891	\$ 14,931,468	\$ 15,270,032	\$ 14,956,668	\$ 14,754,218
Personal and Specials	865,303	841,344	635,628	989,643	1,007,850
<b>Total</b>	<b>15,818,194</b>	<b>15,772,812</b>	<b>15,905,660</b>	<b>15,946,311</b>	<b>15,762,068</b>
<b>Corrections</b>					
Additions	5,968	4,550	544	19	-
Deductions	(10,332)	(10,995)	(4,635)	(5,478)	(2,528)
Net Additions/ (Deductions)	(4,364)	(6,445)	(4,091)	(5,459)	(2,528)
<b>Corrected Certified Tax</b>	<b>15,813,830</b>	<b>15,766,367</b>	<b>15,901,569</b>	<b>15,940,852</b>	<b>15,759,540</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2017	9,704,035	-	-	-	-
June 30, 2018	6,077,703	9,855,874	-	-	-
June 30, 2019	16,613	5,883,342	9,873,497	-	-
June 30, 2020	7,804	15,264	6,004,425	9,873,258	-
June 30, 2021	4,605	7,422	13,199	6,047,504	10,205,773
<b>Total Net Collections</b>	<b>15,810,760</b>	<b>15,761,902</b>	<b>15,891,121</b>	<b>15,920,762</b>	<b>10,205,773</b>
<b>Total Uncollected Tax</b>	<b>\$ 3,070</b>	<b>\$ 4,465</b>	<b>\$ 10,448</b>	<b>\$ 20,090</b>	<b>\$ 5,553,767</b>
<b>Percentage Uncollected Tax</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.07%</b>	<b>0.13%</b>	<b>35.24%</b>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>			
Emergency Watershed Protection Program	10.923	Not Applicable	\$ 294,047
Total U.S. Department of Agriculture			<u>294,047</u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
Passed through Nebraska Secretary of State COVID-19 - 2018 HAVA Election Security Grants	90.404	44	<u>3,745</u>
Total U.S. Election Assistance Commission			<u>3,745</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	51456 Y3, 51428 Y3	<u>25,411</u>
Total U.S. Department of Health and Human Services			<u>25,411</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	127-99127-00	58,620
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	127-99127-00	<u>3,706</u>
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>62,326</u>
Emergency Management Performance Grants	97.042	20-SR 8740-01, 20-GA 8740-02	<u>39,040</u>
Total U.S. Department of Homeland Security			<u>101,366</u>
<b>DEPARTMENT OF INTERIOR</b>			
Payment in Lieu of Taxes	15.226	Not Applicable	<u>9,869</u>
Total U.S. Department of Interior			<u>9,869</u>
<b>DEPARTMENT OF JUSTICE</b>			
Bulletproof Vest Partnership Program	16.607	Not Applicable	<u>723</u>
Total U.S. Department of Justice			<u>723</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation Highway Safety Cluster:			
State and Community Highway Safety	20.600	4M4E3	4,931
National Priority Safety Programs	20.616	4M4E3	<u>4,500</u>
Total Highway Safety Cluster			<u>9,431</u>
Total U.S. Department of Transportation			<u>9,431</u>
<b>DEPARTMENT OF TREASURY</b>			
Passed through Nebraska Military Department Coronavirus Relief Fund	21.019	Not Available	* <u>359,740</u>
Total U.S. Department of Treasury			<u>359,740</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 804,332</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

NEMAHA COUNTY

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

For the Year Ended June 30, 2021

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of Nemaha County (County) under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position 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. The County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance, except for the Child Support Enforcement Program, which used the rate as approved by the pass-through entity.

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

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$62,326 for this program, all of which was incurred and paid prior to the fiscal year ended June 30, 2021.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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

Board of Commissioners  
Nemaha 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 Nemaha County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Nemaha County's basic financial statements, and have issued our report thereon dated April 22, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Nemaha County Hospital, a component unit of Nemaha County.

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

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

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

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

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

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

**Compliance and Other Matters**

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

**Additional Items**

We also noted certain matters that we reported to the management of Nemaha County in a separate letter dated April 22, 2022.

**Nemaha County’s Response to Findings**

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

**Purpose of this Report**

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



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

April 22, 2022



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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

Independent Auditor's Report

Board of Commissioners  
Nemaha County, Nebraska

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

We have audited Nemaha 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 Nemaha County's major Federal programs for the year ended June 30, 2021. Nemaha County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Nemaha County's basic financial statements do not include the financial data of the Nemaha County Hospital, a component unit of Nemaha County.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Nemaha County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

April 22, 2022

NEMAHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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: **Coronavirus Relief Fund: AL#21.019**

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

\$750,000

Auditee qualified as low-risk auditee?  Yes  No

NEMAHA COUNTY

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

**Section II – Financial Statement Findings**

**Finding # 2021-1**

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

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

**None Noted**

# Nemaha County Board of Commissioners

1824 N St., Courthouse Ste 201

Auburn NE 68305-2399

Phone: 402-274-4285

Fax: 402-274-4389

Mike Hall, District 1

Bryan Mellage, District 2

Larry Holtzman, District 3

## CORRECTIVE ACTION PLAN

Year Ended June 30, 2021

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

### **Finding 2021-1 Segregation of Duties**

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

Anticipated Completion Date: Ongoing

Responsible Party: County Board



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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April 22, 2022

Board of Commissioners  
Nemaha County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Nemaha County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated April 22, 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 ATTORNEY

### Attorney Accounting Procedures

As of June 30, 2021, the County Attorney had a trust balance of \$4,796, but he could not identify the recipients. Although the amount has decreased slightly over the years, this issue has been noted in the prior 11 audit reports.

Additionally, we noted that the County Attorney's receipt records were not complete, accurate, and in agreement to the amounts deposited. The following issues were noted:

- Insufficient check collection fees and restitution, totaling \$212, were deposited into the County Attorney's bank account; however, no receipts were written for these deposits.
- Funds received, totaling \$69, were taken directly to the County Treasurer; however, no receipt was written for this remittance.

Neb. Rev. Stat. § 23-1207(1) (Reissue 2012) states the following:

*It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts, one of which shall be filed by such person with the county clerk.*

Sound accounting practice and good internal controls require procedures to ensure that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted. Sound accounting practices also require that the office ensure receipt records are complete and accurate.

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

We recommend the County Attorney implement procedures for reviewing monies held in trust and remitting any balance that cannot be accounted for to the State Treasurer. Additionally, those same procedures should ensure also that receipt records are complete, accurate, and agree to bank records.

*County Attorney Response: Our records reflect a trust balance from the aforementioned account of \$4,787.05 on August 30, 2002. That being more than four months before I took office. I was not privy to the deposits and withdrawals from the trust account prior to January of 2003. Our office can account for all financial transactions during my entire tenure as county attorney; but not before I became county attorney. Please cite me to a court case, rule, regulation, or statutory authority that places responsibility on me to know the financial transactions that were completed through the county attorney’s office before I became county attorney. I am certainly receptive to cooperating in a reasonable manner with any reasonable requests in this respect.*

*Additionally, there were two issues mentioned regarding insufficient receipts totaling \$281.00. There is a clear record of the transactions correlating to said sum. Nevertheless, the secretary of the county attorney’s office has been sternly reminded to follow the procedures noted by your office as to the same.*

**APA Response: Neb. Rev. Stat. § 23-1207(2) (Reissue 2012) says, in relevant part, “Whenever any such money [received “in his or her official capacity”] is received by the county attorney, he or she shall carefully manage it . . . .” Additionally, Neb. Rev. Stat. § 84-1213(1) (Reissue 2014) states the following, as is relevant:**

*All records made or received by or under the authority of or coming into the custody, control, or possession of state or local agencies in the course of their public duties are the property of the state or local agency concerned . . . .*

**Thus, an elected official receives and assumes responsibility for properly managing any records or other property, including trust balances, held by the office at the time he or she undertakes his or her official duties.**

**No receipts issued by the County Attorney’s office for the aforementioned \$281 were provided to us during the audit. Further, upon inquiry, the office indicated that no receipts were written.**

**COUNTY BOARD**

**Duplicate Payments**

We noted that two claims, totaling \$9,079, were duplicate payments, which the County did not discover through its internal review process. The following table details those duplicate payments:

Payee	Amount	Original Claim		Duplicate Claim	
		Claim #	Date	Claim #	Date
Physician’s Laboratory	\$ 8,457	21041817	4/28/2021	21052082	5/26/2021
Physician’s Laboratory	\$ 622	21052082	5/26/2021	21062277	6/23/2021
<b>Total</b>	<b>\$ 9,079</b>				

The County subsequently received credit for these overpayments in several credits through January 2022.

Good internal controls and sound business practices require procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

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

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

## Over-Budget Projects

As of June 30, 2021, the County Board had approved claims for road projects with two contractors that exceeded the awarded bid amounts by \$17,837. The County Board never approved change orders or other such documentation to increase the estimated project costs. The following table provides a summary of the claim amounts paid by the County Board in excess of the bids accepted:

Contractor	Claim #	Claim Date	Project Name	Bid Amount	Amount Paid	Overpayment
KL Alexander Properties LLC	21031513	3/3/2021	EWP-433 King	\$ 55,244	\$ 55,972	\$ 728
KL Alexander Properties LLC	21031513	3/3/2021	EWP-436 Rippe	\$ 138,010	\$ 155,118	\$ 17,108
<b>Total Overpayment</b>						<b>\$ 17,836</b>

Neb. Rev. Stat. § 39-1407 (Cum. Supp. 2020) states, in relevant part, the following:

*Whenever contracts are to be let for road improvements, it shall be the duty of the county board to cause to be prepared and filed with the county clerk an estimate of the nature of the work and the cost thereof. After such estimate has been filed, bids for such contracts shall be advertised by publication of a notice thereof once a week for three consecutive weeks in a legal newspaper of the county prior to the date set for receiving bids. Bids shall be let to the lowest responsible bidder.*

Good internal controls and sound business practices require procedures to ensure that any payments made on a County contract complies with the awarded bid amount, or any increase thereto has been approved by the County Board. Those same procedures should also ensure compliance with all applicable bidding statutes.

Without such procedures, there is an increased risk for not only violation of State law but also waste or other mismanagement of public funds.

We recommend the County implement procedures to ensure: 1) all payments on County contracts comply with the awarded bid amount; 2) any increase to such contract amounts has been approved by the County Board; and 3) all applicable bidding statutes are observed.

## Inventory Issues

During testing, we noted nine items purchased during the fiscal year that were not added to the purchasing office's inventory listing, as detailed below.

Claim #	Item	Purchasing Office
21031644	Chevy Tahoe	Emergency Management
21031658	40" Samsung TV	Sheriff
21062287	Samsung Galaxy Tab A7 with Cover	Sheriff
21062287	Oversized Guest Chairs	Sheriff
21062287	Oversized Guest Chairs	Sheriff
21062287	Oversized Guest Chairs	Sheriff
21062287	Oversized Guest Chairs	Sheriff
21062287	Cellphone Locker Charging Station	Clerk
21062287	Office Chair	Clerk

Additionally, the County Attorney and County Surveyor did not have an inventory statement on file as of August 31, 2020.

Neb. Rev. Stat. § 23-347 (Reissue 2012) states:

*Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.*

Good internal controls and sound accounting practice requires procedures to ensure all items purchased, which are over the inventory threshold (\$75), are added to the inventory list for their respective office(s).

Without such procedures, there is an increased risk of not only the County failing to comply with State statute but also the loss or theft of inventory.

We recommend the County Board implement procedures to ensure that all offices submit complete and accurate inventory listings within two months after the close of each fiscal year.

### **COUNTY TREASURER**

#### **5% Gross In-Lieu Distribution**

During testing of the 5% gross in-lieu of tax distributions received from the Omaha Public Power District, totaling \$38,603, we noted that the County Treasurer did not distribute the funds in accordance with State statute. The error was due to the County Treasurer using the incorrect bond tax rate for the school district and not including the school district's Qualified Capital Purpose Undertaking Fund (QCPUF) tax rate in the calculation of the distributions.

The following table summarizes the distribution error:

Fund	Over (Under) Payment
Nemaha County	\$ 173
Auburn School District 29 General	\$ 526
Auburn School District 29 Bond	\$ (790)
Auburn School District 29 QCPUF	\$ (265)
City of Peru	\$ 214
Peru Debt Obligation Fund	\$ 142

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

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

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

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

### **COUNTY OVERALL**

#### **Segregation of Duties**

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

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

This issue 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, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor