

**AUDIT REPORT  
OF  
SEWARD COUNTY**

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

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on February 16, 2022**

## SEWARD COUNTY

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SEWARD COUNTY  
529 Seward Street  
Seward, NE 68434

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

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Misty Ahmic	Jan. 2023
	Darrell Zabrocki	Jan. 2025
	Bob Vrbka	Jan. 2023
	John Culver	Jan. 2025
	Ken Schmieding	Jan. 2023
Assessor	Marilyn Hladky	Jan. 2023
Attorney	Wendy Elston	Jan. 2023
Clerk	Sherry Schweitzer	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Tera Koetter	Jan. 2023
Sheriff	Michael Vance	Jan. 2023
Treasurer	Bob Dahms	Jan. 2023
Public Defender	Vacant	
Veterans' Service Officer	Matthew Starkey	Appointed
Rural Transit Director		
Weed Superintendent	Becky Paulsen	Appointed
Planning & Zoning		
Highway Superintendent	Terry Wicht	Appointed
Emergency Manager	Gary Petersen	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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## SEWARD COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Seward County, Nebraska

#### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Seward 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 19-37, 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 February 1, 2022, on our consideration of Seward County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Seward County's internal control over financial reporting and compliance.



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

February 1, 2022

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

	Governmental Activities
	<hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 18,253,973
Investments (Note 1.D)	7,238
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 18,261,211</b> <hr/>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 86,897
911 Emergency Services	645,119
Drug Education	81,568
Law Enforcement	1,584,261
Preservation of Records	67,476
Debt Service	544,736
Road/Bridge Projects	1,231,838
Aid and Assistance	10,138
Coronavirus Relief and Assistance	1,678,797
Unrestricted	12,330,381
<b>TOTAL NET POSITION</b>	<hr/> <b>\$ 18,261,211</b> <hr/>

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

SEWARD COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 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	\$ (7,208,761)	\$ 764,122	\$ 1,834,357	\$ (4,610,282)
Public Safety	(5,652,457)	252,499	2,266,085	(3,133,873)
Public Works	(4,596,281)	13,537	2,969,776	(1,612,968)
Public Assistance	(376,061)	-	316,521	(59,540)
Culture and Recreation	(43,648)	-	-	(43,648)
Debt Payments	(1,302,542)	-	-	(1,302,542)
Total Governmental Activities	<u>\$ (19,179,750)</u>	<u>\$ 1,030,158</u>	<u>\$ 7,386,739</u>	<u>(10,762,853)</u>
General Receipts:				
Taxes				10,199,587
Grants and Contributions Not Restricted to Specific Programs				1,605,936
Investment Income				242,212
Licenses and Permits				107,482
Health Insurance Settlements				2,088,257
Miscellaneous				573,996
Total General Receipts				<u>14,817,470</u>
Increase in Net Position				4,054,617
Net Position - Beginning of year				14,206,594
Net Position - End of year				<u>\$ 18,261,211</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 3,347,039	\$ 1,004,587	\$ 4,085,180	\$ 1,572,604	\$ 8,244,563	\$ 18,253,973
Investments (Note 1.D)	7,238	-	-	-	-	7,238
<b>TOTAL ASSETS</b>	<u><u>\$ 3,354,277</u></u>	<u><u>\$ 1,004,587</u></u>	<u><u>\$ 4,085,180</u></u>	<u><u>\$ 1,572,604</u></u>	<u><u>\$ 8,244,563</u></u>	<u><u>\$ 18,261,211</u></u>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	86,897	86,897
911 Emergency Services	-	-	-	-	645,119	645,119
Drug Education	-	-	-	-	81,568	81,568
Law Enforcement	-	-	-	-	1,584,261	1,584,261
Preservation of Records	-	-	-	-	67,476	67,476
Debt Service	-	-	-	-	544,736	544,736
Road/Bridge Projects	-	-	-	-	1,231,838	1,231,838
Aid and Assistance	-	-	-	-	10,138	10,138
Coronavirus Relief and Assistance	-	-	-	-	1,678,797	1,678,797
Committed to:						
Law Enforcement	-	-	-	-	58,509	58,509
Road Maintenance	-	1,004,587	-	-	1,718,451	2,723,038
Aid and Assistance	-	-	-	-	5,052	5,052
County Buildings and Equipment	-	-	-	-	511,732	511,732
Reappraisal Services	-	-	-	-	19,989	19,989
Health Insurance	-	-	-	1,572,604	-	1,572,604
Assigned to:						
Other Purposes	-	-	4,085,180	-	-	4,085,180
Unassigned	3,354,277	-	-	-	-	3,354,277
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u><u>\$ 3,354,277</u></u>	<u><u>\$ 1,004,587</u></u>	<u><u>\$ 4,085,180</u></u>	<u><u>\$ 1,572,604</u></u>	<u><u>\$ 8,244,563</u></u>	<u><u>\$ 18,261,211</u></u>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Taxes	\$8,194,898	\$ -	\$ 749,169	\$ -	\$ 1,255,520	\$ 10,199,587
Licenses and Permits	107,482	-	-	-	-	107,482
Investment Income	226,676	-	-	13,955	1,581	242,212
Intergovernmental	1,513,826	2,535,907	224,206	-	4,718,736	8,992,675
Charges for Services	908,563	13,537	-	-	108,058	1,030,158
Miscellaneous	247,779	8,034	5,056	2,088,257	313,127	2,662,253
<b>TOTAL RECEIPTS</b>	<b>11,199,224</b>	<b>2,557,478</b>	<b>978,431</b>	<b>2,102,212</b>	<b>6,397,022</b>	<b>23,234,367</b>
<b>DISBURSEMENTS</b>						
General Government	3,599,326	-	177,429	3,344,637	87,369	7,208,761
Public Safety	3,244,642	-	-	-	2,407,815	5,652,457
Public Works	203,570	3,832,114	-	-	560,597	4,596,281
Public Assistance	279,965	-	-	-	96,096	376,061
Culture and Recreation	-	-	-	-	43,648	43,648
Debt Service:						
Principal Payments	-	-	-	-	945,032	945,032
Interest and Fiscal Charges	-	-	-	-	357,510	357,510
<b>TOTAL DISBURSEMENTS</b>	<b>7,327,503</b>	<b>3,832,114</b>	<b>177,429</b>	<b>3,344,637</b>	<b>4,498,067</b>	<b>19,179,750</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>3,871,721</b>	<b>(1,274,636)</b>	<b>801,002</b>	<b>(1,242,425)</b>	<b>1,898,955</b>	<b>4,054,617</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,000,000	2,139,763	-	1,206,583	1,544,994	5,891,340
Transfers out	(3,885,335)	(618,616)	(1,192,441)	-	(194,948)	(5,891,340)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,885,335)</b>	<b>1,521,147</b>	<b>(1,192,441)</b>	<b>1,206,583</b>	<b>1,350,046</b>	<b>-</b>
Net Change in Fund Balances	986,386	246,511	(391,439)	(35,842)	3,249,001	4,054,617
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>2,367,891</b>	<b>758,076</b>	<b>4,476,619</b>	<b>1,608,446</b>	<b>4,995,562</b>	<b>14,206,594</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$3,354,277</b>	<b>\$ 1,004,587</b>	<b>\$ 4,085,180</b>	<b>\$ 1,572,604</b>	<b>\$ 8,244,563</b>	<b>\$ 18,261,211</b>

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

SEWARD COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**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	\$ 3,082,453	\$45,353,481	\$ 45,558,385	\$ 2,877,549
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	524,585	5,131,697	5,239,037	417,245
State - Collected by Other Offices	16,289	243,320	230,005	29,604
Schools	1,157,736	29,073,939	29,768,794	462,881
Educational Service Units	5,604	497,212	497,653	5,163
Technical College	33,528	2,978,661	2,981,273	30,916
Natural Resource Districts	9,280	780,815	782,141	7,954
Fire Districts	11,002	810,784	810,873	10,913
Municipalities	88,120	3,381,187	3,385,273	84,034
Agricultural Society	4,540	393,663	394,161	4,042
Cemetery Districts	2,613	3,203	5,650	166
Airport Authority	1,954	188,504	186,684	3,774
Hospital	616	48,181	48,690	107
Others - Collected by County Treasurer	1,113,202	858,176	360,901	1,610,477
Others - Collected by Other Offices	113,384	964,139	867,250	210,273
<b>TOTAL LIABILITIES</b>	<u>3,082,453</u>	<u>45,353,481</u>	<u>45,558,385</u>	<u>2,877,549</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

#### 1. **Summary of Significant Accounting Policies**

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

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

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

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

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

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$55,295 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 Four Corners Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 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, Nemaha County, Nuckolls County, Otoe County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

Seward County Communications Agency (Communications Region) – The County has entered into an agreement with the governing boards of the City of Seward and the City of Milford to fund, staff, and oversee the running of an Enhanced Emergency 911 Communications Center.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the Communications Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County is the fiscal agent for the Communications Region, and all activity is included with the E911 Fund of the County. The activity of this fund is included in the financial statements of the County and is included in this report. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

During fiscal year 2017, the County purchased a new Emergency 911 Radio System for \$351,149. This was funded entirely by the County; however, the City of Seward and the City of Milford will be refunding the County for their portions of the cost, in accordance with the agreement for the Communications Region. In July 2017, the County sent letters to the governing boards of the municipalities, requesting repayment before December 31, 2017. The City of Milford responded that its balance of \$12,641 would be repaid in five annual interest-free payments. Both the City of Milford and the City of Seward have repaid the balances, with the last payment made in December 2020 and September 2019, respectively.

#### **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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

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

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

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

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

The County reports the following major governmental funds:

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

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

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

**Health Insurance Fund.** This fund is used to account for the costs of insurance premiums and claims and is primarily funded by County and employee payroll deductions, and reinsurance reimbursements.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

**D. Assets and Net Position**

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

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

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$5,930,830 of restricted net position, which is fully restricted by enabling legislation.

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

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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

#### 2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$18,253,973 for County funds and \$2,877,549 for Fiduciary funds. The bank balances for all funds totaled \$21,159,999. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market value. Investments consisted of \$7,238 deposited in a Short-Term Federal Investment Trust (STFIT). STFIT is a separately managed trust account. Net Income is determined and accrued at the close of business on each banking day based on the STFIT account's individually held securities. Accrued income is paid on a monthly basis. Since net income is allocated each time net income is determined, the net asset value remains at \$1.00 per unit. Securities are held in Union Bank & Trust's nominee 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 \$.295623/\$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 \$.277225/\$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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 4. **Retirement System**

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

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

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

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

For the year ended June 30, 2021, 187 employees contributed \$304,983, and the County contributed \$452,452. Contributions included \$10,673 in cash contributions towards the supplemental law enforcement plan for 26 law enforcement employees.

#### 5. **Risk Management**

##### **Nebraska Intergovernmental Risk Management Association (NIRMA)**

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.

## SEWARD COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**5. Risk Management** (Concluded)

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

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

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

**County Self Insurance**

The County self-insures for employee health care through Mid-American Benefits. Details of the coverage are available upon request from the County. Health care insurance is funded through the Self-Funded Health Insurance Fund through a combination of employee and County contributions, reinsurance reimbursements, Consolidated Omnibus Budget Reconciliation Act (COBRA) premiums, and rebates. The County is liable for the first \$40,000 in health claims per enrolled member per year. Any remaining amount owed for employee health claims is covered by reinsurance.

**6. Interfund Transfers**

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

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
General Fund	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Road Fund	2,139,763	-	-	-	2,139,763
Health Insurance Fund	1,059,949	-	-	146,634	1,206,583
Nonmajor Funds	685,623	192,441	618,616	48,314	1,544,994
Total	<u>\$ 3,885,335</u>	<u>\$ 1,192,441</u>	<u>\$ 618,616</u>	<u>\$ 194,948</u>	<u>\$ 5,891,340</u>

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

In the year ended June 30, 2021, the County made a one-time transfer of \$618,616 from the Road Fund to the Special Road Fund for repairs, road project costs, and the purchase of equipment. Additionally, the County made two transfers, totaling \$43,900, from the E911 Fund to the Equipment Sinking Fund for the purchase of dispatch equipment and travel costs. Lastly, the County made a one-time transfer of \$4,414 from the E911 Emergency Management Fund to the 911 Wireless Service Fund to correct overpayments made from the Fund noted during the 2018-2019 Public Service Commission wireless audit.

## SEWARD COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**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:

	Three John Deere Motor Graders
Balance July 1, 2020	\$ 443,412
Purchases	-
Payments	77,139
Balance June 30, 2021	<u>\$ 366,273</u>
Future Payments:	
<b>Year</b>	
2022	\$ 383,100
Total Payments	\$ 383,100
Less Interest	\$ 16,827
Present Value of Future Minimum Lease Payments	<u>\$ 366,273</u>
Carrying Value of the Related Fixed Asset	<u>\$ 752,601</u>

Bonds

The County issued bonds on October 17, 2014, in the amount of \$9,990,000, for the purpose of paying the costs of constructing a new Justice Center. On November 26, 2019, the County refinanced this bond for \$7,240,000, with \$875,000 still to be repaid from the Series 2014 bond. The Series 2014 bond was repaid during fiscal year 2021. For the Series 2019 bond, the bond payable balance, as of June 30, 2021, was \$7,240,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 460,000	\$ 196,910	\$ 656,910
2023	475,000	182,885	657,885
2024	490,000	168,410	658,410
2025	515,000	153,335	668,335
2026	520,000	137,810	657,810
2027-2031	2,865,000	440,125	3,305,125
2032-2034	1,915,000	67,420	1,982,420
Total Payments	<u>\$ 7,240,000</u>	<u>\$ 1,346,895</u>	<u>\$ 8,586,895</u>

Additionally, the County issued bonds on September 30, 2016, in the amount of \$3,500,000, for the purpose of paying the costs of constructing, equipping, and furnishing the new Justice Center. The bond payable balance, as of June 30, 2021, was \$1,327,461. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

SEWARD COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 520,133	\$ 32,954	\$ 553,087
2023	534,535	18,551	553,086
2024	272,793	3,751	276,544
Total Payments	<u>\$ 1,327,461</u>	<u>\$ 55,256</u>	<u>\$ 1,382,717</u>

**8. Contingent Liabilities**

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

**9. Prior Period Adjustment**

The beginning balances were increased by \$129,673 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.

**SEWARD 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	\$ 8,916,765	\$ 8,916,765	\$ 8,194,898	\$ (721,867)
Licenses and Permits	60,000	60,000	107,482	47,482
Investment Income	200,000	200,000	226,676	26,676
Intergovernmental	345,250	345,250	1,513,826	1,168,576
Charges for Services	618,000	618,000	908,563	290,563
Miscellaneous	57,000	57,000	247,779	190,779
<b>TOTAL RECEIPTS</b>	<b>10,197,015</b>	<b>10,197,015</b>	<b>11,199,224</b>	<b>1,002,209</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	165,275	165,275	159,387	5,888
County Clerk	186,185	186,185	176,469	9,716
County Treasurer	351,773	351,773	350,632	1,141
County Assessor	347,955	352,455	352,277	178
Election Commissioner	81,200	81,200	80,196	1,004
Clerk of the District Court	287,260	287,260	236,573	50,687
County Court System	31,300	31,300	20,906	10,394
District Judge	90,782	96,282	96,190	92
Public Defender	215,913	215,913	192,195	23,718
Building and Grounds	559,747	559,747	538,827	20,920
Agricultural Extension Agent	191,351	191,351	174,857	16,494
Personnel	174,839	174,839	139,829	35,010
Cemetery	5,000	5,000	3,646	1,354
Miscellaneous	2,999,803	2,989,803	1,077,342	1,912,461
Public Safety				
County Sheriff	1,377,511	1,377,511	1,348,976	28,535
County Attorney	735,762	735,762	721,172	14,590
County Jail	1,190,877	1,190,877	1,076,346	114,531
Emergency Management	116,354	116,354	98,148	18,206
Public Works				
County Surveyor	10,925	10,925	1,398	9,527
Noxious Weed Control	93,282	93,282	83,206	10,076
Highway Department	121,605	121,605	118,966	2,639
Public Assistance				
Veterans' Service Officer	53,301	53,301	51,299	2,002
Senior Citizen Handi-Bus	246,520	246,520	228,666	17,854
<b>TOTAL DISBURSEMENTS</b>	<b>9,634,520</b>	<b>9,634,520</b>	<b>7,327,503</b>	<b>2,307,017</b>

(Continued)

SEWARD 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)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>562,495</u>	<u>562,495</u>	<u>3,871,721</u>	<u>3,309,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	<u>(2,630,386)</u>	<u>(2,630,386)</u>	<u>(3,885,335)</u>	<u>(1,254,949)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,630,386)</u>	<u>(1,630,386)</u>	<u>(2,885,335)</u>	<u>(1,254,949)</u>
Net Change in Fund Balance	(1,067,891)	(1,067,891)	986,386	2,054,277
<b>FUND BALANCE - BEGINNING</b>	<u>2,367,891</u>	<u>2,367,891</u>	<u>2,367,891</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 1,300,000</u></u>	<u><u>\$ 1,300,000</u></u>	<u><u>\$ 3,354,277</u></u>	<u><u>\$ 2,054,277</u></u>

(Concluded)

SEWARD 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>				
RECEIPTS				
Intergovernmental	\$ 2,391,690	\$ 2,391,690	\$ 2,535,907	\$ 144,217
Charges for Services	-	-	13,537	13,537
Miscellaneous	-	-	8,034	8,034
TOTAL RECEIPTS	2,391,690	2,391,690	2,557,478	165,788
DISBURSEMENTS	4,889,529	4,889,529	3,832,114	1,057,415
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,497,839)	(2,497,839)	(1,274,636)	1,223,203
OTHER FINANCING SOURCES (USES)				
Transfers in	2,139,763	2,139,763	2,139,763	-
Transfers out	-	-	(618,616)	(618,616)
TOTAL OTHER FINANCING SOURCES (USES)	2,139,763	2,139,763	1,521,147	(618,616)
Net Change in Fund Balance	(358,076)	(358,076)	246,511	604,587
FUND BALANCE - BEGINNING	758,076	758,076	758,076	-
FUND BALANCE - ENDING	\$ 400,000	\$ 400,000	\$ 1,004,587	\$ 604,587
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 749,169	\$ 749,169
Intergovernmental	-	-	224,206	224,206
Miscellaneous	-	-	5,056	5,056
TOTAL RECEIPTS	-	-	978,431	978,431
DISBURSEMENTS	3,476,618	3,476,618	177,429	3,299,189
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,476,618)	(3,476,618)	801,002	4,277,620
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,000,000)	(1,000,000)	(1,192,441)	(192,441)
TOTAL OTHER FINANCING SOURCES (USES)	(1,000,000)	(1,000,000)	(1,192,441)	(192,441)
Net Change in Fund Balance	(4,476,618)	(4,476,618)	(391,439)	4,085,179
FUND BALANCE - BEGINNING	4,476,618	4,476,618	4,476,619	1
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,085,180	\$ 4,085,180

SEWARD 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>HEALTH INSURANCE FUND</b>				
RECEIPTS				
Investment Income	\$ -	\$ -	\$ 13,955	\$ 13,955
Miscellaneous	2,291,554	2,791,554	2,088,257	(703,297)
TOTAL RECEIPTS	2,291,554	2,791,554	2,102,212	(689,342)
DISBURSEMENTS	3,500,000	4,000,000	3,344,637	655,363
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,208,446)	(1,208,446)	(1,242,425)	(33,979)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,206,583	1,206,583
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,206,583	1,206,583
Net Change in Fund Balance	(1,208,446)	(1,208,446)	(35,842)	1,172,604
FUND BALANCE - BEGINNING	1,208,446	1,208,446	1,608,446	400,000
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,572,604	\$ 1,572,604

(Concluded)

SEWARD 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 BUYBACK FUND</b>				
Receipts	\$ 287,787	\$ 287,787	\$ 287,787	\$ -
Disbursements	(1,125,400)	(1,125,400)	(8,025)	1,117,375
Net Change in Fund Balance	(837,613)	(837,613)	279,762	1,117,375
Fund Balance - Beginning	837,613	837,613	837,613	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,117,375	\$ 1,117,375

<b>SPECIAL ROAD FUND</b>				
Receipts	\$ 229,820	\$ 229,820	\$ 382,993	\$ 153,173
Disbursements	(1,306,793)	(1,306,793)	(552,572)	754,221
Transfers in	-	-	811,057	811,057
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,076,973)	(1,076,973)	641,478	1,718,451
Fund Balance - Beginning	1,076,973	1,076,973	1,076,973	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,718,451	\$ 1,718,451

<b>JUSTICE CENTER DEBT SERVICE FUND</b>				
Receipts	\$ 1,208,000	\$ 1,208,000	\$ 1,226,801	\$ 18,801
Disbursements	(1,829,277)	(1,829,277)	(1,303,342)	525,935
Net Change in Fund Balance	(621,277)	(621,277)	(76,541)	544,736
Fund Balance - Beginning	621,277	621,277	621,277	-
Fund Balance - Ending	\$ -	\$ -	\$ 544,736	\$ 544,736

<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ 14,000	\$ 14,000	\$ 46,534	\$ 32,534
Disbursements	(337,330)	(337,330)	(77,032)	260,298
Transfers in	20,000	20,000	238,900	218,900
Transfers out	-	-	-	-
Net Change in Fund Balance	(303,330)	(303,330)	208,402	511,732
Fund Balance - Beginning	303,330	303,330	303,330	-
Fund Balance - Ending	\$ -	\$ -	\$ 511,732	\$ 511,732

<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 48,399	\$ 48,399	\$ 18,893	\$ (29,506)
Disbursements	(70,000)	(70,000)	(15,225)	54,775
Net Change in Fund Balance	(21,601)	(21,601)	3,668	25,269
Fund Balance - Beginning	21,601	21,601	21,601	-
Fund Balance - Ending	\$ -	\$ -	\$ 25,269	\$ 25,269

(Continued)

SEWARD 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>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 18,842	\$ 18,842	\$ 18,893	\$ 51
Disbursements	(90,000)	(90,000)	(28,423)	61,577
Net Change in Fund Balance	(71,158)	(71,158)	(9,530)	61,628
Fund Balance - Beginning	71,158	71,158	71,158	-
Fund Balance - Ending	\$ -	\$ -	\$ 61,628	\$ 61,628
<b>REAPPRAISAL FUND</b>				
Receipts	\$ 27,925	\$ 27,925	\$ 848	\$ (27,077)
Disbursements	(59,270)	(59,270)	(32,205)	27,065
Transfers in	-	-	20,000	20,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(31,345)	(31,345)	(11,357)	19,988
Fund Balance - Beginning	31,345	31,345	31,346	1
Fund Balance - Ending	\$ -	\$ -	\$ 19,989	\$ 19,989
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 15,533	\$ 15,533	\$ 17,717	\$ 2,184
Disbursements	(80,000)	(80,000)	(14,708)	65,292
Net Change in Fund Balance	(64,467)	(64,467)	3,009	67,476
Fund Balance - Beginning	64,467	64,467	64,467	-
Fund Balance - Ending	\$ -	\$ -	\$ 67,476	\$ 67,476
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(5,052)	(5,052)	-	5,052
Net Change in Fund Balance	(5,052)	(5,052)	-	5,052
Fund Balance - Beginning	5,052	5,052	5,052	-
Fund Balance - Ending	\$ -	\$ -	\$ 5,052	\$ 5,052
<b>AGING SERVICES FUND</b>				
Receipts	\$ 77,780	\$ 77,780	\$ 74,962	\$ (2,818)
Disbursements	(111,534)	(111,534)	(92,300)	19,234
Transfers in	30,375	30,375	30,375	-
Transfers out	-	-	(11,278)	(11,278)
Net Change in Fund Balance	(3,379)	(3,379)	1,759	5,138
Fund Balance - Beginning	8,379	8,379	8,379	-
Fund Balance - Ending	\$ 5,000	\$ 5,000	\$ 10,138	\$ 5,138

SEWARD 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>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ 406,230	\$ 406,230	\$ 53,186	\$ (353,044)
Disbursements	(500,000)	(500,000)	(65,388)	434,612
Net Change in Fund Balance	(93,770)	(93,770)	(12,202)	81,568
Fund Balance - Beginning	93,770	93,770	93,770	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,568</u>	<u>\$ 81,568</u>
<b>ATTORNEY FEDERAL TREASURY DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 12,276	\$ 12,276	\$ 165,546	\$ 153,270
Disbursements	(424,225)	(424,225)	(51,517)	372,708
Net Change in Fund Balance	(411,949)	(411,949)	114,029	525,978
Fund Balance - Beginning	411,949	411,949	411,949	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,978</u>	<u>\$ 525,978</u>
<b>ATTORNEY FEDERAL JUSTICE DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 200,385	\$ 200,385	\$ 3,658	\$ (196,727)
Disbursements	(422,200)	(422,200)	(19,433)	402,767
Net Change in Fund Balance	(221,815)	(221,815)	(15,775)	206,040
Fund Balance - Beginning	221,815	221,815	221,815	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,040</u>	<u>\$ 206,040</u>
<b>SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ 2,000,000	\$ 1,617,770	\$ (382,230)
Disbursements	(454,281)	(2,454,281)	(1,332,776)	1,121,505
Transfers in	-	-	-	-
Transfers out	-	-	(54,834)	(54,834)
Net Change in Fund Balance	(454,281)	(454,281)	230,160	684,441
Fund Balance - Beginning	454,281	454,281	454,281	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,441</u>	<u>\$ 684,441</u>
<b>SHERIFF FEDERAL DRUG JUSTICE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(27,364)	(27,364)	-	27,364
Net Change in Fund Balance	(27,364)	(27,364)	-	27,364
Fund Balance - Beginning	27,364	27,364	27,364	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,364</u>	<u>\$ 27,364</u>

SEWARD 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>ATTORNEY GRANT FUND</b>				
Receipts	\$ 681,655	\$ 681,655	\$ 69,775	\$ (611,880)
Disbursements	(889,551)	(889,551)	(138,008)	751,543
Net Change in Fund Balance	(207,896)	(207,896)	(68,233)	139,663
Fund Balance - Beginning	207,896	207,896	207,896	-
Fund Balance - Ending	\$ -	\$ -	\$ 139,663	\$ 139,663
<b>EMERGENCY MANAGER GRANT FUND</b>				
Receipts	\$ 391,160	\$ 391,160	\$ 56,829	\$ (334,331)
Disbursements	(505,000)	(505,000)	(35,217)	469,783
Net Change in Fund Balance	(113,840)	(113,840)	21,612	135,452
Fund Balance - Beginning	113,840	113,840	113,840	-
Fund Balance - Ending	\$ -	\$ -	\$ 135,452	\$ 135,452
<b>ROAD GRANT FUND</b>				
Receipts	\$ 2,920,824	\$ 2,920,824	\$ 35,287	\$ (2,885,537)
Disbursements	(3,000,000)	(3,000,000)	-	3,000,000
Net Change in Fund Balance	(79,176)	(79,176)	35,287	114,463
Fund Balance - Beginning	79,176	79,176	79,176	-
Fund Balance - Ending	\$ -	\$ -	\$ 114,463	\$ 114,463
<b>MISCELLANEOUS GRANT FUND</b>				
Receipts	\$ 499,536	\$ 499,536	\$ 10,930	\$ (488,606)
Disbursements	(500,000)	(500,000)	(10,619)	489,381
Net Change in Fund Balance	(464)	(464)	311	775
Fund Balance - Beginning	464	464	464	-
Fund Balance - Ending	\$ -	\$ -	\$ 775	\$ 775
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
Receipts	\$ -	\$ -	\$ 1,678,797	\$ 1,678,797
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	1,678,797	1,678,797
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,678,797	\$ 1,678,797

(Continued)

SEWARD 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>E911 FUND</b>				
Receipts	\$ 308,558	\$ 308,558	\$ 477,469	\$ 168,911
Disbursements	(756,572)	(756,572)	(597,594)	158,978
Transfers in	440,248	440,248	440,248	-
Transfers out	-	-	(128,836)	(128,836)
Net Change in Fund Balance	(7,766)	(7,766)	191,287	199,053
Fund Balance - Beginning	67,766	67,766	67,766	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 259,053</u>	<u>\$ 199,053</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 195,366	\$ 195,366	\$ 65,054	\$ (130,312)
Disbursements	(200,000)	(200,000)	(58,264)	141,736
Transfers in	-	-	4,414	4,414
Transfers out	-	-	-	-
Net Change in Fund Balance	(4,634)	(4,634)	11,204	15,838
Fund Balance - Beginning	4,634	4,634	4,634	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,838</u>	<u>\$ 15,838</u>
<b>911 WIRELESS HOLDING FUND</b>				
Receipts	\$ 65,224	\$ 65,224	\$ -	\$ (65,224)
Disbursements	(300,000)	(300,000)	-	300,000
Net Change in Fund Balance	(234,776)	(234,776)	-	234,776
Fund Balance - Beginning	234,776	234,776	234,776	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,776</u>	<u>\$ 234,776</u>
<b>COMMISSARY FUND</b>				
Receipts	\$ 93,365	\$ 93,365	\$ 87,293	\$ (6,072)
Disbursements	(130,000)	(130,000)	(65,419)	64,581
Net Change in Fund Balance	(36,635)	(36,635)	21,874	58,509
Fund Balance - Beginning	36,635	36,635	36,635	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,509</u>	<u>\$ 58,509</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Road Buyback Fund	Special Road Fund	Justice Center Debt Service Fund	Equipment Sinking Fund	Visitors Promotion Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ 1,100,189	\$ -	\$ 18,893
Investment Income	-	-	1,391	-	-
Intergovernmental	287,787	196,639	125,221	-	-
Charges for Services	-	-	-	2,200	-
Miscellaneous	-	186,354	-	44,334	-
<b>TOTAL RECEIPTS</b>	<u>287,787</u>	<u>382,993</u>	<u>1,226,801</u>	<u>46,534</u>	<u>18,893</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	800	29,037	-
Public Safety	-	-	-	44,199	-
Public Works	8,025	552,572	-	-	-
Public Assistance	-	-	-	3,796	-
Culture and Recreation	-	-	-	-	15,225
Debt Service:					
Principal Payments	-	-	945,032	-	-
Interest and Fiscal Charges	-	-	357,510	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>8,025</u>	<u>552,572</u>	<u>1,303,342</u>	<u>77,032</u>	<u>15,225</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>279,762</u>	<u>(169,579)</u>	<u>(76,541)</u>	<u>(30,498)</u>	<u>3,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	811,057	-	238,900	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>811,057</u>	<u>-</u>	<u>238,900</u>	<u>-</u>
Net Change in Fund Balances	279,762	641,478	(76,541)	208,402	3,668
<b>FUND BALANCES - BEGINNING</b>	<u>837,613</u>	<u>1,076,973</u>	<u>621,277</u>	<u>303,330</u>	<u>21,601</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,117,375</u>	<u>\$ 1,718,451</u>	<u>\$ 544,736</u>	<u>\$ 511,732</u>	<u>\$ 25,269</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	25,269
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	544,736	-	-
Road/Bridge Projects	1,117,375	-	-	-	-
Aid and Assistance	-	-	-	-	-
Coronavirus Relief and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	1,718,451	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings and Equipment	-	-	-	511,732	-
Reappraisal Services	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,117,375</u>	<u>\$ 1,718,451</u>	<u>\$ 544,736</u>	<u>\$ 511,732</u>	<u>\$ 25,269</u>

(Continued)

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

For the Year Ended June 30, 2021

	Visitors Improvement Fund	Reappraisal Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Aging Services Fund
<b>RECEIPTS</b>					
Taxes	\$ 18,893	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	74,452
Charges for Services	-	848	17,717	-	-
Miscellaneous	-	-	-	-	510
<b>TOTAL RECEIPTS</b>	<b>18,893</b>	<b>848</b>	<b>17,717</b>	<b>-</b>	<b>74,962</b>
<b>DISBURSEMENTS</b>					
General Government	-	32,205	14,708	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	92,300
Culture and Recreation	28,423	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>28,423</b>	<b>32,205</b>	<b>14,708</b>	<b>-</b>	<b>92,300</b>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(9,530)	(31,357)	3,009	-	(17,338)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	20,000	-	-	30,375
Transfers out	-	-	-	-	(11,278)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>19,097</b>
Net Change in Fund Balances	(9,530)	(11,357)	3,009	-	1,759
<b>FUND BALANCES - BEGINNING</b>	<b>71,158</b>	<b>31,346</b>	<b>64,467</b>	<b>5,052</b>	<b>8,379</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 61,628</b>	<b>\$ 19,989</b>	<b>\$ 67,476</b>	<b>\$ 5,052</b>	<b>\$ 10,138</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	61,628	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	67,476	-	-
Debt Service	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-
Aid and Assistance	-	-	-	-	10,138
Coronavirus Relief and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	5,052	-
County Buildings and Equipment	-	-	-	-	-
Reappraisal Services	-	19,989	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 61,628</b>	<b>\$ 19,989</b>	<b>\$ 67,476</b>	<b>\$ 5,052</b>	<b>\$ 10,138</b>

(Continued)

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

For the Year Ended June 30, 2021

	Drug Law Enforcement and Education Fund	Attorney Federal Treasury Drug Law Enforcement Fund	Attorney Federal Justice Drug Law Enforcement Fund	Sheriff Federal Drug Law Enforcement Fund
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-
Intergovernmental	-	165,546	3,658	1,598,032
Charges for Services	-	-	-	-
Miscellaneous	53,186	-	-	19,738
<b>TOTAL RECEIPTS</b>	<u>53,186</u>	<u>165,546</u>	<u>3,658</u>	<u>1,617,770</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	-
Public Safety	65,388	51,517	19,433	1,332,776
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>65,388</u>	<u>51,517</u>	<u>19,433</u>	<u>1,332,776</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(12,202)</u>	<u>114,029</u>	<u>(15,775)</u>	<u>284,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(54,834)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,834)</u>
Net Change in Fund Balances	(12,202)	114,029	(15,775)	230,160
<b>FUND BALANCES - BEGINNING</b>	<u>93,770</u>	<u>411,949</u>	<u>221,815</u>	<u>454,281</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 81,568</u>	<u>\$ 525,978</u>	<u>\$ 206,040</u>	<u>\$ 684,441</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	-
Drug Education	81,568	-	-	-
Law Enforcement	-	525,978	206,040	684,441
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Road/Bridge Projects	-	-	-	-
Aid and Assistance	-	-	-	-
Coronavirus Relief and Assistance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings and Equipment	-	-	-	-
Reappraisal Services	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 81,568</u>	<u>\$ 525,978</u>	<u>\$ 206,040</u>	<u>\$ 684,441</u>

(Continued)

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

For the Year Ended June 30, 2021

	Sheriff Federal Drug Justice Fund	Attorney Grant Fund	Emergency Manager Grant Fund	Road Grant Fund	Miscellaneous Grant Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	69,775	56,829	35,287	2,734
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	8,196
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>69,775</u>	<u>56,829</u>	<u>35,287</u>	<u>10,930</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	10,619
Public Safety	-	138,008	35,217	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>138,008</u>	<u>35,217</u>	<u>-</u>	<u>10,619</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>(68,233)</u>	<u>21,612</u>	<u>35,287</u>	<u>311</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(68,233)	21,612	35,287	311
<b>FUND BALANCES - BEGINNING</b>	<u>27,364</u>	<u>207,896</u>	<u>113,840</u>	<u>79,176</u>	<u>464</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 27,364</u>	<u>\$ 139,663</u>	<u>\$ 135,452</u>	<u>\$ 114,463</u>	<u>\$ 775</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	135,452	-	-
Drug Education	-	-	-	-	-
Law Enforcement	27,364	139,663	-	-	775
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road/Bridge Projects	-	-	-	114,463	-
Aid and Assistance	-	-	-	-	-
Coronavirus Relief and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings and Equipment	-	-	-	-	-
Reappraisal Services	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 27,364</u>	<u>\$ 139,663</u>	<u>\$ 135,452</u>	<u>\$ 114,463</u>	<u>\$ 775</u>

(Continued)

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

For the Year Ended June 30, 2021

	COVID American Rescue Plan Act Fund	E911 Fund	911 Wireless Service Fund	911 Wireless Holding Fund	Commissary Fund	Total Nonmajor Funds
<b>RECEIPTS</b>						
Taxes	\$ -	\$ 52,491	\$ 65,054	\$ -	\$ -	\$ 1,255,520
Investment Income	190	-	-	-	-	1,581
Intergovernmental	1,678,607	424,169	-	-	-	4,718,736
Charges for Services	-	-	-	-	87,293	108,058
Miscellaneous	-	809	-	-	-	313,127
<b>TOTAL RECEIPTS</b>	<u>1,678,797</u>	<u>477,469</u>	<u>65,054</u>	<u>-</u>	<u>87,293</u>	<u>6,397,022</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	87,369
Public Safety	-	597,594	58,264	-	65,419	2,407,815
Public Works	-	-	-	-	-	560,597
Public Assistance	-	-	-	-	-	96,096
Culture and Recreation	-	-	-	-	-	43,648
Debt Service:						
Principal Payments	-	-	-	-	-	945,032
Interest and Fiscal Charges	-	-	-	-	-	357,510
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>597,594</u>	<u>58,264</u>	<u>-</u>	<u>65,419</u>	<u>4,498,067</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,678,797</u>	<u>(120,125)</u>	<u>6,790</u>	<u>-</u>	<u>21,874</u>	<u>1,898,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	440,248	4,414	-	-	1,544,994
Transfers out	-	(128,836)	-	-	-	(194,948)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>311,412</u>	<u>4,414</u>	<u>-</u>	<u>-</u>	<u>1,350,046</u>
Net Change in Fund Balances	1,678,797	191,287	11,204	-	21,874	3,249,001
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>67,766</u>	<u>4,634</u>	<u>234,776</u>	<u>36,635</u>	<u>4,995,562</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,678,797</u>	<u>\$ 259,053</u>	<u>\$ 15,838</u>	<u>\$ 234,776</u>	<u>\$ 58,509</u>	<u>\$ 8,244,563</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	86,897
911 Emergency Services	-	259,053	15,838	234,776	-	645,119
Drug Education	-	-	-	-	-	81,568
Law Enforcement	-	-	-	-	-	1,584,261
Preservation of Records	-	-	-	-	-	67,476
Debt Service	-	-	-	-	-	544,736
Road/Bridge Projects	-	-	-	-	-	1,231,838
Aid and Assistance	-	-	-	-	-	10,138
Coronavirus Relief and Assistance	1,678,797	-	-	-	-	1,678,797
Committed to:						
Law Enforcement	-	-	-	-	58,509	58,509
Road Maintenance	-	-	-	-	-	1,718,451
Aid and Assistance	-	-	-	-	-	5,052
County Buildings and Equipment	-	-	-	-	-	511,732
Reappraisal Services	-	-	-	-	-	19,989
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,678,797</u>	<u>\$ 259,053</u>	<u>\$ 15,838</u>	<u>\$ 234,776</u>	<u>\$ 58,509</u>	<u>\$ 8,244,563</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2020	\$ 37,449	\$ 107,521	\$ 19,969	\$ 25	\$ 28	\$ -
RECEIPTS						
Taxes	-	-	-	-	-	-
Licenses and Permits	3,919	-	1,235	-	-	275
Intergovernmental	-	-	-	-	-	-
Charges for Services	216,950	34,870	213,783	41,236	-	4,485
Miscellaneous	2,448	-	403	-	18	80,277
State Fees	217,397	25,733	-	-	-	190
Other Liabilities	-	499,103	453,856	11,180	-	-
TOTAL RECEIPTS	440,714	559,706	669,277	52,416	18	85,227
DISBURSEMENTS						
Payments to County Treasurer	216,080	36,240	211,332	38,529	-	85,037
Payments to State Treasurer	203,971	25,844	-	-	-	190
Petty Cash	2,448	-	-	-	-	-
Other Liabilities	-	393,635	462,460	11,155	-	-
TOTAL DISBURSEMENTS	422,499	455,719	673,792	49,684	-	85,227
BALANCES JUNE 30, 2021	\$ 55,664	\$ 211,508	\$ 15,454	\$ 2,757	\$ 46	\$ -
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 20,729	\$ 2,294	\$ 7,151	\$ 2,707	\$ 26	\$ -
Petty Cash	7,500	100	5,000	25	20	-
Due to State Treasurer	27,435	2,169	-	-	-	-
Due to Others	-	206,945	3,303	25	-	-
BALANCES JUNE 30, 2021	\$ 55,664	\$ 211,508	\$ 15,454	\$ 2,757	\$ 46	\$ -

(Continued)

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

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2020	\$ 3,651	\$ 400,000	\$ 150	\$ 25	\$ -	\$ 568,818
RECEIPTS						
Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	14,100	-	-	19,529
Intergovernmental	-	-	-	-	74,452	74,452
Charges for Services	-	-	-	691	-	512,015
Miscellaneous	2	3,331,121	-	-	470	3,414,739
State Fees	-	-	-	-	-	243,320
Other Liabilities	-	-	-	-	-	964,139
TOTAL RECEIPTS	2	3,331,121	14,100	691	74,922	5,228,194
DISBURSEMENTS						
Payments to County Treasurer	-	-	14,250	336	74,922	676,726
Payments to State Treasurer	-	-	-	-	-	230,005
Petty Cash	234	3,331,121	-	-	-	3,333,803
Other Liabilities	-	-	-	-	-	867,250
TOTAL DISBURSEMENTS	234	3,331,121	14,250	336	74,922	5,107,784
BALANCES JUNE 30, 2021	\$ 3,419	\$ 400,000	\$ -	\$ 380	\$ -	\$ 689,228
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 3,419	\$ -	\$ -	\$ 355	\$ -	\$ 36,681
Petty Cash	-	400,000	-	25	-	412,670
Due to State Treasurer	-	-	-	-	-	29,604
Due to Others	-	-	-	-	-	210,273
BALANCES JUNE 30, 2021	\$ 3,419	\$ 400,000	\$ -	\$ 380	\$ -	\$ 689,228

(Concluded)

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

Item	2016	2017	2018	2019	2020
Tax Certified by Assessor					
Real Estate	\$ 35,176,283	\$ 35,850,739	\$ 36,356,033	\$ 37,093,749	\$ 38,239,115
Personal and Specials	2,623,056	2,422,233	2,382,456	2,217,259	2,186,975
Total	<u>37,799,339</u>	<u>38,272,972</u>	<u>38,738,489</u>	<u>39,311,008</u>	<u>40,426,090</u>
Corrections					
Additions	8,725	15,809	26,982	16,701	1,157
Deductions	(5,091)	(23,392)	(9,785)	(12,309)	(3,670)
Net Additions/ (Deductions)	<u>3,634</u>	<u>(7,583)</u>	<u>17,197</u>	<u>4,392</u>	<u>(2,513)</u>
Corrected Certified Tax	<u>37,802,973</u>	<u>38,265,389</u>	<u>38,755,686</u>	<u>39,315,400</u>	<u>40,423,577</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	23,523,845	-	-	-	-
June 30, 2018	14,274,869	24,745,421	-	-	-
June 30, 2019	1,297	13,503,543	24,386,828	-	-
June 30, 2020	1,647	5,627	14,349,334	24,238,704	-
June 30, 2021	422	9,628	16,910	15,070,668	25,424,226
Total Net Collections	<u>37,802,080</u>	<u>38,264,219</u>	<u>38,753,072</u>	<u>39,309,372</u>	<u>25,424,226</u>
Total Uncollected Tax	<u>\$ 893</u>	<u>\$ 1,170</u>	<u>\$ 2,614</u>	<u>\$ 6,028</u>	<u>\$ 14,999,351</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>37.11%</u>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51461 Y3, 51511 Y3	\$ 142,819
Passed through City of Lincoln			
Nutrition Services Incentive Program	93.053	unavailable	<u>7,337</u>
Total U.S. Department of Health and Human Services			<u>150,156</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Decared Disasters)	97.036	159-0154C-00	240,616
COVID-19 - Disaster Grants - Public Assistance (Presidentially Decared Disasters)	97.036	159-UC1AB-00	<u>13,733</u>
Total - Disaster Grants - Public Assistance (Presidentially Decared Disasters)			254,349
Emergency Management Performance Grants	97.042	20-SR 8753-01, 20-GA 8753-02	<u>46,384</u>
Total U.S. Department of Homeland Security			<u>300,733</u>
<b>DEPARTMENT OF THE INTERIOR</b>			
Office of the Secretary of the Interior			
Payments in Lieu of Taxes	15.226	not applicable	<u>2,922</u>
Total U.S. Department of the Interior			<u>2,922</u>
<b>DEPARTMENT OF JUSTICE</b>			
Passed through State Commission on Law Enforcement and Criminal Justice			
Crime Victim Assistance/Discretionary Grants	16.582	unavailable	350
Equitable Sharing Program	16.922	not applicable	<u>19,433</u>
Total U.S. Department of Justice			<u>19,783</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation			
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	C801(220)	<u>206,319</u>
Total U.S. Department of Transportation			<u>206,319</u>
<b>DEPARTMENT OF THE TREASURY</b>			
Equitable Sharing Program	21.016	not applicable	* 1,439,127
Passed through Nebraska Military Department			
Coronavirus Relief Fund	21.019	unavailable	* <u>379,747</u>
Total U.S. Department of Treasury			<u>1,818,874</u>

(Continued)

SEWARD 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>ELECTION ASSISTANCE COMMISSION</b>			
Passed through Nebraska Secretary of State			
COVID-19 - 2018 HAVA Election Security Grant	90.404	16	<u>15,627</u>
Total U.S. Election Assistance Commission			<u>15,627</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,514,414</u>

(Concluded)

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

## SEWARD COUNTY

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

For the Year Ended June 30, 2021

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Seward County (County) under programs of the Federal government for the year ended June 30, 2021, except as noted in Note 3 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

**2. Summary of Significant Accounting Policies**

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

**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 \$254,349, which was incurred and paid in the fiscal year ended June 30, 2020.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### SEWARD COUNTY

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

Board of Commissioners  
Seward County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seward County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Seward County's basic financial statements, and have issued our report thereon dated February 1, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

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

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

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

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

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

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

### **Additional Items**

We also noted certain matters that we reported to the management of Seward County in a separate letter dated February 1, 2022.

### **Seward County's Response to Finding**

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

### **Purpose of this Report**

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



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

February 1, 2022



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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SEWARD 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  
Seward County, Nebraska

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

We have audited Seward County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Seward County's major Federal programs for the year ended June 30, 2021. Seward County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

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

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

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

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

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



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

February 1, 2022

SEWARD 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 X None Reported

Significant deficiencies identified? X Yes \_\_\_\_\_ No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X None Reported

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes X None Reported

Significant deficiencies identified? \_\_\_\_\_ Yes X None Reported

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

**Unmodified**

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

\_\_\_\_\_ Yes X No

Major programs:

**Equitable Sharing Program: Assistance Listing #21.016**

**Coronavirus Relief Fund: Assistance Listing #21.019**

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes X No

SEWARD COUNTY

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

**Section II – Financial Statement Findings**

**Finding # 2021-1**

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

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

**None Noted**

# Seward County Commissioners

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January 27, 2022

## SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2021

### Finding # 2020-1 (Since 2020) Segregation of Duties

Status: On-going

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

  
John Culver, Seward County Board Chairperson

## 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

  
\_\_\_\_\_  
John Culver, Seward County Board Chairperson



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 1, 2022

Board of Commissioners  
Seward County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Seward County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 1, 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 SHERIFF**

#### **Balancing Procedures**

During our audit, we noted the following regarding the County Sheriff's balancing procedures:

- A monthly asset-to-liability reconciliation was not performed for the fee account, resulting in a cash short of \$900, an increase of \$426 from the \$474 short noted in fiscal year 2020.
- A monthly asset-to-liability reconciliation was not performed for the inmate account, resulting in a cash long of \$93, a decrease of \$164 from the \$257 long noted in fiscal year 2020.

A similar finding was noted in prior years.

Good internal controls and sound accounting practices require procedures to ensure that an asset-to-liability reconciliation is performed timely, and any variances noted are followed up on appropriately.

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

We recommend the County Sheriff implement procedures to ensure an asset-to-liability reconciliation is performed, and any variances noted are resolved timely.

*County Sheriff's Office Response: During your audit of the Sheriff's records, you determined an error in monies in the negative amount of \$899.94. After reviewing our month end reports during fiscal year 2021, I have located \$591.00 in duplicate additions. The balance of 308.94 could not be pin pointed due to errors in the civil billings. I do believe this amount was also duplicate additions from previous numbers not being adjusted properly for the next month's amount. To remedy this, starting at the end of December 2021, each month end report will be itemized in the civil billings part. This should fix the problem. I did a quick check of the accounts and are very much in reason with any long or shortfall of any moneys owing or paid in, without closing the books*

*County Board Response: We will work to correct the issues in the future and the Nebraska Auditor of Public Accounts' Office has worked with the Sheriff's Office to help them know how to properly prepare records.*

## **COUNTY BOARD**

### **Fee and Contract Approvals**

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

- The County Highway Department charged for the sale of aluminum at \$0.22 per pound, which has not been approved by the County Board. The amount charged and collected by this office for aluminum for fiscal year 2021 totaled \$115.
- The County Highway Department charged for used culverts based on market value. The fee for used culverts was approved by the County Board on February 16, 2021; however, the amount charged and collected by this office for used culverts prior to board approval totaled \$2,239.
- The County Highway Planning and Zoning office charged \$300 for a conditional use permit; however, this fee did not agree to the County Board approved rate. The County Board approved the fee for a conditional use permit at \$150 per application on January 3, 2017, and subsequently increased the fee to \$600 per application on November 16, 2021.

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

A similar finding was noted in prior years.

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

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

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

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

*County Board Response: The interlocal between the Sheriff and Garland will be addressed and corrected.*

### **Lack of Bidding Documentation**

We noted that the County Board approved bids on September 22, 2020, for road gravel that included a bid from Central Sand and Gravel Company at a rate of \$24.47/ton from a stockpile in Garland, Nebraska, and \$25.20/ton from a stockpile in Grover, Nebraska. However, on November 20, 2020, the Board approved and paid Claim #20110296, which included \$68,605 for road gravel, to Central Sand and Gravel Company at a rate of \$13/ton, which was picked up directly by the County instead of being delivered. This rate was not included in the awarded bid amounts.

Neb. Rev. Stat. § 39-810(c) (Cum. Supp. 2020) states, in relevant part, the following:

*All contracts for materials for repairing, erecting, and constructing bridges and approaches thereto or culverts or for the purchase of gravel for roads, the cost and expense of which exceed twenty thousand dollars, shall be let to the lowest responsible bidder, but the board may reject any and all bids submitted for such materials.*

Additionally, good internal controls and sound business practices require procedures to ensure that all contracts for road gravel exceeding an estimated value of \$20,000 are properly bid and let to the lowest bidder, and documentation of the bidding process is maintained.

When required bidding procedures are not followed for road gravel purchases exceeding \$20,000, the County is not in compliance with State statute, and there is an increased risk for the loss and/or misuse of County funds.

We recommend the County Board ensure statutory bidding requirements are followed for all road gravel purchases.

*County Board Response: We will also ensure the roads department use correct wording for bidding purpose in the future. The gravel and other bids we will try and be more diligent in making sure all aspects available will be included. Normally we pick it all up but with last year and staffing issues we tried to keep our trucks local dispersing the gravel and have another firm truck it in savings us in the long run costs and allocations of man power.*

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

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

\* \* \* \* \*

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Zachary Wells". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Zachary Wells, CPA, CISA  
Assistant Deputy Auditor