

**AUDIT REPORT
OF
CASS COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

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the Auditor of Public Accounts.**

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Issued on May 3, 2023

CASS COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	9
Notes to Financial Statements	10 - 17
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	18 - 19
Budgetary Comparison Schedule - Budget and Actual - Major Funds	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	22 - 25
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	26 - 28
Schedule of Office Activities	29 - 30
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	31
Government Auditing Standards Section	
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 <i>Government Auditing Standards</i>	32 - 33

CASS COUNTY
346 Main Street
Plattsmouth, NE 68048

LIST OF COUNTY OFFICIALS
At June 30, 2022

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



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CASS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cass County, Nebraska

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter -- Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

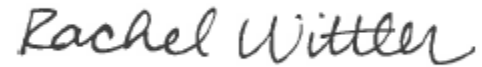
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 18 – 31, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of Cass County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over

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

A handwritten signature in cursive script that reads "Rachel Wittler".

April 26, 2023

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

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

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	8,828,967
Investments (Note 1.D)		9,406,960
TOTAL ASSETS	\$	18,235,927
NET POSITION		
Restricted for:		
Visitor Promotion	\$	469,020
911 Emergency Services		340,545
Drug Education		12,948
Preservation of Records		125,504
Coronavirus Relief and Assistance		2,467,023
Road Maintenance		1,064,095
Communication Towers		104,355
Unrestricted		13,652,437
TOTAL NET POSITION	\$	18,235,927

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (9,887,769)	\$ 1,273,173	\$ 132,850	\$ (8,481,746)
Public Safety	(7,902,508)	1,520,527	171,562	(6,210,419)
Public Works	(10,417,258)	74,526	4,307,956	(6,034,776)
Public Assistance	(116,256)	-	-	(116,256)
Culture and Recreation	(161,722)	-	-	(161,722)
Total Governmental Activities	<u>\$ (28,485,513)</u>	<u>\$ 2,868,226</u>	<u>\$ 4,612,368</u>	<u>(21,004,919)</u>

General Receipts:

Taxes	16,050,077
Grants and Contributions Not Restricted to Specific Programs	1,573,212
Investment Income	36,882
Licenses and Permits	373,470
Miscellaneous	364,869
Total General Receipts	<u>18,398,510</u>

Change in Net Position	(2,606,409)
Net Position - Beginning of year	20,842,336
Net Position - End of year	<u>\$ 18,235,927</u>

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

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

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,565,186	\$ 801,817	\$ 1,490,991	\$ 2,457,023	\$ 2,513,950	\$ 8,828,967
Investments (Note 1.D)	2,075,727	-	7,322,368	-	8,865	9,406,960
TOTAL ASSETS	<u>\$ 3,640,913</u>	<u>\$ 801,817</u>	<u>\$ 8,813,359</u>	<u>\$ 2,457,023</u>	<u>\$ 2,522,815</u>	<u>\$ 18,235,927</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	469,020	469,020
911 Emergency Services	-	-	-	-	340,545	340,545
Drug Education	-	-	-	-	12,948	12,948
Preservation of Records	-	-	-	-	125,504	125,504
Coronavirus Relief and Assistance	-	-	-	2,457,023	10,000	2,467,023
Road Maintenance	-	-	-	-	1,064,095	1,064,095
Communication Towers	-	-	-	-	104,355	104,355
Committed to:						
Law Enforcement	-	-	-	-	15,686	15,686
Road Maintenance	-	801,817	-	-	187,537	989,354
Emergency Management	-	-	-	-	118,167	118,167
Community Betterment	-	-	-	-	74,958	74,958
Assigned to:						
Other Purposes	-	-	8,813,359	-	-	8,813,359
Unassigned	3,640,913	-	-	-	-	3,640,913
TOTAL CASH BASIS FUND BALANCES	<u>\$ 3,640,913</u>	<u>\$ 801,817</u>	<u>\$ 8,813,359</u>	<u>\$ 2,457,023</u>	<u>\$ 2,522,815</u>	<u>\$ 18,235,927</u>

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

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

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$14,195,165	\$ -	\$ 1,431,458	\$ -	\$ 423,454	\$ 16,050,077
Licenses and Permits	373,470	-	-	-	-	373,470
Investment Income	35,612	-	-	1,224	46	36,882
Intergovernmental	1,733,824	3,795,167	-	-	656,589	6,185,580
Charges for Services	2,763,733	74,526	-	-	29,967	2,868,226
Miscellaneous	144,069	1,061	-	-	219,739	364,869
TOTAL RECEIPTS	19,245,873	3,870,754	1,431,458	1,224	1,329,795	25,879,104
DISBURSEMENTS						
General Government	9,769,135	-	263	93,517	24,854	9,887,769
Public Safety	7,514,715	-	-	-	387,793	7,902,508
Public Works	190,218	9,556,282	-	-	670,758	10,417,258
Public Assistance	116,256	-	-	-	-	116,256
Culture and Recreation	-	-	-	-	161,722	161,722
TOTAL DISBURSEMENTS	17,590,324	9,556,282	263	93,517	1,245,127	28,485,513
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,655,549	(5,685,528)	1,431,195	(92,293)	84,668	(2,606,409)
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000	6,000,000	-	-	176,290	6,226,290
Transfers out	(6,068,510)	-	-	-	(157,780)	(6,226,290)
TOTAL OTHER FINANCING SOURCES (USES)	(6,018,510)	6,000,000	-	-	18,510	-
Net Change in Fund Balances	(4,362,961)	314,472	1,431,195	(92,293)	103,178	(2,606,409)
CASH BASIS FUND BALANCES - BEGINNING						
	8,003,874	487,345	7,382,164	2,549,316	2,419,637	20,842,336
CASH BASIS FUND BALANCES - ENDING						
	\$ 3,640,913	\$ 801,817	\$ 8,813,359	\$ 2,457,023	\$ 2,522,815	\$ 18,235,927

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

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

For the Year Ended June 30, 2022

	Custodial Fund Balances July 1, 2021 (as restated)	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
ASSETS				
Cash and Cash Equivalents (Note 1.D)	\$ 6,468,264	\$ 79,588,788	\$ 79,622,897	\$ 6,434,155
Investments (Note 1.D)	1,600,359	2,397	-	1,602,756
TOTAL ASSETS	\$ 8,068,623	\$ 79,591,185	\$ 79,622,897	\$ 8,036,911
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	787,444	7,740,281	7,790,004	737,721
State - Collected by Other Offices	44,118	444,774	445,659	43,233
Schools	2,341,530	49,240,964	49,158,881	2,423,613
Educational Service Units	7,080	599,954	600,132	6,902
Technical College	44,114	3,732,356	3,733,460	43,010
Natural Resource Districts	14,101	1,124,139	1,125,722	12,518
Fire Districts	14,767	1,218,744	1,217,986	15,525
Municipalities	117,315	5,097,623	5,084,415	130,523
Agricultural Society	3,021	283,788	283,358	3,451
Cemetery District	405	33,069	33,129	345
Sanitary and Improvement Districts	4,074,352	7,631,911	7,543,661	4,162,602
Others - Collected by County Treasurer	117,537	938,102	899,787	155,852
Others - Collected by Other Offices	502,839	1,505,480	1,706,703	301,616
TOTAL LIABILITIES	8,068,623	79,591,185	79,622,897	8,036,911
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$72,674 toward the operation of the Region during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

D. Assets and Net Position

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$4,583,490 of restricted net position which is fully restricted by enabling legislation.

Budgetary Process. The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2022, disbursements exceeded budgeted appropriations in the Keno Lottery Fund by \$2,628. These over-expenditures were funded by greater than anticipated receipts.

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 \$8,828,967 for County funds and \$6,434,155 for Fiduciary funds. The bank balances for all funds totaled \$15,535,546. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$9,406,960 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$1,602,756 for Fiduciary Funds. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

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

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Taxes (Concluded)

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.329101/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.364651/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

4. Retirement System

The Retirement System for Nebraska Counties (the 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 2022) 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, 2022, 239 employees contributed \$491,951, and the County contributed \$724,809. Contributions included \$26,107 in cash contributions towards the supplemental law enforcement plan for 40 law enforcement employees. Lastly, the County paid \$802 directly to six retired employees for prior service benefits.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 106 counties and local governments throughout Nebraska.

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

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

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

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

6. **Interfund Transfers**

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

<u>Transfers to</u>	<u>Transfers from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 50,000	\$ 50,000
Road Fund	6,000,000	-	6,000,000
Nonmajor Funds	68,510	107,780	176,290
Total	\$ 6,068,510	\$ 157,780	\$ 6,226,290

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

In the year ended June 30, 2022, the County made a one-time transfer of \$50,000 from the FEMA Grant Fund to the General Fund to reimburse for emergency management expenses incurred in the General Fund.

CASS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Long-Term Obligations

Lease-Purchase Agreements

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

	Motorola Radio System	Motorola Consoles	Total
Balance July 1, 2021	\$ 915,422	\$ 133,498	\$ 1,048,920
Purchases	-	-	-
Payments	296,437	65,711	362,148
Balance June 30, 2022	<u>\$ 618,985</u>	<u>\$ 67,787</u>	<u>\$ 686,772</u>
Future Payments:			
Year			
2023	\$ 323,072	\$ 69,930	\$ 393,002
2024	323,072	-	323,072
Total Payments	<u>646,144</u>	<u>69,930</u>	<u>716,074</u>
Less Interest	<u>27,159</u>	<u>2,143</u>	<u>29,302</u>
Present Value of Future Minimum Lease Payments	<u>\$ 618,985</u>	<u>\$ 67,787</u>	<u>\$ 686,772</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,786,163</u>	<u>\$ 446,749</u>	<u>\$ 2,232,912</u>

8. Contingent Liabilities

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

9. Prior Period Adjustment

The beginning balances were decreased by \$41,318 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 2021 financial statements. This adjustment was made to correct escrow balances previously reported as Due to Others.

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 14,789,423	\$ 14,789,423	\$ 14,195,165	\$ (594,258)
Licenses and Permits	286,050	286,050	373,470	87,420
Investment Income	40,000	40,000	35,612	(4,388)
Intergovernmental	1,536,270	1,536,270	1,733,824	197,554
Charges for Services	2,415,830	2,415,830	2,763,733	347,903
Miscellaneous	221,320	221,320	144,069	(77,251)
TOTAL RECEIPTS	<u>19,288,893</u>	<u>19,288,893</u>	<u>19,245,873</u>	<u>(43,020)</u>
DISBURSEMENTS				
General Government:				
County Board	160,775	160,775	155,699	5,076
County Clerk	345,530	345,530	331,137	14,393
County Treasurer	488,743	488,743	434,990	53,753
Register of Deeds	220,800	220,800	203,414	17,386
County Assessor	297,219	297,219	229,536	67,683
GIS Department	144,180	144,180	116,907	27,273
Election Commissioner	191,664	191,664	181,314	10,350
Building and Zoning	282,450	282,450	249,502	32,948
Data Processing Department	322,512	322,512	296,865	25,647
Clerk of the District Court	230,825	230,825	217,437	13,388
County Court System	28,000	28,000	17,684	10,316
District Judge	66,050	66,050	61,692	4,358
Public Defender	349,580	349,580	322,858	26,722
Building and Grounds	167,600	167,600	130,728	36,872
Reappraisal	244,000	244,000	170,964	73,036
Agricultural Extension Agent	137,400	137,400	132,223	5,177
Miscellaneous	11,358,661	11,358,661	6,516,185	4,842,476
Public Safety				
County Sheriff	3,386,395	3,386,395	3,141,961	244,434
County Attorney	729,700	729,700	623,095	106,605
Child Support	71,700	71,700	59,093	12,607
Crime Commission	84,172	84,172	27,192	56,980
County Jail	2,920,996	2,920,996	2,519,316	401,680
Emergency Management	1,217,180	1,217,180	1,144,058	73,122
Public Works				
County Surveyor	73,740	73,740	71,915	1,825
Recycle	17,100	17,100	4,569	12,531
Noxious Weed Control	136,875	136,875	113,734	23,141
Public Assistance				
Veterans' Service Officer	109,628	109,628	105,420	4,208
Veterans' Aid	12,000	12,000	7,236	4,764
Poor Relief	33,000	33,000	3,600	29,400
TOTAL DISBURSEMENTS	<u>23,828,475</u>	<u>23,828,475</u>	<u>17,590,324</u>	<u>6,238,151</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,539,582)	(4,539,582)	1,655,549	6,195,131
OTHER FINANCING SOURCES (USES)				
Transfers in	2,070,000	2,070,000	50,000	(2,020,000)
Transfers out	(4,034,272)	(4,034,272)	(6,068,510)	(2,034,238)
TOTAL OTHER FINANCING SOURCES (USES)	(1,964,272)	(1,964,272)	(6,018,510)	(4,054,238)
Net Change in Fund Balance	(6,503,854)	(6,503,854)	(4,362,961)	2,140,893
FUND BALANCE - BEGINNING	8,003,854	8,003,854	8,003,874	20
FUND BALANCE - ENDING	\$ 1,500,000	\$ 1,500,000	\$ 3,640,913	\$ 2,140,913

(Concluded)

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 3,192,500	\$ 3,192,500	\$ 3,795,167	\$ 602,667
Charges for Services	68,000	68,000	74,526	6,526
Miscellaneous	1,000	1,000	1,061	61
TOTAL RECEIPTS	<u>3,261,500</u>	<u>3,261,500</u>	<u>3,870,754</u>	<u>609,254</u>
DISBURSEMENTS	<u>11,603,825</u>	<u>11,603,825</u>	<u>9,556,282</u>	<u>2,047,543</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(8,342,325)</u>	<u>(8,342,325)</u>	<u>(5,685,528)</u>	<u>2,656,797</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000,000	8,000,000	6,000,000	(2,000,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,000,000</u>	<u>8,000,000</u>	<u>6,000,000</u>	<u>(2,000,000)</u>
Net Change in Fund Balance	(342,325)	(342,325)	314,472	656,797
FUND BALANCE - BEGINNING	487,345	487,345	487,345	-
FUND BALANCE - ENDING	<u>\$ 145,020</u>	<u>\$ 145,020</u>	<u>\$ 801,817</u>	<u>\$ 656,797</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 800,000	\$ 800,000	\$ 1,431,458	\$ 631,458
TOTAL RECEIPTS	<u>800,000</u>	<u>800,000</u>	<u>1,431,458</u>	<u>631,458</u>
DISBURSEMENTS	<u>2,200,000</u>	<u>2,200,000</u>	<u>263</u>	<u>2,199,737</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>1,431,195</u>	<u>2,831,195</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(4,000,000)	(4,000,000)	-	4,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>	<u>4,000,000</u>
Net Change in Fund Balance	(5,400,000)	(5,400,000)	1,431,195	6,831,195
FUND BALANCE - BEGINNING	7,382,164	7,382,164	7,382,164	-
FUND BALANCE - ENDING	<u>\$ 1,982,164</u>	<u>\$ 1,982,164</u>	<u>\$ 8,813,359</u>	<u>\$ 6,831,195</u>

(Continued)

CASS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>AMERICAN RESCUE PLAN ACT FUND</u>				
RECEIPTS				
Investment Income	\$ 699	\$ 699	\$ 1,224	\$ 525
TOTAL RECEIPTS	<u>699</u>	<u>699</u>	<u>1,224</u>	<u>525</u>
DISBURSEMENTS	<u>549,200</u>	<u>549,200</u>	<u>93,517</u>	<u>455,683</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(548,501)</u>	<u>(548,501)</u>	<u>(92,293)</u>	<u>456,208</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>
Net Change in Fund Balance	(2,548,501)	(2,548,501)	(92,293)	2,456,208
FUND BALANCE - BEGINNING	2,549,316	2,549,316	2,549,316	-
FUND BALANCE - ENDING	<u>\$ 815</u>	<u>\$ 815</u>	<u>\$ 2,457,023</u>	<u>\$ 2,456,208</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD SINKING FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 14,344	\$ 10,344
Disbursements	(172,524)	(172,524)	-	172,524
Net Change in Fund Balance	(168,524)	(168,524)	14,344	182,868
Fund Balance - Beginning	173,193	173,193	173,193	-
Fund Balance - Ending	<u>\$ 4,669</u>	<u>\$ 4,669</u>	<u>\$ 187,537</u>	<u>\$ 182,868</u>
ROAD BUYBACK FUND				
Receipts	\$ 495,956	\$ 495,956	\$ 502,475	\$ 6,519
Disbursements	(1,232,379)	(1,232,379)	(670,758)	561,621
Net Change in Fund Balance	(736,423)	(736,423)	(168,283)	568,140
Fund Balance - Beginning	1,232,378	1,232,378	1,232,378	-
Fund Balance - Ending	<u>\$ 495,955</u>	<u>\$ 495,955</u>	<u>\$ 1,064,095</u>	<u>\$ 568,140</u>
JUVENILE DIVERSION FUND				
Receipts	\$ 1,750	\$ 1,750	\$ 13,702	\$ 11,952
Disbursements	(41,663)	(41,663)	(37,929)	3,734
Transfers in	34,272	34,272	34,272	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(5,641)	(5,641)	10,045	15,686
Fund Balance - Beginning	5,641	5,641	5,641	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,686</u>	<u>\$ 15,686</u>
COMMUNICATION TOWER FUND				
Receipts	\$ 46,573	\$ 46,573	\$ 106,830	\$ 60,257
Disbursements	(46,573)	(46,573)	(2,475)	44,098
Net Change in Fund Balance	-	-	104,355	104,355
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,355</u>	<u>\$ 104,355</u>
VISITOR PROMOTION FUND				
Receipts	\$ 60,000	\$ 60,000	\$ 127,313	\$ 67,313
Disbursements	(176,350)	(176,350)	(75,820)	100,530
Net Change in Fund Balance	(116,350)	(116,350)	51,493	167,843
Fund Balance - Beginning	119,880	119,880	119,880	-
Fund Balance - Ending	<u>\$ 3,530</u>	<u>\$ 3,530</u>	<u>\$ 171,373</u>	<u>\$ 167,843</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITOR IMPROVEMENT FUND				
Receipts	\$ 60,000	\$ 60,000	\$ 127,312	\$ 67,312
Disbursements	(256,000)	(256,000)	(34,774)	221,226
Net Change in Fund Balance	(196,000)	(196,000)	92,538	288,538
Fund Balance - Beginning	205,109	205,109	205,109	-
Fund Balance - Ending	<u>\$ 9,109</u>	<u>\$ 9,109</u>	<u>\$ 297,647</u>	<u>\$ 288,538</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 29,117	\$ 9,117
Disbursements	(116,357)	(116,357)	(24,854)	91,503
Net Change in Fund Balance	(96,357)	(96,357)	4,263	100,620
Fund Balance - Beginning	121,241	121,241	121,241	-
Fund Balance - Ending	<u>\$ 24,884</u>	<u>\$ 24,884</u>	<u>\$ 125,504</u>	<u>\$ 100,620</u>
E911 FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(107,780)	(107,780)	(107,780)	-
Net Change in Fund Balance	(107,780)	(107,780)	(107,780)	-
Fund Balance - Beginning	107,780	107,780	107,780	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DRUG LAW ENFORCEMENT & EDUCATION FUND				
Receipts	\$ 80	\$ 80	\$ 5,013	\$ 4,933
Disbursements	(8,235)	(8,235)	(300)	7,935
Net Change in Fund Balance	(8,155)	(8,155)	4,713	12,868
Fund Balance - Beginning	8,235	8,235	8,235	-
Fund Balance - Ending	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 12,948</u>	<u>\$ 12,868</u>
FEMA GRANT FUND				
Receipts	\$ 400,000	\$ 400,000	\$ 120,000	\$ (280,000)
Disbursements	(450,000)	(450,000)	(154,692)	295,308
Transfers in	-	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(100,000)	(100,000)	(84,692)	15,308
Fund Balance - Beginning	172,712	172,712	172,712	-
Fund Balance - Ending	<u>\$ 72,712</u>	<u>\$ 72,712</u>	<u>\$ 88,020</u>	<u>\$ 15,308</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PRIVATE GRANT FUNDS				
Receipts	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	6,185	6,185	6,185	-
Fund Balance - Ending	<u>\$ 6,185</u>	<u>\$ 6,185</u>	<u>\$ 6,185</u>	<u>\$ -</u>
EMERGENCY TEAMS GRANT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ 23,962	\$ (26,038)
Disbursements	(30,000)	(30,000)	-	30,000
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	20,000
Net Change in Fund Balance	-	-	23,962	23,962
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,962</u>	<u>\$ 23,962</u>
CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS FUND				
Receipts	\$ -	\$ -	\$ 10,000	\$ 10,000
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	10,000	10,000
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
KENO LOTTERY FUND				
Receipts	\$ 48,500	\$ 48,500	\$ 91,848	\$ 43,348
Disbursements	(48,500)	(48,500)	(51,128)	(2,628)
Transfers in	-	-	34,238	34,238
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	74,958	74,958
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,958</u>	<u>\$ 74,958</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>911 EMERGENCY MANAGEMENT FUND</u>				
Receipts	\$ 67,000	\$ 67,000	\$ 74,696	\$ 7,696
Disbursements	(174,780)	(174,780)	(161,438)	13,342
Transfers in	107,780	107,780	107,780	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	21,038	21,038
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,038</u>	<u>\$ 21,038</u>
<u>E911 WIRELESS SERVICE FUND</u>				
Receipts	\$ 83,200	\$ 83,200	\$ 83,183	\$ (17)
Disbursements	(312,183)	(312,183)	(30,959)	281,224
Net Change in Fund Balance	(228,983)	(228,983)	52,224	281,207
Fund Balance - Beginning	267,283	267,283	267,283	-
Fund Balance - Ending	<u>\$ 38,300</u>	<u>\$ 38,300</u>	<u>\$ 319,507</u>	<u>\$ 281,207</u>

(Concluded)

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

	Road Sinking Fund	Road Buyback Fund	Juvenile Diversion Fund	Communication Tower Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS						
Taxes	\$ -	\$ -	\$ 10,950	\$ -	\$ 127,313	\$ 127,312
Investment Income	-	-	-	-	-	-
Intergovernmental	-	502,475	152	-	-	-
Charges for Services	-	-	850	-	-	-
Miscellaneous	14,344	-	1,750	106,830	-	-
TOTAL RECEIPTS	<u>14,344</u>	<u>502,475</u>	<u>13,702</u>	<u>106,830</u>	<u>127,313</u>	<u>127,312</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	-	37,929	2,475	-	-
Public Works	-	670,758	-	-	-	-
Culture and Recreation	-	-	-	-	75,820	34,774
TOTAL DISBURSEMENTS	<u>-</u>	<u>670,758</u>	<u>37,929</u>	<u>2,475</u>	<u>75,820</u>	<u>34,774</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>14,344</u>	<u>(168,283)</u>	<u>(24,227)</u>	<u>104,355</u>	<u>51,493</u>	<u>92,538</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	34,272	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>34,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	14,344	(168,283)	10,045	104,355	51,493	92,538
FUND BALANCES - BEGINNING	<u>173,193</u>	<u>1,232,378</u>	<u>5,641</u>	<u>-</u>	<u>119,880</u>	<u>205,109</u>
FUND BALANCES - ENDING	<u>\$ 187,537</u>	<u>\$ 1,064,095</u>	<u>\$ 15,686</u>	<u>\$ 104,355</u>	<u>\$ 171,373</u>	<u>\$ 297,647</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	171,373	297,647
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Coronavirus Relief and Assistance	-	-	-	-	-	-
Road Maintenance	-	1,064,095	-	-	-	-
Communication Towers	-	-	-	104,355	-	-
Committed to:						
Law Enforcement	-	-	15,686	-	-	-
Road Maintenance	187,537	-	-	-	-	-
Emergency Management	-	-	-	-	-	-
Community Betterment	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 187,537</u>	<u>\$ 1,064,095</u>	<u>\$ 15,686</u>	<u>\$ 104,355</u>	<u>\$ 171,373</u>	<u>\$ 297,647</u>

(Continued)

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

	Preservation and Modernization Fund	E911 Fund	Drug Law Enforcement & Education Fund	FEMA Grant Fund	Private Grant Funds	Emergency Teams Grant Fund
RECEIPTS						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	13	-	-	-
Intergovernmental	-	-	-	120,000	-	23,962
Charges for Services	29,117	-	-	-	-	-
Miscellaneous	-	-	5,000	-	-	-
TOTAL RECEIPTS	<u>29,117</u>	<u>-</u>	<u>5,013</u>	<u>120,000</u>	<u>-</u>	<u>23,962</u>
DISBURSEMENTS						
General Government	24,854	-	-	-	-	-
Public Safety	-	-	300	154,692	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>24,854</u>	<u>-</u>	<u>300</u>	<u>154,692</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>4,263</u>	<u>-</u>	<u>4,713</u>	<u>(34,692)</u>	<u>-</u>	<u>23,962</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(107,780)	-	(50,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(107,780)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,263	(107,780)	4,713	(84,692)	-	23,962
FUND BALANCES - BEGINNING	<u>121,241</u>	<u>107,780</u>	<u>8,235</u>	<u>172,712</u>	<u>6,185</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 125,504</u>	<u>\$ -</u>	<u>\$ 12,948</u>	<u>\$ 88,020</u>	<u>\$ 6,185</u>	<u>\$ 23,962</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	12,948	-	-	-
Preservation of Records	125,504	-	-	-	-	-
Coronavirus Relief and Assistance	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Communication Towers	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Emergency Management	-	-	-	88,020	6,185	23,962
Community Betterment	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 125,504</u>	<u>\$ -</u>	<u>\$ 12,948</u>	<u>\$ 88,020</u>	<u>\$ 6,185</u>	<u>\$ 23,962</u>

(Continued)

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

For the Year Ended June 30, 2022

	Supplemental Appropriations Fund	Keno Lottery Fund	911 Emergency Management Fund	E911 Wireless Service Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ -	\$ -	\$ 74,696	\$ 83,183	\$ 423,454
Investment Income	-	33	-	-	46
Intergovernmental	10,000	-	-	-	656,589
Charges for Services	-	-	-	-	29,967
Miscellaneous	-	91,815	-	-	219,739
TOTAL RECEIPTS	10,000	91,848	74,696	83,183	1,329,795
DISBURSEMENTS					
General Government	-	-	-	-	24,854
Public Safety	-	-	161,438	30,959	387,793
Public Works	-	-	-	-	670,758
Culture and Recreation	-	51,128	-	-	161,722
TOTAL DISBURSEMENTS	-	51,128	161,438	30,959	1,245,127
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	10,000	40,720	(86,742)	52,224	84,668
OTHER FINANCING SOURCES (USES)					
Transfers in	-	34,238	107,780	-	176,290
Transfers out	-	-	-	-	(157,780)
TOTAL OTHER FINANCING SOURCES (USES)	-	34,238	107,780	-	18,510
Net Change in Fund Balances	10,000	74,958	21,038	52,224	103,178
FUND BALANCES - BEGINNING	-	-	-	267,283	2,419,637
FUND BALANCES - ENDING	\$ 10,000	\$ 74,958	\$ 21,038	\$ 319,507	\$ 2,522,815
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	469,020
911 Emergency Services	-	-	21,038	319,507	340,545
Drug Education	-	-	-	-	12,948
Preservation of Records	-	-	-	-	125,504
Coronavirus Relief and Assistance	10,000	-	-	-	10,000
Road Maintenance	-	-	-	-	1,064,095
Communication Towers	-	-	-	-	104,355
Committed to:					
Law Enforcement	-	-	-	-	15,686
Road Maintenance	-	-	-	-	187,537
Emergency Management	-	-	-	-	118,167
Community Betterment	-	74,958	-	-	74,958
TOTAL FUND BALANCES	\$ 10,000	\$ 74,958	\$ 21,038	\$ 319,507	\$ 2,522,815

(Concluded)

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

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer	Planning & Zoning
BALANCES JULY 1, 2021	\$ 558	\$ 73,577	\$ 476,460	\$ 154,364	\$ 500	\$ 100	\$ 11,074	\$ 47,079
RECEIPTS								
Taxes	-	-	-	71,180	-	-	-	-
Licenses and Permits	5,407	-	-	2,210	-	-	-	212,286
Intergovernmental	-	-	-	82,959	-	-	7,000	-
Charges for Services	1,717	322,430	39,916	1,612,641	50	5,521	-	4,026
Miscellaneous	553	-	-	32,349	52	14,510	245	3
State Fees	-	399,552	44,633	566	-	23	-	-
Other Liabilities	15,008	1,604	1,156,941	204,251	113,330	-	-	14,346
TOTAL RECEIPTS	22,685	723,586	1,241,490	2,006,156	113,432	20,054	7,245	230,661
DISBURSEMENTS								
Payments to County Treasurer	7,755	329,589	37,530	1,789,055	50	19,764	-	262,897
Payments to State Treasurer	-	398,147	46,921	568	-	23	-	-
Petty Cash & Other Payments	-	-	-	13,709	52	-	5,991	-
Other Liabilities	14,284	1,604	1,349,774	213,285	113,330	-	-	14,426
TOTAL DISBURSEMENTS	22,039	729,340	1,434,225	2,016,617	113,432	19,787	5,991	277,323
BALANCES JUNE 30, 2022	<u>\$ 1,204</u>	<u>\$ 67,823</u>	<u>\$ 283,725</u>	<u>\$ 143,903</u>	<u>\$ 500</u>	<u>\$ 367</u>	<u>\$ 12,328</u>	<u>\$ 417</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 300	\$ 26,445	\$ 6,880	\$ 113,881	\$ -	\$ 267	\$ 12,328	\$ 417
Petty Cash	100	-	150	4,050	500	100	-	-
Due to State Treasurer	-	41,378	1,814	41	-	-	-	-
Due to Others	804	-	274,881	25,931	-	-	-	-
BALANCES JUNE 30, 2022	<u>\$ 1,204</u>	<u>\$ 67,823</u>	<u>\$ 283,725</u>	<u>\$ 143,903</u>	<u>\$ 500</u>	<u>\$ 367</u>	<u>\$ 12,328</u>	<u>\$ 417</u>

(Continued)

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

	<u>GIS Office</u>	<u>KENO Function</u>	<u>Extension Office</u>	<u>Emergency Manager</u>	<u>Total</u>
BALANCES JULY 1, 2021	\$ 29	\$ 438	\$ -	\$ -	\$ 764,179
RECEIPTS					
Taxes	-	-	-	-	71,180
Licenses and Permits	-	-	-	-	219,903
Intergovernmental	-	-	-	-	89,959
Charges for Services	156	-	387	6,960	1,993,804
Miscellaneous	-	-	-	-	47,712
State Fees	-	-	-	-	444,774
Other Liabilities	-	-	-	-	1,505,480
TOTAL RECEIPTS	<u>156</u>	<u>-</u>	<u>387</u>	<u>6,960</u>	<u>4,372,812</u>
DISBURSEMENTS					
Payments to County Treasurer	172	438	387	6,255	2,453,892
Payments to State Treasurer	-	-	-	-	445,659
Petty Cash & Other Payments	-	-	-	-	19,752
Other Liabilities	-	-	-	-	1,706,703
TOTAL DISBURSEMENTS	<u>172</u>	<u>438</u>	<u>387</u>	<u>6,255</u>	<u>4,626,006</u>
BALANCES JUNE 30, 2022	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 510,985</u>
BALANCES CONSIST OF:					
Due to County Treasurer	\$ -	\$ -	\$ -	\$ 705	\$ 161,223
Petty Cash	13	-	-	-	4,913
Due to State Treasurer	-	-	-	-	43,233
Due to Others	-	-	-	-	301,616
BALANCES JUNE 30, 2022	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 510,985</u>

(Concluded)

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

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 59,084,678	\$ 60,620,675	\$ 61,193,472	\$ 63,063,154	\$ 64,654,284
Personal and Specials	2,096,359	2,107,082	2,089,901	2,290,684	2,193,154
Total	61,181,037	62,727,757	63,283,373	65,353,838	66,847,438
Corrections					
Additions	24,134	65,098	50,008	32,938	18,774
Deductions	(106,854)	(139,731)	(63,304)	(74,896)	(27,709)
Net Additions/ (Deductions)	(82,720)	(74,633)	(13,296)	(41,958)	(8,935)
Corrected Certified Tax	61,098,317	62,653,124	63,270,077	65,311,880	66,838,503
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	37,314,958	-	-	-	-
June 30, 2019	23,736,041	36,965,383	-	-	-
June 30, 2020	6,330	25,619,249	37,723,024	-	-
June 30, 2021	13,795	40,137	25,468,695	39,338,472	-
June 30, 2022	14,067	14,739	53,459	25,900,855	40,879,209
Total Net Collections	61,085,191	62,639,508	63,245,178	65,239,327	40,879,209
Total Uncollected Tax	\$ 13,126	\$ 13,616	\$ 24,899	\$ 72,553	\$ 25,959,294
Percentage Uncollected Tax	0.02%	0.02%	0.04%	0.11%	38.84%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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CASS COUNTY

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

Board of Commissioners
Cass County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cass County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 26, 2023. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Additional Items

We also noted certain matters that we reported to the management of Cass County in a separate letter dated April 26, 2023.

Cass County’s Response to Findings

Cass County declined to respond to the finding described above.

Purpose of this Report

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



Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

April 26, 2023



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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April 26, 2023

Board of Commissioners
Cass County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Cass County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated April 26, 2023. 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 OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

Insufficient Pledged Collateral

We noted that two offices did not maintain adequate securities during the fiscal year, as follows:

- The County Treasurer did not have sufficient pledged collateral to cover deposits in one bank institution, Citizen's State Bank. At June 30, 2022, the uncollateralized amount was \$17,782.

- The Clerk of the District Court did not have sufficient pledged collateral to cover deposits in its bank account for nine days during September 2021. Uncollateralized amounts ranged from \$131,491 to \$147,664.

Neb. Rev. Stat. § 77-2395(1) (Cum. Supp. 2022) states, in relevant part, the following:

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

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

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

A similar comment was included in the prior audit report.

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

Meeting Minute Statutory Requirements

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

- The County Board did not direct the County Attorney to foreclose on delinquent taxes.
- The County Sheriff did not file the distress warrant report with the County Board.

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

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

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

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

Good internal controls require procedures to ensure: 1) the County Board directs the County Attorney to foreclose on any delinquent taxes; and 2) the County Sheriff files the distress warrant report with the County Board.

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

A similar comment was included in the prior audit report.

We recommend the County implement procedures to ensure: 1) the County Board directs the County Attorney to foreclose on any delinquent taxes; and 2) the County Sheriff files the distress warrant report with the County Board.

COUNTY BOARD

Expenditures in Excess of Budget

For the year ended June 30, 2022, disbursements exceeded budgeted appropriations in the Keno Lottery Fund by \$2,628. These over-expenditures were funded by greater-than-anticipated receipts.

Neb. Rev. Stat. § 23-916 (Reissue 2022) provides the following:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.

When expenditures are made in excess of amounts budgeted, with no appropriate adjustments by the County Board to address those excesses, the County is not in compliance with State statute.

We recommend the County Board implement procedures for monitoring closely its budget status on an ongoing basis to avoid any individual functions incurring expenses in excess of the budgeted amount.

Noncompliance with Keno Regulations

Per a contract on file for Keno operations with Cass County Keno, LLC (Contractor), the Contractor is required to complete an audit annually. The County Board lacked procedures for ensuring that the Contractor complied with that contractual provision. Upon inquiry during the audit, the required audit of the Contractor's records had not been completed.

The Cass County Lottery Operator Agreement, Section 8(b), approved May 14, 2009, states the following:

The County shall have the right, without notice, to review and examine all books and records of the Contractor relating to the keno lottery operations, sales of concessions, and other legitimate business operations conducted at the keno lottery locations. An annual audit of the Contractor's books and records as required by the County and City Lottery Act and regulations shall be conducted by an independent certified public accounting firm selected by the Contractor and approved by the County, the cost of which shall be borne by the Contractor. The County shall have the right to conduct or cause to be conducted an audit of the Contractor's books and records at any other time; the County shall pay the cost of such audit.

(Emphasis added.) The Nebraska Department of Revenue's rules and regulations, as set out at Title 316 Nebraska Administrative Code (NAC) 35-616.01 provides the following:

On an annual basis, a county, city, or village shall, at a minimum, perform the compliance procedures prescribed by the Department of its keno lottery activity.

....

616.01B The keno compliance procedures required by Reg-35-616.01 through 35-616.03 are the responsibility of the county, city, or village and shall be performed by the county, city, or village or by a person which has contracted with the county, city, or village.

Good internal controls and sound business practices require procedures to ensure that contractors comply with the provisions of all County contracts.

Without such procedures, there is an increased risk of noncompliance with contractual provisions.

We recommend the County implement procedures to ensure contractors comply with the provisions of all County contracts, including those in the contract for the Keno lottery operations.

Bidding Issues

As of June 30, 2022, the County Board had approved claims for one road project that exceeded the awarded bid amount by \$134,918. The County Board never approved change orders or other such documentation to increase the estimated costs.

The following table provides a summary of the claim amounts paid by the County Board in excess of the bid accepted:

Contractor	Claim Number	Claim Date	Amount Paid
Omni Engineering	21070412	7/6/2021	\$ 201,130
	21080363	8/3/2021	\$ 313,218
	21090403	9/14/2021	\$ 464,769
	21100375	10/12/2021	\$ 12,412
	21120827	12/21/2021	\$ 1,340,825
	22030357	3/1/2022	\$ 257,771
Total Paid			\$ 2,590,125
Omni Engineering Bid Amount			\$ 2,455,207
Total Paid to Omni Engineering Over Bid			\$ 134,918

Additionally, the County Board approved multiple claims for gravel; however, no competitive bidding process was performed for those purchases. During the fiscal year, the County spent \$1,179,474 to obtain gravel from Martin Marietta, a nationwide supplier of building materials with facilities in Nebraska.

Neb. Rev. Stat. § 39-1407 (Cum. Supp. 2022) states, in relevant part, the following:

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

Neb. Rev. Stat. § 39-810(1)(c) (Cum. Supp. 2022) provides, 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.

Good internal controls and sound business practices require procedures to ensure that all payments made on County contracts comply with applicable statutory bidding requirements, are within the awarded bid amount, and are increased only upon the approval of the County Board.

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

We recommend the County implement procedures to ensure all payments made on County contracts: 1) comply with applicable statutory bidding requirements; 2) are within the awarded bid amount; and 3) are increased only upon the approval of the County Board.

COUNTY CLERK OF THE DISTRICT COURT

Overdue Case Account Report Review

During the audit, we noted that the District Court was not actively reviewing the Overdue Case Account Report (Report). We tested eight balances due to the District Court, and noted that the District Court had failed to take any action with regard to seven of those balances, totaling \$9,343, to ensure the collection and/or resolution thereof. The last activity on these cases ranged from 2003 to 2014.

As of January 31, 2023, the Report contained 659 overdue criminal case balances, totaling \$214,710. Only 56 of those cases had a current warrant or suspension issued.

Good internal controls and sound business practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve the balances listed therein.

Without such procedures, there is an increased risk of the District Court's overdue balances being neither pursued for collection nor otherwise resolved.

A similar comment was also noted in prior audits.

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing basis to allow for the timely collection and/or resolution of the balances listed therein.

COUNTY REGISTER OF DEEDS

Inaccurate Bank Reconciliations

The County Register of Deeds (Office) was not completing accurate bank reconciliations throughout the fiscal year. Due to the inaccurate reconciliations, we performed procedures for each month and noted the following reconciling items at June 30, 2022:

- Fees, totaling \$40, due from the Secretary of State, were receipted into the accounting system in December 2021 through February 2022; however, these fees were never received.
- A check purchase, totaling \$49, was made in February 2022; however, the purchase has not been claimed for reimbursement.
- Receivables, totaling \$30, were not adjusted correctly in the accounting system. In November and December 2021, charges recorded for copies totaled \$15 each month; however, these receipts were not shown on the office's receivables report, resulting in an overage in the book balance of the same amount.

Additionally, we noted that the Office had unknown variances on its bank reconciliations for 11 months of the fiscal year, with variances ranging from -\$80 to \$80. In addition to the items noted at June 30, the unknown variances were caused by the following:

- On the July 2021 and August 2021 bank reconciliations, the Office noted errors in Secretary of State receipts, totaling \$20 and \$10, respectively; however, these reconciling items were noted only in the month the error occurred, and they were not carried forward until corrected in November 2021.
- An outstanding item was added to the Office's bank reconciliation from an error in 2020, totaling \$10; however, this item had already been cleared prior to July 2021 and should not have been noted. This item was added on the September 2021 through June 2022 reconciliations.
- Outstanding deposits were not accurate for October 2021, January 2022, and February 2022. The amount shown as outstanding for the Secretary of State fees exceeded the amount recorded in the system by \$20, \$66, and \$30, respectively.

Good internal controls and sound business practices require procedures to ensure that the County Register of Deeds' bank account is reconciled to the office records, at least monthly. Such procedures should also include the timely correction of any variances noted.

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

We recommend the County Register of Deeds implement procedures to ensure the performance of regular and complete fund-balancing and reconciliation procedures, including the timely correction of any variances noted.

COUNTY SHERIFF

Salary and Per Diem Overpayments

During the audit, we noted the following excess payments to the former County Sheriff and other employees of the County Sheriff's office:

- In December 2018, the County Board approved an additional annual salary, totaling \$6,000, for the former County Sheriff for managing the County Jail. For calendar year 2021, the former County Sheriff was paid \$7,200 for these duties, or an additional \$1,200, with no documentation on file to support the additional payments.
- The former County Sheriff and the Deputy County Sheriff were also receiving a uniform allowance of \$55 per month; however, this rate had not been authorized by the County Board, resulting in an overpayment of \$660 per employee for calendar year 2021.
- For two petty cash claims tested, we noted that the former County Sheriff attended training and was paid a per diem; however, the amount paid was in excess of the amount specified in the Cass County Employee Handbook, as follows:
 - The former County Sheriff was paid \$135 for per diem related to a three-day conference in Kearney, Nebraska, resulting in an overpayment of \$45. The County Sheriff's office stated that the former County Sheriff was required to be at the conference a day early; however, no information to support this statement was able to be provided. Regardless, even factoring in an extra day, the former County Sheriff was paid an excess of the authorized rate of \$30 per day.
 - The former County Sheriff was paid \$330 for per diem related to a five-day conference in Kansas City, Missouri, resulting in an overpayment of \$100. Similar to the previous conference tested, the County Sheriff's office stated that the former County Sheriff was required to be at the conference two days early; however, no information to support this statement was able to be provided.

Resolution 2018-22, approved by the County Board on December 26, 2018, states, in relevant part, the following:

[T]he Cass County Board will appoint the Cass County Sheriff to manage the Cass County Jail, and . . . the Cass County Board of Commissioners wishes to set a contract amount for such procedures as follows:

. . . .

\$6,000 for work during the calendar year 2021.

The Cass County Employee Handbook, revised January 1, 2015, authorizes a \$30.00 per diem “each workday in which you are traveling 8 hours or more for the County on County business.”

The Cass County Employee Handbook, effective April 1, 2022, section 9.2, states the following:

Meal Per Diem. . . \$30.00 per day in which you are traveling within the state of Nebraska. Reimbursement for meals and incidental expenses for travel outside the state of Nebraska shall not exceed the federal per diem rate based on the city/county location of the traveler's destination.*

Good internal controls and sound business practices require all amounts paid for salaries and other benefits, such as per diems and uniform allowances, to be paid at the rate approved by the County Board. Any increases or changes to such rates should be approved by the County Board prior to payment, and such approval should be adequately documented.

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

We recommend the implementation of procedures to ensure amounts paid for salaries and other benefits, such as per diems and uniform allowances, are in accordance with the rates approved by the County Board. Moreover, any increases or changes to such rates should be approved by the County Board prior to payment, and such approval should be adequately documented.

Unauthorized Purchases

During the fiscal year, we noted multiple purchases, totaling \$16,929, from the County Sheriff’s main bank account. Those purchases were made without the County Board’s approval.

The unapproved purchases are summarized below:

Receipt Source	Description	Amount
Donations	Purchase of K-9, Dog Training, Kennel Supplies, etc.	\$ 14,337
Donations	D.A.R.E. Shirts	2,592
Total		\$ 16,929

Additionally, we noted that the County Sheriff made purchases from the main bank account for such items as funeral flowers during the fiscal year. Some of these purchases were determined to have been made from vending machine proceeds in accordance with a policy approved by the County Board that allowed the net profits from one such machine to be used to purchase, among other things, “flowers for funerals and employees in the hospital”

Since the policy’s implementation on February 19, 2019, the County Sheriff has receipted \$304 of net profits from this vending machine. However, those receipts have been comingled with other monies received by the County Sheriff. During the same period, \$603 was spent on items unrelated to County business, including funeral flowers. Consequently, along with the \$304 obtained from the vending machine receipts, an additional \$299 in public funds appears to have been spent for unofficial purposes, which is unallowable per State statute.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) states, in relevant part, the following:

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

Furthermore, the Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. § 13-2201 et seq. (Reissue 2022), specifies various expenditures, aside from those otherwise authorized by law, that constitute allowable uses of public funds by designated political subdivisions. The provisions of the Act are made applicable to Counties, among numerous other public entities, by both subsections (2) and (3) of Neb. Rev. Stat. § 13-2202 (Reissue 2022).

Neb. Rev. Stat. § 13-2203 (Reissue 2022) of the Act enumerates the miscellaneous expenditures permitted by governing bodies of local governments. The purchase of flowers – whether for funerals, memorials, or other personal occasions – is not found among that select statutory list of permissible expenditures.

On September 17, 1993, the Nebraska Accountability and Disclosure Commission adopted a document entitled “A Guideline to the Use of Public Funds by Cities and Villages – Revised” (Guideline). The Guideline addresses a number of different scenarios involving the expenditure of public funds. Though issued almost three decades ago, the Guideline remains relevant to various Nebraska public entities, including Counties.

Regarding the issue of flower and memorial purchases, the Guideline provides the following:

Question #6 – May municipal funds be expended for flowers and memorials for deceased elected officials, employees or their families?

Response – No

A good internal control plan requires procedures to ensure compliance with the provisions of the Act. Those same procedures should also preclude the comingling of non-public and public funds to ensure that both are properly segregated and expended for their appropriate respective purposes – the latter, in particular, solely as permitted by law and pursuant to the custody and oversight of the County Treasurer.

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

We recommend the implementation of procedures to ensure the following: 1) compliance with the provisions of the Act; 2) the preclusion of comingling non-public with public funds to ensure that both are properly segregated and expended for their appropriate respective purposes; and 3) the handling and expenditure of all public funds solely as permitted by law and pursuant to the custody and oversight of the County Treasurer.

Accounting Procedures

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

- The County Sheriff had more office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) than office liabilities (fees and trust accounts), resulting in an unknown long balance of \$1,791 at June 30, 2022, which consisted of the following:

Account	Long
Fee Account (Civil Process)	\$ 69
Fee Account (Non-Civil Process)	1,722
Total Long	\$ 1,791

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

- As of June 30, 2022, the Inmate Trust bank account maintained by the County Sheriff had a balance of \$25,419 owed to inmates; however, the County Sheriff was unable to provide adequate documentation to support the actual inmate balances.
- Receipts are not written at the time that money is received for the Civil Process bank account. Instead, amounts are recorded upon being deposited into the bank account.
- During the fiscal year, 53 receipts, totaling \$24,024, were paid to the County Treasurer and noted as received by the County Sheriff; however, no corresponding receipt or tracking log was provided to support the amounts.
- The County Sheriff received a donation of \$260 in November 2021; however, as of June 30, 2022, this donation had not been remitted to the County Treasurer.
- During the June 30, 2022, reconciliation of the Civil Process bank account, we noted that three uncleared transactions, totaling \$70, recorded in February and March 2022, related to bookkeeping errors. Corrective action on these errors had not been taken at the time of fieldwork in March 2023.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) states, in relevant part, the following:

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

Good internal controls and sound business practices require procedures to ensure that: 1) office assets agree with office liabilities on, at least, a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted and ensure that all balances are adequately supported; 2) receipts are written when monies are received; and 3) any monies held are remitted to the appropriate parties in a timely manner.

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

A similar comment was also noted in prior audits.

We recommend the County Sheriff implement procedures to ensure office assets agree with office liabilities on, at least, a monthly basis, and any variances noted during that reconciliation process are resolved in a timely manner and are adequately supported. We further recommend that the County Sheriff implement procedures to ensure receipts are issued immediately upon collection of any fees, and any monies held are remitted to the appropriate parties in a timely manner.

Petty Cash Issues

During the fiscal year, we noted the following issues with the County Sheriff’s petty cash procedures:

- Included in two claims tested, 13 per diem checks, totaling \$2,155, were paid several weeks in advance of the travel, as follows:

Payment Date	Date of Training	Days Paid in Advance	No. of Checks Written	Total Amount
9/15/2021	10/3/2021	18	7	\$ 675
6/9/2022	6/26/2022	17	6	1,480
Total			13	\$ 2,155

- During testing, five meal reimbursements, totaling \$95, did not have adequate documentation to verify if the meal was allowable per the Fraternal Order of Police (FOP) Union Contract, as follows:

Receipt Date	Vendor	Description Provided	Amount
3/22/2022	Runza	Sarpy/Cass Mental Health	\$ 20
4/1/2022	Runza	POAN Meeting	29
4/2/2022	McDonald's	Lincoln Cruisers	7
4/5/2022	Arby’s	Meeting with Game Warden	28
unknown	Riverhouse Café	N/A	11
Total			\$ 95

Per the FOP Contract, dated July 20, 2021, reimbursement for meals was allowed if the “meeting does not allow the employee time to return to Cass County for the purpose of eating meals” However, the County Sheriff did not have support on file to verify the time or location of the meetings noted above.

- Two expenses, totaling \$38, for payment of per diem in December 2021, had not been reimbursed as of June 30, 2022.

Good internal control and sound business practices require procedures to ensure that petty cash payments are not paid in advance of services received or expenses incurred. Those same procedures should ensure also that the payments are properly supported and reimbursed in a timely manner.

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

We recommend the County Sheriff implement procedures to ensure all petty cash claims not only are paid after any services are received or expenses are incurred but also are properly supported and reimbursed in a timely manner.

COUNTY TREASURER

School District Balances Held

During the audit, we noted that balances held, totaling \$112,242 for 15 school districts, had not been paid out during the fiscal year. Ten of the 15 school districts had previously been dissolved/consolidated. The remaining five districts are associated with existing school districts in the County.

Fund Number	School District Name	Total Held	Amount Received in FY2022	Dissolved (Y/N)
6113	School District 3 S1	\$ 83	-	Y
6115	School District 5 S1	\$ 7	-	Y
6116	School District 11 56	\$ 1	-	Y
6120	School District 20 Unadilla	\$ (120)	-	Y
6125, 6225	School District 25	\$ 180	-	Y
6128, 6231	School District 28	\$ 257	\$ 22	Y
6130	School District 30	\$ 7	-	Y
6188	School District 88	\$ 8	-	Y
6196	School District 96, SD 22 WW Affil Sys	\$ 151	\$ 32	Y
6209, 6213	School District NC1	\$ (1)	-	N
6218, 6219, 6224	School District 22 -Weeping Water	\$ 462	-	N
6232, 6235	School District 32 – Louisville	\$105,261	\$ 75	N
6245, 6263	School District 145 – Waverly	\$ 662	\$ 19	N
6295, 6296, 6397	School District 97 – Elmwood-Murdock	\$ 203	\$ 8	N
6400	Non-Res High Tuition	\$ 5,081	\$ 376	Y
	Total	\$112,242	\$ 532	

Neb. Rev. Stat. § 23-1601(4) (Reissue 2022) provides, in relevant part, the following:

(a) On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township the previous calendar month, including bond fund money when requested by any city of the first class under section 16-731, and (ii) on forms provided by the Auditor of Public Accounts, shall include with the payment a statement indicating the source of all such funds received or collected and an accounting of any expense incurred in the collection of ad valorem taxes, except that the Auditor of Public Accounts shall, upon request of a county, approve the use and reproduction of a county's general ledger or other existing forms if such ledger or other forms clearly indicate the sources of all funds received or collected and an accounting of any expenses incurred in the collection of ad valorem taxes.

(b) If all such funds received or collected are less than twenty-five dollars, the county treasurer may hold such funds until such time as they are equal to or exceed twenty-five dollars. In no case shall such funds be held by the county treasurer longer than six months.

Good internal controls and sound business practices require procedures to ensure that all school district funds received are paid out in accordance with State statute.

Without such procedures, there is an increased risk of the County not complying with State statute.

We recommend the County Treasurer implement procedures to ensure all school district funds received are paid out in accordance with State statute.

Motor Vehicle Pro-Rate Distribution Errors

We noted that the County Treasurer's tax year 2021 distributions of Motor Vehicle Pro-Rate were incorrect. The County Treasurer incorrectly added centrally assessed taxes to the amount of taxes levied per the Certificate of Taxes Levied. Consequently, the various political subdivisions of the County did not receive the correct amount of funding. The following table contains the variances noted for the two payments made during fiscal year 2022; however, two additional payments were made after July 1, 2022, which would also contain errors.

Type	Subdivision	Over/(Under) Payments
County	Cass	\$ (1,546)
City of Village	Plattsmouth	\$ 2,172
City of Village	Louisville	\$ 584
City of Village	Greenwood	\$ 180
City of Village	Weeping Water	\$ 439
City of Village	Elmwood	\$ (18)
City of Village	Eagle	\$ 637
City of Village	Alvo	\$ 77
City of Village	Murray	\$ (14)
City of Village	Cedar Creek	\$ 270
Fire District	Nehawka	\$ 205
Fire District	Louisville	\$ 107
Fire District	Murdock	\$ 141
Fire District	Eagle-Alvo	\$ 100
Fire District	Murray	\$ 327
Fire District	Plattsmouth	\$ (39)
Fire District	Elmwood	\$ 84
NRD	Lower Platte South	\$ (123)
Airport Authority	Platte	\$ 153
SID	SID 1	\$ 1,031
SID	SID 4	\$ 27
SID	SID 5	\$ 1,237
SID	SID 9	\$ (61)
Ag Society	Ag Society	\$ (36)
SID	SID 10	\$ (20)
ESU	ESU 3	\$ (56)
Community College	Southeast	\$ (440)
School District	Plattsmouth 1	\$ (1,260)
School District	Weeping Water 22	\$ (594)
School District	Louisville 32	\$ (824)
School District	Conestoga 56	\$ (1,062)
School District	Elmwood-Murdock 97	\$ (602)
School District	Waverly 145	\$ (514)
School District	Syracuse-Dunbar-Avooca 27	\$ (69)
School District	Nebraska City SD 111	\$ (130)
School District	Ashland-Greenwood SD 1	\$ (287)
Other Subdivisions*		\$ (76)

*Contains 17 other subdivisions where variances were less than \$10.

Neb. Rev. Stat. § 60-3,202 (Reissue 2021) states, in relevant part, the following:

(2) *On or before the last day of each quarter of the calendar year, the State Treasurer shall distribute all funds in the Highway Tax Fund to the county treasurer of each county in the same proportion as the number of original motor vehicle registrations in each county bears to the total of all original registrations within the state in the registration year immediately preceding.*

(3) *Upon receipt of motor vehicle tax funds from the State Treasurer pursuant to subsection (2) of this section, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.*

Additionally, good internal control requires procedures to ensure that Motor Vehicle Pro-Rate distributions are calculated in accordance with State statute.

Without such procedures, there is an increased risk of erroneous distribution calculations not only depriving political subdivisions of the appropriate funding but also resulting in the loss or misuse of public funds.

We recommend the County Treasurer correct the errors noted with the Motor Vehicle Pro-Rate distributions, as detailed in the table above, as well as the additional incorrect distributions after the fiscal year. Additionally, we recommend the County Treasurer implement procedures to ensure future distributions are calculated correctly.

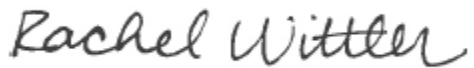
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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,



Rachel Wittler, CPA, CFE
Audit Manager