

**AUDIT REPORT
OF
OTOE COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on April 3, 2023

OTOE 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 - 18
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	19 - 20
Budgetary Comparison Schedule – Budget and Actual – Major Funds	21 - 22
Budgetary Comparison Schedule – Budget and Actual – Nonmajor Funds	23 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	27 - 30
Schedule of Office Activities	31 - 32
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	33
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>	34 - 35

OTOE COUNTY
1021 Central Avenue
Nebraska City, NE 68410

LIST OF COUNTY OFFICIALS
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Dan Crownover	Jan. 2025
	Richard Freshman	Jan. 2023
	James Parsons	Jan. 2025
	Jerad Sornson	Jan. 2023
	James Thurman	Jan. 2023
Assessor	Christina Smallfoot	Jan. 2023
Attorney	Jenniffer Panko-Rahe	Jan. 2023
Clerk Election Commissioner	Jennifer Bassinger	Jan. 2023
Clerk of the District Court	Janis Riege	Jan. 2023
Public Defender	Michael Ziskey	Jan. 2023
Register of Deeds	Ruth Ann Weddle	Jan. 2023
Sheriff	Colin Caudill	Jan. 2023
Treasurer	Nicki Kreifels	Jan. 2023
Surveyor Planning & Zoning	David Schmitz	Jan. 2023 Appointed
Veterans' Service Officer	Chad Miller	Appointed
Weed Superintendent	John Bebout	Appointed
Highway Superintendent	Jonathan Brinkman	Appointed
Emergency Manager	Gregg Goebel	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

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

OTOE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Otoe 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 Otoe 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 Otoe 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.

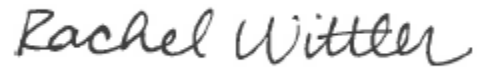
Supplementary Information

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 19 – 33, 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 March 28, 2023, on our consideration of Otoe 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 Otoe County's internal control over financial reporting and compliance.

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

March 28, 2023

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

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

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	12,571,347
Investments (Note 1.D)		303,783
TOTAL ASSETS	\$	12,875,130
NET POSITION		
Restricted for:		
Visitor Promotion	\$	120,184
911 Emergency Services		300,964
Drug Education		13,198
Law Enforcement		800,998
Preservation of Records		36,233
Coronavirus Relief and Assistance		2,679,370
Road and Bridge Maintenance		1,505,072
Veterans' Aid		14,577
Unrestricted		7,404,534
TOTAL NET POSITION	\$	12,875,130

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

OTOE 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	\$ (5,712,071)	\$ 645,468	\$ 129,257	\$ (4,937,346)
Public Safety	(3,321,326)	350,730	68,901	(2,901,695)
Public Works	(6,750,632)	476,773	4,020,745	(2,253,114)
Public Assistance	(125,655)	-	-	(125,655)
Culture and Recreation	(198,677)	81,396	-	(117,281)
Debt Payments	(587,535)	-	-	(587,535)
Total Governmental Activities	<u>\$ (16,695,896)</u>	<u>\$ 1,554,367</u>	<u>\$ 4,218,903</u>	<u>(10,922,626)</u>

General Receipts:

Taxes	9,353,948
Grants and Contributions Not Restricted to Specific Programs	2,450,983
Investment Income	16,997
Licenses and Permits	147,121
Nebraska Community Foundation Donations	1,470,058
Miscellaneous	129,078
Total General Receipts	<u>13,568,185</u>
 Change in Net Position	 2,645,559
Net Position - Beginning of year	10,229,571
Net Position - End of year	<u>\$ 12,875,130</u>

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

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>COVID American Rescue Plan Fund</u>	<u>Highway Bridge Buyback Program Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 1,244,327	\$ 901,608	\$ 3,559,830	\$ 2,679,370	\$ 1,505,072	\$ 2,681,140	\$ 12,571,347
Investments (Note 1.D)	303,783	-	-	-	-	-	303,783
TOTAL ASSETS	<u>\$ 1,548,110</u>	<u>\$ 901,608</u>	<u>\$ 3,559,830</u>	<u>\$ 2,679,370</u>	<u>\$ 1,505,072</u>	<u>\$ 2,681,140</u>	<u>\$ 12,875,130</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	120,184	120,184
911 Emergency Services	-	-	-	-	-	300,964	300,964
Drug Education	-	-	-	-	-	13,198	13,198
Law Enforcement	-	-	-	-	-	800,998	800,998
Preservation of Records	-	-	-	-	-	36,233	36,233
Coronavirus Relief and Assistance	-	-	-	2,679,370	-	-	2,679,370
Road and Bridge Maintenance	-	-	-	-	1,505,072	-	1,505,072
Veterans' Aid	-	-	-	-	-	14,577	14,577
Committed to:							
Law Enforcement	-	-	-	-	-	24,242	24,242
Road Maintenance	-	901,608	-	-	-	294,617	1,196,225
County Buildings	-	-	-	-	-	265,046	265,046
Equipment	-	-	-	-	-	522,211	522,211
Community Betterment	-	-	-	-	-	182,477	182,477
Landfill Closures	-	-	-	-	-	106,393	106,393
Assigned to:							
Other Purposes	-	-	3,559,830	-	-	-	3,559,830
Unassigned	1,548,110	-	-	-	-	-	1,548,110
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,548,110</u>	<u>\$ 901,608</u>	<u>\$ 3,559,830</u>	<u>\$ 2,679,370</u>	<u>\$ 1,505,072</u>	<u>\$ 2,681,140</u>	<u>\$ 12,875,130</u>

The notes to the financial statements are an integral part of this statement. - 7 -

OTOE 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	COVID American Rescue Plan Fund	Highway Bridge Buyback Program Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS							
Taxes	\$8,444,120	\$ -	\$ 625,307	\$ -	\$ -	\$ 284,521	\$ 9,353,948
Licenses and Permits	142,296	4,825	-	-	-	-	147,121
Investment Income	16,025	-	-	795	-	177	16,997
Intergovernmental	1,052,721	3,472,846	-	1,555,072	587,447	1,800	6,669,886
Charges for Services	968,669	476,773	-	-	-	108,925	1,554,367
Miscellaneous	54,094	1,491,041	50,275	-	-	3,726	1,599,136
TOTAL RECEIPTS	10,677,925	5,445,485	675,582	1,555,867	587,447	399,149	19,341,455
DISBURSEMENTS							
General Government	5,010,739	-	183,915	431,568	-	85,849	5,712,071
Public Safety	3,245,117	-	-	-	-	76,209	3,321,326
Public Works	48,978	6,613,205	-	-	88,449	-	6,750,632
Public Assistance	125,571	-	-	-	-	84	125,655
Culture and Recreation	5,624	-	-	-	-	193,053	198,677
Debt Service:							
Principal Payments	-	565,000	-	-	-	-	565,000
Interest and Fiscal Charges	-	22,535	-	-	-	-	22,535
TOTAL DISBURSEMENTS	8,436,029	7,200,740	183,915	431,568	88,449	355,195	16,695,896
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,241,896	(1,755,255)	491,667	1,124,299	498,998	43,954	2,645,559
OTHER FINANCING SOURCES (USES)							
Transfers in	23,189	2,400,441	-	-	-	762,403	3,186,033
Transfers out	(2,550,021)	(472,631)	(98,923)	-	-	(64,458)	(3,186,033)
TOTAL OTHER FINANCING SOURCES (USES)	(2,526,832)	1,927,810	(98,923)	-	-	697,945	-
Net Change in Fund Balances	(284,936)	172,555	392,744	1,124,299	498,998	741,899	2,645,559
CASH BASIS FUND BALANCES - BEGINNING							
	1,833,046	729,053	3,167,086	1,555,071	1,006,074	1,939,241	10,229,571
CASH BASIS FUND BALANCES - ENDING							
	<u>\$1,548,110</u>	<u>\$ 901,608</u>	<u>\$3,559,830</u>	<u>\$ 2,679,370</u>	<u>\$ 1,505,072</u>	<u>\$2,681,140</u>	<u>\$ 12,875,130</u>

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

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

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
ASSETS				
Cash and Cash Equivalents	\$ 2,066,665	\$ 43,154,743	\$ 41,892,492	\$ 3,328,916
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	451,741	4,594,907	4,664,561	382,087
State - Collected by Other Offices	28,599	268,501	276,800	20,300
Schools	1,084,067	29,875,089	28,458,832	2,500,324
Educational Service Units	3,437	373,830	374,112	3,155
Technical College	21,456	2,337,241	2,338,917	19,780
Natural Resource Districts	6,098	712,793	712,664	6,227
Fire Districts	2,350	378,222	378,336	2,236
Municipalities	80,978	3,301,321	3,302,928	79,371
Agricultural Society	1,364	146,922	147,044	1,242
Airport Authority	2,774	109,884	111,131	1,527
Water District	-	6,861	6,861	-
Sanitary and Improvement Districts	106,507	11,461	3,987	113,981
Hospital	856	119,486	119,287	1,055
Others - Collected by County Treasurer	161,064	358,860	420,050	99,874
Others - Collected by Other Offices	115,374	559,365	576,982	97,757
TOTAL LIABILITIES	2,066,665	43,154,743	41,892,492	3,328,916
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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

OTOE 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 Otoe County.

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$73,428 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 Southeast District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

OTOE 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.

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

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local and private funding. The County contributed \$1,945 toward the operation of the 911 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. Nemaha County was named the fiscal agent for the 911 Region, and all financial activity of the 911 Region would be available in the Nemaha County audit 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.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

COVID American Rescue Plan 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.

Highway Bridge Buyback Program Fund. This fund is used to account for costs associated with the repair and maintenance of road and bridges and is primarily funded by State purchase of federal aid transportation funds at a discounted rate.

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.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available.

Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences, and claims and judgments are recorded only when payment is due.

D. **Assets and Net Position**

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

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$5,470,596 of restricted net position which is fully restricted by enabling legislation.

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

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$12,571,347 for County funds and \$3,328,916 for Fiduciary funds. The bank balances for all funds totaled \$16,014,740. 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's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$303,783 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes**

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.330264/\$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 \$.336047/\$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.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System (Concluded)

For the year ended June 30, 2022, 125 employees contributed \$253,350, and the County contributed \$373,821. Contributions included \$11,744 in cash contributions towards the supplemental law enforcement plan for 18 law enforcement employees. Lastly, the County paid \$1,352 directly to 20 retired employees for prior service benefits.

5. Risk Management

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

There were no significant reductions in insurance coverage from the prior year coverage, and the County did not incur any expenses that exceeded coverage in the last three fiscal years.

6. Interfund Transfers

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

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ -	\$ 23,189	\$ 23,189
Road Fund	2,400,441	-	-	-	2,400,441
Nonmajor Funds	149,580	472,631	98,923	41,269	762,403
Total	\$ 2,550,021	\$ 472,631	\$ 98,923	\$ 64,458	\$ 3,186,033

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

In the year ended June 30, 2022, the County made a one-time transfer of \$472,631 from the Road Fund to the Equipment Sinking Fund to set aside for future equipment purchases. Additionally, the County made a one-time transfer of \$4,291 from the Federal Grant Sheriff Fund to the Federal Drug Law Enforcement Fund to account for the sale of a seized vehicle. Lastly, the County transferred \$60,167 from the 911 Wireless Service Fund, of which \$23,189 was transferred to the General Fund for reimbursement of dispatch wages, and \$36,978 was transferred to the 911 Wireless Service Holding Fund for future 911 projects.

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:

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. Long-Term Obligations (Continued)

	Motor Graders	Motorola 911 Communication Equipment	Total
Balance July 1, 2021	\$ 286,802	\$ 1,012,093	\$ 1,298,895
Purchases	-	-	-
Payments	111,483	146,881	258,364
Balance June 30, 2022	\$ 175,319	\$ 865,212	\$ 1,040,531
 Future Payments:			
Year			
2023	\$ 96,757	\$ 166,983	\$ 263,740
2024	80,180	166,983	247,163
2025	-	166,983	166,983
2026	-	166,983	166,983
2027	-	166,983	166,983
2028-2032	-	83,491	83,491
Total Payments	\$ 176,937	918,406	1,095,343
Less Interest	1,618	53,194	54,812
Present Value of Future Minimum Lease Payments	\$ 175,319	\$ 865,212	\$ 1,040,531
Carrying Value of the Related Fixed Asset	\$ 423,468	\$ 1,584,274	\$ 2,007,742

Bonds

The County issued bonds in 2009 in the amount of \$2,535,000 for the purpose of paying the costs associated with road projects in the County. In fiscal year 2015 and 2021, these bonds were refinanced in the amounts of \$1,885,000 and \$810,000, respectively. The bond payable balance, as of June 30, 2022, was \$415,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

	Principal	Interest	Total
Future Payments:			
Year			
2023	\$ 205,000	\$ 2,387	\$ 207,387
2024	210,000	1,260	211,260
Total Payments	\$ 415,000	\$ 3,647	\$ 418,647

The County issued highway bonds in October 2011 in the amount of \$2,550,000 for the purpose of paying the costs associated with road projects in the County. In fiscal year 2017 and 2021, these bonds were refinanced in the amounts of \$4,455,000 and \$2,980,000, respectively. The bond payable balance, as of June 30, 2022, was \$2,620,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Long-Term Obligations (Concluded)

Future Payments:

Year	Principal	Interest	Total
2023	\$ 370,000	\$ 18,222	\$ 388,222
2024	365,000	17,113	382,113
2025	595,000	15,652	610,652
2026	415,000	12,380	427,380
2027	170,000	9,475	179,475
2028-2031	705,000	21,435	726,435
Total Payments	\$ 2,620,000	\$ 94,277	\$ 2,714,277

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.

OTOE 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	\$ 8,875,667	\$ 8,875,667	\$ 8,444,120	\$ (431,547)
Licenses and Permits	74,630	74,630	142,296	67,666
Investment Income	40,000	40,000	16,025	(23,975)
Intergovernmental	632,111	632,111	1,052,721	420,610
Charges for Services	551,850	551,850	968,669	416,819
Miscellaneous	49,000	49,000	54,094	5,094
TOTAL RECEIPTS	10,223,258	10,223,258	10,677,925	454,667
DISBURSEMENTS				
General Government:				
County Board	159,200	159,200	158,679	521
County Clerk	164,150	164,150	160,957	3,193
County Treasurer	295,337	295,337	291,448	3,889
Register of Deeds	156,721	156,721	152,930	3,791
County Assessor	244,870	244,870	229,445	15,425
Election Commissioner	69,560	70,014	70,013	1
Building and Zoning	43,950	43,950	36,436	7,514
Data Processing Department	474,646	474,646	454,106	20,540
Clerk of the District Court	124,413	124,413	123,160	1,253
County Court System	10,500	10,500	6,817	3,683
Public Defender	174,965	178,172	178,172	-
Coroner	30,200	30,200	18,874	11,326
Child Support	63,918	63,918	43,954	19,964
Buildings and Grounds	165,200	165,200	162,728	2,472
Agricultural Extension Agent	99,830	99,830	94,472	5,358
Miscellaneous	2,935,312	2,928,311	2,828,548	99,763
Public Safety				
County Sheriff	1,483,969	1,483,969	1,395,350	88,619
County Attorney	326,735	326,735	309,909	16,826
Traffic & Seatbelt Grant	22,000	25,340	25,340	-
Juvenile Diversion/Service Program	108,650	108,650	98,089	10,561
County Jail	1,236,000	1,236,000	1,066,443	169,557
Nuclear Accident - Emergency Prepared	60,691	60,691	54,683	6,008
Civil Defense	146,314	146,314	103,950	42,364
Safety Committee	15,000	15,000	8,043	6,957
Emergency Equipment	30,000	30,000	29	29,971
911 Services	225,983	225,983	183,281	42,702
Public Works				
County Surveyor	50,944	50,944	48,978	1,966

OTOE 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)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	71,550	71,550	70,198	1,352
Welfare Assistance Administration	48,700	48,700	48,523	177
County Relief	8,500	8,500	5,830	2,670
Veterans' Aid	2,000	2,000	1,020	980
Culture and Recreation				
County Museum	6,055	6,055	5,624	431
TOTAL DISBURSEMENTS	<u>9,055,863</u>	<u>9,055,863</u>	<u>8,436,029</u>	<u>619,834</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,167,395</u>	<u>1,167,395</u>	<u>2,241,896</u>	<u>1,074,501</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	23,189	23,189
Transfers out	<u>(2,500,441)</u>	<u>(2,500,441)</u>	<u>(2,550,021)</u>	<u>(49,580)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,500,441)</u>	<u>(2,500,441)</u>	<u>(2,526,832)</u>	<u>(26,391)</u>
Net Change in Fund Balance	(1,333,046)	(1,333,046)	(284,936)	1,048,110
FUND BALANCE - BEGINNING	<u>1,833,046</u>	<u>1,833,046</u>	<u>1,833,046</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,548,110</u>	<u>\$ 1,048,110</u>

(Concluded)

OTOE 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				
Licenses and Permits	\$ 3,000	\$ 3,000	\$ 4,825	\$ 1,825
Intergovernmental	2,615,956	2,615,956	3,472,846	856,890
Charges for Services	659,347	659,347	476,773	(182,574)
Miscellaneous	3,005,000	3,005,000	1,491,041	(1,513,959)
TOTAL RECEIPTS	<u>6,283,303</u>	<u>6,283,303</u>	<u>5,445,485</u>	<u>(837,818)</u>
DISBURSEMENTS	<u>9,412,797</u>	<u>9,412,797</u>	<u>7,200,740</u>	<u>2,212,057</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,129,494)</u>	<u>(3,129,494)</u>	<u>(1,755,255)</u>	<u>1,374,239</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,400,441	2,400,441	2,400,441	-
Transfers out	-	-	(472,631)	(472,631)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,400,441</u>	<u>2,400,441</u>	<u>1,927,810</u>	<u>(472,631)</u>
Net Change in Fund Balance	(729,053)	(729,053)	172,555	901,608
FUND BALANCE - BEGINNING	729,053	729,053	729,053	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 901,608</u>	<u>\$ 901,608</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 500,000	\$ 500,000	\$ 625,307	\$ 125,307
Miscellaneous	-	-	50,275	50,275
TOTAL RECEIPTS	<u>500,000</u>	<u>500,000</u>	<u>675,582</u>	<u>175,582</u>
DISBURSEMENTS	<u>3,568,163</u>	<u>3,568,163</u>	<u>183,915</u>	<u>3,384,248</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,068,163)</u>	<u>(3,068,163)</u>	<u>491,667</u>	<u>3,559,830</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(98,923)	(98,923)	(98,923)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(98,923)</u>	<u>(98,923)</u>	<u>(98,923)</u>	<u>-</u>
Net Change in Fund Balance	(3,167,086)	(3,167,086)	392,744	3,559,830
FUND BALANCE - BEGINNING	3,167,086	3,167,086	3,167,086	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,559,830</u>	<u>\$ 3,559,830</u>

(Continued)

OTOE 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>COVID AMERICAN RESCUE PLAN FUND</u>				
RECEIPTS				
Investment Income	\$ -	\$ -	\$ 795	\$ 795
Intergovernmental	1,555,072	1,555,072	1,555,072	-
TOTAL RECEIPTS	<u>1,555,072</u>	<u>1,555,072</u>	<u>1,555,867</u>	<u>795</u>
DISBURSEMENTS	<u>3,110,143</u>	<u>3,110,143</u>	<u>431,568</u>	<u>2,678,575</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,555,071)</u>	<u>(1,555,071)</u>	<u>1,124,299</u>	<u>2,679,370</u>
Net Change in Fund Balance	(1,555,071)	(1,555,071)	1,124,299	2,679,370
FUND BALANCE - BEGINNING	1,555,071	1,555,071	1,555,071	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,679,370</u>	<u>\$ 2,679,370</u>

<u>HIGHWAY BRIDGE BUYBACK PROGRAM FUND</u>				
RECEIPTS				
Intergovernmental	\$ 585,857	\$ 585,857	\$ 587,447	\$ 1,590
TOTAL RECEIPTS	<u>585,857</u>	<u>585,857</u>	<u>587,447</u>	<u>1,590</u>
DISBURSEMENTS	<u>1,591,931</u>	<u>1,591,931</u>	<u>88,449</u>	<u>1,503,482</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,006,074)</u>	<u>(1,006,074)</u>	<u>498,998</u>	<u>1,505,072</u>
Net Change in Fund Balance	(1,006,074)	(1,006,074)	498,998	1,505,072
FUND BALANCE - BEGINNING	1,006,074	1,006,074	1,006,074	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,505,072</u>	<u>\$ 1,505,072</u>

(Concluded)

OTOE 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)
SPECIAL ROAD FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(294,617)	(294,617)	-	294,617
Transfers in	98,923	98,923	98,923	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(195,694)	(195,694)	98,923	294,617
Fund Balance - Beginning	195,694	195,694	195,694	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,617</u>	<u>\$ 294,617</u>
EQUIPMENT SINKING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	522,211	522,211
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	522,211	522,211
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,211</u>	<u>\$ 522,211</u>
VISITOR PROMOTION FUND				
Receipts	\$ 104,385	\$ 104,385	\$ 175,714	\$ 71,329
Disbursements	(190,000)	(190,000)	(141,145)	48,855
Net Change in Fund Balance	(85,615)	(85,615)	34,569	120,184
Fund Balance - Beginning	85,615	85,615	85,615	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,184</u>	<u>\$ 120,184</u>
PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 14,404	\$ (596)
Disbursements	(44,532)	(44,532)	(7,703)	36,829
Net Change in Fund Balance	(29,532)	(29,532)	6,701	36,233
Fund Balance - Beginning	29,532	29,532	29,532	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,233</u>	<u>\$ 36,233</u>
VETERANS' AID FUND				
Receipts	\$ 4,215	\$ 4,215	\$ 3,576	\$ (639)
Disbursements	(15,300)	(15,300)	(84)	15,216
Net Change in Fund Balance	(11,085)	(11,085)	3,492	14,577
Fund Balance - Beginning	11,085	11,085	11,085	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,577</u>	<u>\$ 14,577</u>

OTOE 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)
STOP PROGRAM FUND				
Receipts	\$ 6,000	\$ 6,000	\$ 7,150	\$ 1,150
Disbursements	(20,752)	(20,752)	-	20,752
Net Change in Fund Balance	(14,752)	(14,752)	7,150	21,902
Fund Balance - Beginning	14,752	14,752	14,752	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,902</u>	<u>\$ 21,902</u>
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 17,784	\$ 17,784	\$ 5,982	\$ (11,802)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(7,216)	(7,216)	5,982	13,198
Fund Balance - Beginning	7,216	7,216	7,216	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,198</u>	<u>\$ 13,198</u>
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 110,000	\$ 110,000	\$ -	\$ (110,000)
Disbursements	(934,458)	(934,458)	(23,460)	910,998
Transfers in	4,291	4,291	4,291	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(820,167)	(820,167)	(19,169)	800,998
Fund Balance - Beginning	820,167	820,167	820,167	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,998</u>	<u>\$ 800,998</u>
LOCAL GRANTS - SHERIFF FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 150	\$ (9,850)
Disbursements	(16,132)	(16,132)	(3,942)	12,190
Net Change in Fund Balance	(6,132)	(6,132)	(3,792)	2,340
Fund Balance - Beginning	6,132	6,132	6,132	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ 2,340</u>
FEDERAL GRANT SHERIFF FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(4,291)	(4,291)	(4,291)	-
Net Change in Fund Balance	(4,291)	(4,291)	(4,291)	-
Fund Balance - Beginning	4,291	4,291	4,291	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTOE 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)
KENO LOTTERY FUND				
Receipts	\$ 60,500	\$ 60,500	\$ 81,566	\$ 21,066
Disbursements	(213,319)	(213,319)	(51,908)	161,411
Net Change in Fund Balance	(152,819)	(152,819)	29,658	182,477
Fund Balance - Beginning	152,819	152,819	152,819	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,477</u>	<u>\$ 182,477</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 59,000	\$ 59,000	\$ 47,892	\$ (11,108)
Disbursements	(65,308)	(65,308)	(46,259)	19,049
Net Change in Fund Balance	(6,308)	(6,308)	1,633	7,941
Fund Balance - Beginning	6,308	6,308	6,308	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,941</u>	<u>\$ 7,941</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 60,915	\$ 60,915	\$ 60,915	\$ -
Disbursements	(20,000)	(20,000)	(748)	19,252
Transfers in	-	-	-	-
Transfers out	(40,915)	(40,915)	(60,167)	(19,252)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 WIRELESS SERVICE HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(296,960)	(296,960)	-	296,960
Transfers in	40,915	40,915	36,978	(3,937)
Transfers out	-	-	-	-
Net Change in Fund Balance	(256,045)	(256,045)	36,978	293,023
Fund Balance - Beginning	256,045	256,045	256,045	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,023</u>	<u>\$ 293,023</u>
SOUTHEAST REGIONAL EMERGENCY MANAGEMENT FUND				
Receipts	\$ 300,000	\$ 300,000	\$ 1,800	\$ (298,200)
Disbursements	(300,000)	(300,000)	(1,800)	298,200
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTOE 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)
COUNTY BUILDINGS MAINTENANCE				
FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(339,339)	(339,339)	(74,293)	265,046
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(239,339)	(239,339)	25,707	265,046
Fund Balance - Beginning	239,339	239,339	239,339	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,046</u>	<u>\$ 265,046</u>
COUNTY LANDFILL FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(110,246)	(110,246)	(3,853)	106,393
Net Change in Fund Balance	(110,246)	(110,246)	(3,853)	106,393
Fund Balance - Beginning	110,246	110,246	110,246	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,393</u>	<u>\$ 106,393</u>

(Concluded)

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

	Special Road Fund	Equipment Sinking Fund	Visitor Promotion Fund	Preservation & Modernization Fund	Veterans' Aid Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ 175,714	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	14,404	-
Miscellaneous	-	-	-	-	3,576
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>175,714</u>	<u>14,404</u>	<u>3,576</u>
DISBURSEMENTS					
General Government	-	-	-	7,703	-
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	84
Culture and Recreation	-	-	141,145	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>141,145</u>	<u>7,703</u>	<u>84</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>34,569</u>	<u>6,701</u>	<u>3,492</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	98,923	522,211	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>98,923</u>	<u>522,211</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	98,923	522,211	34,569	6,701	3,492
FUND BALANCES - BEGINNING	<u>195,694</u>	<u>-</u>	<u>85,615</u>	<u>29,532</u>	<u>11,085</u>
FUND BALANCES - ENDING	<u>\$ 294,617</u>	<u>\$ 522,211</u>	<u>\$ 120,184</u>	<u>\$ 36,233</u>	<u>\$ 14,577</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	120,184	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	36,233	-
Veterans' Aid	-	-	-	-	14,577
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	294,617	-	-	-	-
County Buildings	-	-	-	-	-
Equipment	-	522,211	-	-	-
Community Betterment	-	-	-	-	-
Landfill Closures	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 294,617</u>	<u>\$ 522,211</u>	<u>\$ 120,184</u>	<u>\$ 36,233</u>	<u>\$ 14,577</u>

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

For the Year Ended June 30, 2022

	STOP Program Fund	Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund	Local Grants - Sheriff Fund	Federal Grant Sheriff Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	7	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	7,150	5,975	-	-	-
Miscellaneous	-	-	-	150	-
TOTAL RECEIPTS	<u>7,150</u>	<u>5,982</u>	<u>-</u>	<u>150</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	23,460	3,942	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>23,460</u>	<u>3,942</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>7,150</u>	<u>5,982</u>	<u>(23,460)</u>	<u>(3,792)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	4,291	-	-
Transfers out	-	-	-	-	(4,291)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>4,291</u>	<u>-</u>	<u>(4,291)</u>
Net Change in Fund Balances	7,150	5,982	(19,169)	(3,792)	(4,291)
FUND BALANCES - BEGINNING	<u>14,752</u>	<u>7,216</u>	<u>820,167</u>	<u>6,132</u>	<u>4,291</u>
FUND BALANCES - ENDING	<u>\$ 21,902</u>	<u>\$ 13,198</u>	<u>\$ 800,998</u>	<u>\$ 2,340</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	13,198	-	-	-
Law Enforcement	-	-	800,998	-	-
Preservation of Records	-	-	-	-	-
Veterans' Aid	-	-	-	-	-
Committed to:					
Law Enforcement	21,902	-	-	2,340	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Community Betterment	-	-	-	-	-
Landfill Closures	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 21,902</u>	<u>\$ 13,198</u>	<u>\$ 800,998</u>	<u>\$ 2,340</u>	<u>\$ -</u>

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

	Keno Lottery Fund	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund
RECEIPTS				
Taxes	\$ -	\$ 47,892	\$ 60,915	\$ -
Investment Income	170	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	81,396	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>81,566</u>	<u>47,892</u>	<u>60,915</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	46,259	748	-
Public Assistance	-	-	-	-
Culture and Recreation	51,908	-	-	-
TOTAL DISBURSEMENTS	<u>51,908</u>	<u>46,259</u>	<u>748</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>29,658</u>	<u>1,633</u>	<u>60,167</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	36,978
Transfers out	-	-	(60,167)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(60,167)</u>	<u>36,978</u>
Net Change in Fund Balances	29,658	1,633	-	36,978
FUND BALANCES - BEGINNING	<u>152,819</u>	<u>6,308</u>	<u>-</u>	<u>256,045</u>
FUND BALANCES - ENDING	<u>\$ 182,477</u>	<u>\$ 7,941</u>	<u>\$ -</u>	<u>\$ 293,023</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	7,941	-	293,023
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Veterans' Aid	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
County Buildings	-	-	-	-
Equipment	-	-	-	-
Community Betterment	182,477	-	-	-
Landfill Closures	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 182,477</u>	<u>\$ 7,941</u>	<u>\$ -</u>	<u>\$ 293,023</u>

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

For the Year Ended June 30, 2022

	Southeast Regional Emergency Management Fund	County Buildings Maintenance Fund	County Landfill Fund	Total Nonmajor Funds
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ 284,521
Investment Income	-	-	-	177
Intergovernmental	1,800	-	-	1,800
Charges for Services	-	-	-	108,925
Miscellaneous	-	-	-	3,726
TOTAL RECEIPTS	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>399,149</u>
DISBURSEMENTS				
General Government	-	74,293	3,853	85,849
Public Safety	1,800	-	-	76,209
Public Assistance	-	-	-	84
Culture and Recreation	-	-	-	193,053
TOTAL DISBURSEMENTS	<u>1,800</u>	<u>74,293</u>	<u>3,853</u>	<u>355,195</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(74,293)</u>	<u>(3,853)</u>	<u>43,954</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,000	-	762,403
Transfers out	-	-	-	(64,458)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>697,945</u>
Net Change in Fund Balances	-	25,707	(3,853)	741,899
FUND BALANCES - BEGINNING	<u>-</u>	<u>239,339</u>	<u>110,246</u>	<u>1,939,241</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 265,046</u>	<u>\$ 106,393</u>	<u>\$ 2,681,140</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	120,184
911 Emergency Services	-	-	-	300,964
Drug Education	-	-	-	13,198
Law Enforcement	-	-	-	800,998
Preservation of Records	-	-	-	36,233
Veterans' Aid	-	-	-	14,577
Committed to:				
Law Enforcement	-	-	-	24,242
Road Maintenance	-	-	-	294,617
County Buildings	-	265,046	-	265,046
Equipment	-	-	-	522,211
Community Betterment	-	-	-	182,477
Landfill Closures	-	-	106,393	106,393
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 265,046</u>	<u>\$ 106,393</u>	<u>\$ 2,681,140</u>

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

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>
BALANCES JULY 1, 2021	\$ 1,025	\$ 41,564	\$ 120,247	\$ 8,966	\$ 954
RECEIPTS					
Licenses and Permits	2,200	-	-	745	-
Intergovernmental	-	-	-	-	-
Charges for Services	1,781	168,992	36,237	47,559	1,650
Miscellaneous	940	-	-	456	366
State Fees	-	240,527	27,508	-	-
Other Liabilities	-	-	288,039	266,013	5,313
TOTAL RECEIPTS	<u>4,921</u>	<u>409,519</u>	<u>351,784</u>	<u>314,773</u>	<u>7,329</u>
DISBURSEMENTS					
Payments to County Treasurer	3,908	173,782	35,751	46,131	1,770
Payments to State Treasurer	-	246,664	28,253	-	-
Petty Cash & Other Payments	940	-	-	359	366
Other Liabilities	-	-	305,584	266,031	5,367
TOTAL DISBURSEMENTS	<u>4,848</u>	<u>420,446</u>	<u>369,588</u>	<u>312,521</u>	<u>7,503</u>
BALANCES JUNE 30, 2022	<u>\$ 1,098</u>	<u>\$ 30,637</u>	<u>\$ 102,443</u>	<u>\$ 11,218</u>	<u>\$ 780</u>
BALANCES CONSIST OF:					
Due to County Treasurer	\$ 98	\$ 12,238	\$ 2,934	\$ 9,999	\$ -
Petty Cash	1,000	50	100	1,200	500
Due to State Treasurer	-	18,349	1,951	-	-
Due to Others	-	-	97,458	19	280
BALANCES JUNE 30, 2022	<u>\$ 1,098</u>	<u>\$ 30,637</u>	<u>\$ 102,443</u>	<u>\$ 11,218</u>	<u>\$ 780</u>

(Continued)

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

	County Child Support Enforcement	Highway Superintendent	County Keno	Emergency Manager	Total
BALANCES JULY 1, 2021	\$ 300	\$ -	\$ 5,221	\$ 275	\$ 178,552
RECEIPTS					
Licenses and Permits	-	4,825	-	-	7,770
Intergovernmental	-	38,758	-	-	38,758
Charges for Services	-	465,922	-	-	722,141
Miscellaneous	700	1,479,132	-	478	1,482,072
State Fees	-	466	-	-	268,501
Other Liabilities	-	-	-	-	559,365
TOTAL RECEIPTS	<u>700</u>	<u>1,989,103</u>	<u>-</u>	<u>478</u>	<u>3,078,607</u>
DISBURSEMENTS					
Payments to County Treasurer	-	1,988,637	3,804	-	2,253,783
Payments to State Treasurer	-	466	1,417	-	276,800
Petty Cash & Other Payments	700	-	-	478	2,843
Other Liabilities	-	-	-	-	576,982
TOTAL DISBURSEMENTS	<u>700</u>	<u>1,989,103</u>	<u>5,221</u>	<u>478</u>	<u>3,110,408</u>
BALANCES JUNE 30, 2022	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 146,751</u>
BALANCES CONSIST OF:					
Due to County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ 25,269
Petty Cash	300	-	-	275	3,425
Due to State Treasurer	-	-	-	-	20,300
Due to Others	-	-	-	-	97,757
BALANCES JUNE 30, 2022	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 146,751</u>

(Concluded)

OTOE 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	\$ 33,620,043	\$ 34,098,917	\$ 34,982,243	\$ 35,255,640	\$ 35,560,256
Personal and Specials	2,202,226	2,234,395	2,341,687	2,759,026	3,280,197
Total	35,822,269	36,333,312	37,323,930	38,014,666	38,840,453
Corrections					
Additions	7,514	43,394	54,522	34,397	30,646
Deductions	(23,407)	(30,253)	(9,861)	(3,808)	(717)
Net Additions/ (Deductions)	(15,893)	13,141	44,661	30,589	29,929
Corrected Certified Tax	35,806,376	36,346,453	37,368,591	38,045,255	38,870,382
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	23,107,316	-	-	-	-
June 30, 2019	12,691,547	23,092,967	-	-	-
June 30, 2020	(6,467)	13,204,319	23,618,145	-	-
June 30, 2021	7,279	10,114	13,709,086	24,683,106	-
June 30, 2022	1,827	32,528	34,109	13,352,940	26,086,937
Total Net Collections	35,801,502	36,339,928	37,361,340	38,036,046	26,086,937
Total Uncollected Tax	\$ 4,874	\$ 6,525	\$ 7,251	\$ 9,209	\$ 12,783,445
Percentage Uncollected Tax	0.01%	0.02%	0.02%	0.02%	32.89%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

OTOE 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
Otoe 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 Otoe 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 March 28, 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 Otoe 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 Otoe County in a separate letter dated March 28, 2023.

Otoe County’s Response to Findings

Otoe 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

March 28, 2023



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

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

March 28, 2023

Board of Commissioners
Otoe County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Otoe County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 28, 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.

COUNTY BOARD

Over-Budget Projects

As of June 30, 2022, the County Board had approved claim 22010186 on December 27, 2021, for a road project with Ten Point Construction that exceeded the awarded bid amount by \$347,845. The County Board never approved change orders or other such documentation to increase the estimated project costs.

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.

Good internal controls and sound business practices require procedures to ensure that all payments made on County contracts comply with either the awarded bid amount or a formal change order approved by 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 on County contracts comply with the awarded bid amount and any increase to such contract amounts has been approved by the County Board.

Flower Purchases

During the fiscal year, we noted two purchases, totaling \$119, were made to local floral shops for the purchase of funeral flowers, as follows:

Claim Number	Date	Payee	Amount
21120140	12/21/2021	First Class Flowers	\$ 65
22020109	2/15/2022	Hometown Floral & Gifts	\$ 54
		Total	\$ 119

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. § 13-2201 (Reissue 2022) et seq., 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. Purchases of flowers – whether for funerals, memorials, or other personal occasions – are not found among that select statutory list of permissible expenditures. As a result, such disbursements must be considered disallowed by law.

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). 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.

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 that the County Board implement procedures to ensure all County purchases are allowable under State statute, including the provisions of the Act.

Lack of Supporting Documentation

During the fiscal year, we noted the following issues:

- The County Board made a Visitor Promotion grant payment, totaling \$10,000, for marketing for the Nebraska City's Veteran Memorial Building Project (NCVMBP) Veterans Day promotion. The County received a post-function report stating the total amount of the grant used by OCVC for the project totaled \$9,369. The County had no supporting documentation on file to verify the \$9,369 as reported and the excess grant funds paid to NCVMBP of \$631 were not refunded to the County.
- The County Board made payments, totaling \$5,624, for custodial services, telephone, utilities, and repairs and/or maintenance expenses for the Otoe County Museum, a non-profit organization. The County had no agreement or contract on file to support the payments.
- The County received reimbursements from the Otoe County Agricultural Society (Society), a separate political subdivision, totaling \$2,700 for mowing services and \$11,909 for the Society's share of the County's insurance policy. The County had no agreement or contract on file to support the receipts or the inclusion of a separate legal entity in the County's insurance policy.

A good internal control plan and sound business practices require procedures to ensure that any financial activity of the County, including grant funds, are supported by adequate documentation. Such procedures should also require written documentation of the County's responsibilities in relation to sharing expenses with separate legal entities.

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

A similar finding was noted in the prior audit.

We recommend the County Board implement procedures to ensure adequate supporting documentation exists to support all financial activity, including the completion of a written agreements and documentation to support any grant paid, to ensure all public funds were appropriately spent.

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 did not have procedures to ensure the Contractor was in compliance with their contract. Upon inquiry during the audit, the required audit of the Contractor's records had not been completed.

The Otoe County Board of Commissioners Resolution 6-24-14-19, Section 8(b), approved June 24, 2014, states:

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.

The Nebraska Department of Revenue Regulations 35-616.01, revised November 13, 2005, 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.

Further, good internal controls and sound business practices require procedures to be in place to ensure contractors are in compliance with all County contracts.

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

We recommend the County implement procedures to ensure contractors are in compliance with County contracts, including the provisions of the contract for the keno lottery operations.

Insufficient Pledged Collateral

During the fiscal year, we noted that the County Board did not maintain securities to cover fully deposits in the imprest bank accounts. The pledged securities for this bank were inadequate for five days during year, with uncollateralized balances ranging from \$315,518 to \$536,605.

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, sound accounting practices and a good internal control plan require procedures to ensure that public 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 the loss of unsecured public funds but also noncompliance with State statute.

A similar finding was noted in the prior audit.

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

Retirement Contribution Errors

During our audit, we noted six employees incorrectly contributed to the retirement with no correction or additional follow-up by the County Board to correct the errors, as follows:

- In December 2021, four employees received additional compensation through the COVID American Rescue Plan Fund; however, no retirement was withheld, resulting in \$98 of employee contributions and \$146 in employer contributions that were not withheld and remitted to the Nebraska Public Employees Retirement System (NPERS).

- Two employees were no longer considered certified law enforcement during the year; however, their retirement percentages were not reduced by the additional 1% as required by statute. This resulted in a total of \$400 in employee contributions and \$239 in employer contributions that were withheld and remitted to NPERS in error.

Neb. Rev. Stat. § 23-2307 (Reissue 2022) states, in part:

Each employee who is a member of the retirement system shall pay to the county or have picked up by the county a sum equal to four and one-half percent of his or her compensation for each pay period. The contributions, although designated as employee contributions, shall be paid by the county in lieu of employee contributions. The county shall pick up the employee contributions required by this section for all compensation paid on or after January 1, 1985, and the contributions so picked up shall be treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code in determining federal tax treatment under the code and shall not be included as gross income of the employee until such time as they are distributed or made available.

Neb. Rev. Stat. § 23-2332.01 (Reissue 2022) states, in relevant part:

[Counties] shall establish and fund a supplemental retirement plan for the benefit of all present and future commissioned law enforcement personnel employed by such county who possess a valid law enforcement officer certificate or diploma, as established by the Nebraska Police Standards Advisory Council. The auxiliary benefit plan shall be funded by additional contributions to the county employees retirement plan in excess of the amounts established by sections 23-2307 and 23-2308. The additional contributions made by employees shall be credited to the employee account, and contributions paid by the county shall be credited to the employer account, with each amount to be established at a rate of one percent of compensation.

Additionally, good internal controls require procedures to be in place to ensure retirement contributions are withheld in accordance with State statute.

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

We recommend the County Board implement procedures to ensure retirement contributions are appropriate and properly calculated. We further recommend the County Board work with the Nebraska Public Employees Retirement System to correct the over- or underpayments.

Fee Approvals

During our audit, we noted a lack of documentation for the County Board’s approval of fees charged by the following offices:

- The County Sheriff charged \$25 for accident photos and \$2 for accident reports. A total of \$313 for accident photos and reports was collected during the year.
- The County Clerk charged \$1 for copies of marriage licenses. A total of \$1,683 in copy fees, including fees for copying marriage licenses, was collected during the year.
- The County Clerk charged \$0.01 per name for Voter Registration Lists and \$0.02 per name for labels for those lists. A total of \$98 for Voter Registration Lists and labels were collected during the year.

Neb. Rev. Stat. § 23-106(1) (Reissue 2022) assigns to the County Board responsibility for managing County funds and business.

Neb. Rev. Stat. § 32-330 (2) (Reissue 2016) states “The Secretary of State, election commissioner, or county clerk shall establish the price of the lists at a rate that fairly covers the actual production costs of the lists, not to exceed

three cents per name.” Additionally, good internal control and sound business practice require fees to be set by the County Board and documentation of this approval to be maintained. Without such procedures, there is an increased risk of theft, loss, or abuse of County funds.

A similar finding was noted in the prior audit.

We recommend the County implement procedures to ensure that all County office fees not set by statute are approved by the Count Board.

COUNTY SHERIFF

Accounting Procedures

During the audit, we noted the following issues regarding the County Sheriff’s accounting procedures:

- As of June 30, 2022, office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) exceeded office liabilities (fees and trust accounts), resulting in an unknown long balance of \$921. This is the result of the County Sheriff’s failure to perform a periodic office asset-to-office liability reconciliation.
- In January 2022, a check was written to the County Treasurer for \$30 more than received. The County Sheriff’s office neither submitted a claim to the Board nor simply under-remitted one month to the treasurer, for the shortage.
- In July 2021 through August 2021, we noted the amount deposited into the fingerprint bank account did not agree to the total individual receipts recorded by the County Sheriff’s office, resulting in \$35 deposited in which no corresponding receipt was noted.

Sound accounting practices and good internal control require procedures to be in place to ensure office assets are in agreement with office liabilities on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted. Additionally, good internal controls require that accurate receipt records are maintained.

Without such procedures, there is an increased risk of not only failure to determine asset-to-liability balancing variances, allowing such errors to go undetected more easily, but also the loss, theft, or misuse of funds.

A similar finding was noted in the prior audit.

We recommend the County Sheriff implement procedures for: 1) ensuring monthly asset-to-liability reconciliations are performed, and any variances are scrutinized; 2) maintaining adequate records to support all balances; and 3) ensuring receipts are written for all monies received.

* * * * *

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

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

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

Sincerely,

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

Rachel Wittler, CPA, CFE
Audit Manager