

**AUDIT REPORT  
OF  
SEWARD COUNTY**

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

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on February 15, 2023**

SEWARD COUNTY

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SEWARD COUNTY  
529 Seward Street  
Seward, NE 68434

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

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

SEWARD COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Seward 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 Seward 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 Seward County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

#### *Basis for Opinions*

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

#### *Emphasis of Matter – Basis of Accounting*

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-37, 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 February 7, 2023, on our consideration of Seward County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Seward County's internal control over financial reporting and compliance.



Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

February 7, 2023

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

		Governmental Activities
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	17,852,412
Investments (Note 1.D)		5,461,094
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>23,313,506</b>
<b>NET POSITION</b>		
Restricted for:		
Visitor Promotion	\$	100,378
911 Emergency Services		580,361
Drug Education		141,614
Law Enforcement		3,970,999
Preservation of Records		54,150
Debt Service		537,068
Road & Bridge Projects		1,527,005
Aid and Assistance		7,950
Federal Relief		2,782,679
County Self-Insurance		1,819,741
Unrestricted		11,791,561
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>23,313,506</b>

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

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

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (6,974,173)	\$ 849,007	\$ 153,099	\$ (5,972,067)
Public Safety	(5,478,221)	225,082	3,675,443	(1,577,696)
Public Works	(5,362,980)	8,723	2,894,301	(2,459,956)
Public Assistance	(423,524)	-	234,178	(189,346)
Culture and Recreation	(38,043)	-	-	(38,043)
Debt Payments	(1,210,297)	-	-	(1,210,297)
<b>Total Governmental Activities</b>	<u><u>\$ (19,487,238)</u></u>	<u><u>\$ 1,082,812</u></u>	<u><u>\$ 6,957,021</u></u>	<u><u>(11,447,405)</u></u>

General Receipts:

Taxes	11,820,666
Grants and Contributions Not Restricted to Specific Programs	2,947,441
Investment Income	135,714
Licenses and Permits	106,081
Health Insurance Settlements	1,277,071
Miscellaneous	212,727
<b>Total General Receipts</b>	<u><u>16,499,700</u></u>
Change in Net Position	5,052,295
Net Position - Beginning of year	18,261,211
Net Position - End of year	<u><u>\$ 23,313,506</u></u>

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



SEWARD COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**

June 30, 2022

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Sheriff Federal Drug Law Enforcement Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents (Note 1.D)	\$ 208,463	\$ 633,401	\$3,341,548	\$ 1,819,741	\$ 3,131,135	\$ 2,782,679	\$5,935,445	\$ 17,852,412
Investments (Note 1.D)	2,903,847	-	2,557,247	-	-	-	-	5,461,094
<b>TOTAL ASSETS</b>	<u>\$ 3,112,310</u>	<u>\$ 633,401</u>	<u>\$5,898,795</u>	<u>\$ 1,819,741</u>	<u>\$ 3,131,135</u>	<u>\$ 2,782,679</u>	<u>\$5,935,445</u>	<u>\$ 23,313,506</u>
<b>FUND BALANCES</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	100,378	100,378
911 Emergency Services	-	-	-	-	-	-	580,361	580,361
Drug Education	-	-	-	-	-	-	141,614	141,614
Law Enforcement	-	-	-	-	3,131,135	-	839,864	3,970,999
Preservation of Records	-	-	-	-	-	-	54,150	54,150
Debt Service	-	-	-	-	-	-	537,068	537,068
Road & Bridge Projects	-	-	-	-	-	-	1,527,005	1,527,005
Aid and Assistance	-	-	-	-	-	-	7,950	7,950
Federal Relief	-	-	-	-	-	2,782,679	-	2,782,679
County Self-Insurance	-	-	-	1,819,741	-	-	-	1,819,741
Committed to:								
Law Enforcement	-	-	-	-	-	-	64,025	64,025
Road Maintenance	-	633,401	-	-	-	-	1,592,606	2,226,007
Aid and Assistance	-	-	-	-	-	-	5,052	5,052
County Buildings & Equipment	-	-	-	-	-	-	462,674	462,674
Reappraisal Services	-	-	-	-	-	-	22,515	22,515
Problem Solving Court	-	-	-	-	-	-	183	183
Assigned to:								
Other Purposes	-	-	5,898,795	-	-	-	-	5,898,795
Unassigned	3,112,310	-	-	-	-	-	-	3,112,310
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 3,112,310</u>	<u>\$ 633,401</u>	<u>\$5,898,795</u>	<u>\$ 1,819,741</u>	<u>\$ 3,131,135</u>	<u>\$ 2,782,679</u>	<u>\$5,935,445</u>	<u>\$ 23,313,506</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Sheriff Federal Drug Law Enforcement Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>								
Taxes	\$8,356,150	\$ -	\$2,216,286	\$ -	\$ -	\$ -	\$1,248,230	\$11,820,666
Licenses and Permits	106,081	-	-	-	-	-	-	106,081
Investment Income	130,880	-	-	239	-	3,412	1,183	135,714
Intergovernmental	1,228,016	2,574,803	-	-	3,441,369	1,678,607	981,667	9,904,462
Charges for Services	964,741	8,723	-	-	-	-	109,348	1,082,812
Miscellaneous	44,272	14,762	-	1,277,071	16,625	-	137,068	1,489,798
<b>TOTAL RECEIPTS</b>	<b>10,830,140</b>	<b>2,598,288</b>	<b>2,216,286</b>	<b>1,277,310</b>	<b>3,457,994</b>	<b>1,682,019</b>	<b>2,477,496</b>	<b>24,539,533</b>
<b>DISBURSEMENTS</b>								
General Government	3,950,885	-	94,333	2,231,410	-	578,137	119,408	6,974,173
Public Safety	3,363,664	-	-	-	964,199	-	1,150,358	5,478,221
Public Works	216,393	3,934,841	8,338	-	-	-	1,203,408	5,362,980
Public Assistance	294,074	-	-	-	-	-	129,450	423,524
Culture and Recreation	-	-	-	-	-	-	38,043	38,043
Debt Service:								
Principal Payments	-	-	-	-	-	-	980,126	980,126
Interest and Fiscal Charges	-	-	-	-	-	-	230,171	230,171
<b>TOTAL DISBURSEMENTS</b>	<b>7,825,016</b>	<b>3,934,841</b>	<b>102,671</b>	<b>2,231,410</b>	<b>964,199</b>	<b>578,137</b>	<b>3,850,964</b>	<b>19,487,238</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>3,005,124</b>	<b>(1,336,553)</b>	<b>2,113,615</b>	<b>(954,100)</b>	<b>2,493,795</b>	<b>1,103,882</b>	<b>(1,373,468)</b>	<b>5,052,295</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	300,000	2,017,801	-	1,201,237	-	-	1,564,438	5,083,476
Transfers out	(3,547,091)	(1,052,434)	(300,000)	-	(47,101)	-	(136,850)	(5,083,476)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,247,091)</b>	<b>965,367</b>	<b>(300,000)</b>	<b>1,201,237</b>	<b>(47,101)</b>	<b>-</b>	<b>1,427,588</b>	<b>-</b>
Net Change in Fund Balances	(241,967)	(371,186)	1,813,615	247,137	2,446,694	1,103,882	54,120	5,052,295
<b>CASH BASIS FUND BALANCES - BEGINNING</b>								
	3,354,277	1,004,587	4,085,180	1,572,604	684,441	1,678,797	5,881,325	18,261,211
<b>CASH BASIS FUND BALANCES - ENDING</b>								
	<b>\$3,112,310</b>	<b>\$ 633,401</b>	<b>\$5,898,795</b>	<b>\$1,819,741</b>	<b>\$ 3,131,135</b>	<b>\$2,782,679</b>	<b>\$5,935,445</b>	<b>\$23,313,506</b>

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

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

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,877,549	\$ 45,762,221	\$ 47,496,556	\$ 1,143,214
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	417,245	4,814,131	4,841,751	389,625
State - Collected by Other Offices	29,604	273,965	284,000	19,569
Schools	462,881	29,862,233	29,959,405	365,709
Educational Service Units	5,163	507,778	509,879	3,062
Technical College	30,916	3,045,802	3,058,354	18,364
Natural Resource Districts	7,954	773,139	776,366	4,727
Fire Districts	10,913	873,203	873,333	10,783
Municipalities	84,034	3,807,986	3,825,508	66,512
Agricultural Society	4,042	390,610	392,307	2,345
Cemetery District	166	3,207	525	2,848
Airport Authority	3,774	197,895	199,592	2,077
Hospital	107	51,111	51,056	162
Others - Collected by County Treasurer	1,610,477	185,360	1,762,248	33,589
Others - Collected by Other Offices	210,273	975,801	962,232	223,842
<b>TOTAL LIABILITIES</b>	<u>2,877,549</u>	<u>45,762,221</u>	<u>47,496,556</u>	<u>1,143,214</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$70,772 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 Four Corners Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

**B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all 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:

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

**Sheriff Federal Drug Law Enforcement Fund.** This fund is used to account for monies received from the Federal government arising from the sale of confiscated property involved in Federal prosecutions and expenditures for drug enforcement.

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. **Assets and Net Position**

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

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

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$11,521,945 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.



SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$17,852,412 for County funds and \$1,143,214 for Fiduciary funds. The bank balances for all funds totaled \$18,590,694. 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 \$5,461,094 deposited in Nebraska Federal Investment Trust (NFIT). NFIT is a public entity investment pool. 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 NFIT are not held in the County's name.

3. **Taxes**

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.283518/\$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 \$.295623/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022) and may be amended through legislative action.

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

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

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

For the year ended June 30, 2022, 167 employees contributed \$326,531, and the County contributed \$483,534. Contributions included \$12,645 in cash contributions towards the supplemental law enforcement plan for 25 law enforcement employees.

5. **Risk Management**

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

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. **Risk Management** (Concluded)

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

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

The County self-insures for employee health insurance and has contracted with Mid-American Benefits to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions, and reimbursements received from the County's secondary insurance provider. The activity of the plan is reflected in the County's financial statements under the Health Insurance Fund. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained stop-loss coverage to limit the County's total exposure to \$40,000 per enrolled member, per year.

6. **Interfund Transfers**

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

	<b>Transfers from</b>					Total
	General Fund	Road Fund	Sheriff Federal Drug Law Enforcement Fund	Inheritance Fund	Nonmajor Funds	
<b>Transfers to</b>						
General Fund	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Road Fund	2,017,801	-	-	-	-	2,017,801
Health Insurance Fund	1,075,862	-	47,101	-	78,274	1,201,237
Nonmajor Funds	453,428	1,052,434	-	-	58,576	1,564,438
<b>Total</b>	<b>\$ 3,547,091</b>	<b>\$ 1,052,434</b>	<b>\$ 47,101</b>	<b>\$ 300,000</b>	<b>\$ 136,850</b>	<b>\$ 5,083,476</b>

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

In the year ended June 30, 2022, the County made a one-time transfer of \$1,052,434 from the Road Fund to the Special Road Fund for repairs, road project costs, and the purchase of equipment.

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:

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

7. Long-Term Obligations (Concluded)

	Three John Deere Motor Graders
Balance July 1, 2021	\$ 366,273
Purchases	-
Payments	366,273
Balance June 30, 2022	\$ -

Bonds

The County issued bonds on October 17, 2014, in the amount of \$9,990,000 for the purpose of paying the costs of constructing a new Justice Center. On November 26, 2019, the County refinanced this bond for \$7,240,000, with \$875,000 still to be repaid on the Series 2014 bond. The Series 2014 bond was repaid during fiscal year 2021. For the Series 2019 bond, the bond payable balance, as of June 30, 2022, was \$6,780,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 475,000	\$ 182,885	\$ 657,885
2024	490,000	168,410	658,410
2025	515,000	153,335	668,335
2026	520,000	137,810	657,810
2027	540,000	121,910	661,910
2028-2032	2,950,000	355,244	3,305,244
2033-2034	1,290,000	30,391	1,320,391
Total Payments	<u>\$ 6,780,000</u>	<u>\$ 1,149,985</u>	<u>\$ 7,929,985</u>

Additionally, the County issued bonds on September 30, 2016, in the amount of \$3,500,000, for the purpose of paying the costs of constructing, equipping, and furnishing the new Justice Center. The bond payable balance, as of June 30, 2022, was \$807,328. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 534,535	\$ 18,551	\$ 553,086
2024	272,793	3,751	276,544
Total Payments	<u>\$ 807,328</u>	<u>\$ 22,302</u>	<u>\$ 829,630</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 8,917,038	\$ 8,917,038	\$ 8,356,150	\$ (560,888)
Licenses and Permits	62,500	62,500	106,081	43,581
Investment Income	200,000	200,000	130,880	(69,120)
Intergovernmental	213,000	213,000	1,228,016	1,015,016
Charges for Services	666,000	666,000	964,741	298,741
Miscellaneous	20,000	20,000	44,272	24,272
<b>TOTAL RECEIPTS</b>	<u>10,078,538</u>	<u>10,078,538</u>	<u>10,830,140</u>	<u>751,602</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	169,875	169,875	169,236	639
County Clerk	184,860	184,860	177,871	6,989
County Treasurer	369,472	369,472	363,404	6,068
County Assessor	356,960	356,960	352,480	4,480
Election Commissioner	91,300	91,300	88,814	2,486
Clerk of the District Court	295,160	295,160	249,214	45,946
County Court System	32,600	32,600	24,252	8,348
District Judge	94,053	95,053	94,932	121
Public Defender	221,666	221,666	180,897	40,769
Building and Grounds	556,312	556,312	546,930	9,382
Agricultural Extension Agent	195,197	195,197	189,252	5,945
Personnel	169,260	169,260	162,973	6,287
Cemetery	5,000	5,000	4,200	800
Miscellaneous	3,191,570	3,189,070	1,346,430	1,842,640
Public Safety				
County Sheriff	1,407,934	1,407,934	1,400,580	7,354
County Attorney	773,109	773,109	761,152	11,957
County Jail	1,225,386	1,225,386	1,095,012	130,374
Emergency Management	118,894	118,894	106,920	11,974
Public Works				
County Surveyor	10,925	12,425	12,347	78
Noxious Weed Control	96,158	96,158	84,090	12,068
Highway Department	122,967	122,967	119,956	3,011
Public Assistance				
Veterans' Service Officer	54,196	54,196	36,785	17,411
Senior Citizen Handi-Bus	265,232	265,232	257,289	7,943
<b>TOTAL DISBURSEMENTS</b>	<u>10,008,086</u>	<u>10,008,086</u>	<u>7,825,016</u>	<u>2,183,070</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>70,452</u>	<u>70,452</u>	<u>3,005,124</u>	<u>2,934,672</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	300,000	300,000	-
Transfers out	(2,424,729)	(2,424,729)	(3,547,091)	(1,122,362)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,124,729)</u>	<u>(2,124,729)</u>	<u>(3,247,091)</u>	<u>(1,122,362)</u>
Net Change in Fund Balance	(2,054,277)	(2,054,277)	(241,967)	1,812,310
<b>FUND BALANCE - BEGINNING</b>	<u>3,354,277</u>	<u>3,354,277</u>	<u>3,354,277</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 3,112,310</u>	<u>\$ 1,812,310</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	2,418,475	2,418,475	2,574,803	156,328
Charges for Services	-	-	8,723	8,723
Miscellaneous	-	-	14,762	14,762
<b>TOTAL RECEIPTS</b>	<u>2,418,475</u>	<u>2,418,475</u>	<u>2,598,288</u>	<u>179,813</u>
<b>DISBURSEMENTS</b>	<u>5,040,863</u>	<u>5,040,863</u>	<u>3,934,841</u>	<u>1,106,022</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(2,622,388)</u>	<u>(2,622,388)</u>	<u>(1,336,553)</u>	<u>1,285,835</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,017,801	2,017,801	2,017,801	-
Transfers out	-	-	(1,052,434)	(1,052,434)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,017,801</u>	<u>2,017,801</u>	<u>965,367</u>	<u>(1,052,434)</u>
Net Change in Fund Balance	(604,587)	(604,587)	(371,186)	233,401
FUND BALANCE - BEGINNING	1,004,587	1,004,587	1,004,587	-
FUND BALANCE - ENDING	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 633,401</u>	<u>\$ 233,401</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$2,216,286	\$ 2,216,286
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>2,216,286</u>	<u>2,216,286</u>
<b>DISBURSEMENTS</b>	<u>3,785,180</u>	<u>3,785,180</u>	<u>102,671</u>	<u>3,682,509</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(3,785,180)</u>	<u>(3,785,180)</u>	<u>2,113,615</u>	<u>5,898,795</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(300,000)	(300,000)	(300,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	(4,085,180)	(4,085,180)	1,813,615	5,898,795
FUND BALANCE - BEGINNING	4,085,180	4,085,180	4,085,180	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,898,795</u>	<u>\$ 5,898,795</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HEALTH INSURANCE FUND</b>				
<b>RECEIPTS</b>				
Investment Income	-	-	239	239
Miscellaneous	3,827,396	3,827,396	1,277,071	(2,550,325)
<b>TOTAL RECEIPTS</b>	<u>3,827,396</u>	<u>3,827,396</u>	<u>1,277,310</u>	<u>(2,550,086)</u>
<b>DISBURSEMENTS</b>	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,231,410</u>	<u>2,768,590</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(1,172,604)</u>	<u>(1,172,604)</u>	<u>(954,100)</u>	<u>218,504</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,201,237	1,201,237
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>1,201,237</u>	<u>1,201,237</u>
Net Change in Fund Balance	(1,172,604)	(1,172,604)	247,137	1,419,741
FUND BALANCE - BEGINNING	1,172,604	1,172,604	1,572,604	400,000
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,819,741</u>	<u>\$ 1,819,741</u>
<b>SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	-	-	3,441,369	3,441,369
Miscellaneous	-	400,000	16,625	(383,375)
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>400,000</u>	<u>3,457,994</u>	<u>3,057,994</u>
<b>DISBURSEMENTS</b>	<u>684,441</u>	<u>1,084,441</u>	<u>964,199</u>	<u>120,242</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(684,441)</u>	<u>(684,441)</u>	<u>2,493,795</u>	<u>3,178,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(47,101)	(47,101)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(47,101)</u>	<u>(47,101)</u>
Net Change in Fund Balance	(684,441)	(684,441)	2,446,694	3,131,135
FUND BALANCE - BEGINNING	684,441	684,441	684,441	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,131,135</u>	<u>\$ 3,131,135</u>



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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
<b>RECEIPTS</b>				
Investment Income	-	-	3,412	3,412
Intergovernmental	1,821,203	1,821,203	1,678,607	(142,596)
<b>TOTAL RECEIPTS</b>	<u>1,821,203</u>	<u>1,821,203</u>	<u>1,682,019</u>	<u>(139,184)</u>
<b>DISBURSEMENTS</b>	<u>3,500,000</u>	<u>3,500,000</u>	<u>578,137</u>	<u>2,921,863</u>
Net Change in Fund Balance	(1,678,797)	(1,678,797)	1,103,882	2,782,679
FUND BALANCE - BEGINNING	<u>1,678,797</u>	<u>1,678,797</u>	<u>1,678,797</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,782,679</u>	<u>\$ 2,782,679</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD BUYBACK FUND</b>				
Receipts	\$ 308,517	\$ 308,517	\$ 309,988	\$ 1,471
Disbursements	(1,425,892)	(1,425,892)	(14,821)	1,411,071
Net Change in Fund Balance	(1,117,375)	(1,117,375)	295,167	1,412,542
Fund Balance - Beginning	1,117,375	1,117,375	1,117,375	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,412,542</u>	<u>\$ 1,412,542</u>
<b>SPECIAL ROAD FUND</b>				
Receipts	\$ -	\$ -	\$ 10,308	\$ 10,308
Disbursements	(1,718,451)	(1,718,451)	(1,188,587)	529,864
Transfers in	-	-	1,052,434	1,052,434
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,718,451)	(1,718,451)	(125,845)	1,592,606
Fund Balance - Beginning	1,718,451	1,718,451	1,718,451	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,592,606</u>	<u>\$ 1,592,606</u>
<b>JUSTICE CENTER DEBT SERVICE FUND</b>				
Receipts	\$ 1,152,000	\$ 1,152,000	\$ 1,202,629	\$ 50,629
Disbursements	(1,696,736)	(1,696,736)	(1,210,297)	486,439
Net Change in Fund Balance	(544,736)	(544,736)	(7,668)	537,068
Fund Balance - Beginning	544,736	544,736	544,736	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,068</u>	<u>\$ 537,068</u>
<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ 13,686	\$ 13,686
Disbursements	(531,731)	(531,731)	(133,244)	398,487
Transfers in	20,000	20,000	70,500	50,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(511,731)	(511,731)	(49,058)	462,673
Fund Balance - Beginning	511,731	511,731	511,732	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 462,674</u>	<u>\$ 462,674</u>
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 74,731	\$ 74,731	\$ 25,762	\$ (48,969)
Disbursements	(100,000)	(100,000)	(21,342)	78,658
Net Change in Fund Balance	(25,269)	(25,269)	4,420	29,689
Fund Balance - Beginning	25,269	25,269	25,269	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,689</u>	<u>\$ 29,689</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 38,372	\$ 38,372	\$ 25,762	\$ (12,610)
Disbursements	(100,000)	(100,000)	(16,701)	83,299
Net Change in Fund Balance	(61,628)	(61,628)	9,061	70,689
Fund Balance - Beginning	61,628	61,628	61,628	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,689</u>	<u>\$ 70,689</u>
<b>REAPPRAISAL FUND</b>				
Receipts	\$ 40,012	\$ 40,012	\$ 2,125	\$ (37,887)
Disbursements	(60,000)	(60,000)	(25,599)	34,401
Transfers in	-	-	26,000	26,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(19,988)	(19,988)	2,526	22,514
Fund Balance - Beginning	19,988	19,988	19,989	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,515</u>	<u>\$ 22,515</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 12,524	\$ 12,524	\$ 14,813	\$ 2,289
Disbursements	(80,000)	(80,000)	(28,139)	51,861
Net Change in Fund Balance	(67,476)	(67,476)	(13,326)	54,150
Fund Balance - Beginning	67,476	67,476	67,476	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,150</u>	<u>\$ 54,150</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(5,052)	(5,052)	-	5,052
Net Change in Fund Balance	(5,052)	(5,052)	-	5,052
Fund Balance - Beginning	5,052	5,052	5,052	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,052</u>	<u>\$ 5,052</u>
<b>AGING SERVICES FUND</b>				
Receipts	\$ 98,834	\$ 98,834	\$ 96,381	\$ (2,453)
Disbursements	(125,516)	(125,516)	(108,575)	16,941
Transfers in	21,544	21,544	21,951	407
Transfers out	-	-	(11,945)	(11,945)
Net Change in Fund Balance	(5,138)	(5,138)	(2,188)	2,950
Fund Balance - Beginning	10,138	10,138	10,138	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 7,950</u>	<u>\$ 2,950</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ 418,432	\$ 418,432	\$ 105,991	\$ (312,441)
Disbursements	(500,000)	(500,000)	(45,945)	454,055
Net Change in Fund Balance	(81,568)	(81,568)	60,046	141,614
Fund Balance - Beginning	81,568	81,568	81,568	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,614</u>	<u>\$ 141,614</u>
<b>ATTORNEY FEDERAL TREASURY DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 92,718	\$ 92,718
Disbursements	(525,978)	(525,978)	(81,702)	444,276
Net Change in Fund Balance	(525,978)	(525,978)	11,016	536,994
Fund Balance - Beginning	525,978	525,978	525,978	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536,994</u>	<u>\$ 536,994</u>
<b>ATTORNEY FEDERAL JUSTICE DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 216,160	\$ 216,160	\$ -	\$ (216,160)
Disbursements	(422,200)	(422,200)	(43,492)	378,708
Net Change in Fund Balance	(206,040)	(206,040)	(43,492)	162,548
Fund Balance - Beginning	206,040	206,040	206,040	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,548</u>	<u>\$ 162,548</u>
<b>SHERIFF FEDERAL DRUG JUSTICE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(27,364)	(27,364)	(14,960)	12,404
Net Change in Fund Balance	(27,364)	(27,364)	(14,960)	12,404
Fund Balance - Beginning	27,364	27,364	27,364	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,404</u>	<u>\$ 12,404</u>
<b>ATTORNEY GRANT FUND</b>				
Receipts	\$ 509,699	\$ 509,699	\$ 95,728	\$ (413,971)
Disbursements	(649,361)	(649,361)	(107,473)	541,888
Net Change in Fund Balance	(139,662)	(139,662)	(11,745)	127,917
Fund Balance - Beginning	139,662	139,662	139,663	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,918</u>	<u>\$ 127,918</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EMERGENCY MANAGER GRANT FUND</b>				
Receipts	\$ 369,548	\$ 369,548	\$ 50,108	\$ (319,440)
Disbursements	(505,000)	(505,000)	(63,264)	441,736
Net Change in Fund Balance	(135,452)	(135,452)	(13,156)	122,296
Fund Balance - Beginning	135,452	135,452	135,452	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,296</u>	<u>\$ 122,296</u>
<b>ROAD GRANT FUND</b>				
Receipts	\$ 2,885,537	\$ 2,885,537	\$ -	\$ (2,885,537)
Disbursements	(3,000,000)	(3,000,000)	-	3,000,000
Net Change in Fund Balance	(114,463)	(114,463)	-	114,463
Fund Balance - Beginning	114,463	114,463	114,463	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,463</u>	<u>\$ 114,463</u>
<b>MISCELLANEOUS GRANT FUND</b>				
Receipts	\$ 499,225	\$ 499,225	\$ 192	\$ (499,033)
Disbursements	(500,000)	(500,000)	(560)	499,440
Transfers in	-	-	-	-
Transfers out	-	-	(407)	(407)
Net Change in Fund Balance	(775)	(775)	(775)	-
Fund Balance - Beginning	775	775	775	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>E911 FUND</b>				
Receipts	\$ 214,590	\$ 214,590	\$ 276,258	\$ 61,668
Disbursements	(779,027)	(779,027)	(621,071)	157,956
Transfers in	365,384	365,384	368,987	3,603
Transfers out	-	-	(100,895)	(100,895)
Net Change in Fund Balance	(199,053)	(199,053)	(76,721)	122,332
Fund Balance - Beginning	259,053	259,053	259,053	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 182,332</u>	<u>\$ 122,332</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 234,162	\$ 234,162	\$ 65,054	\$ (169,108)
Disbursements	(250,000)	(250,000)	(40,898)	209,102
Transfers in	-	-	4,566	4,566
Transfers out	-	-	(23,603)	(23,603)
Net Change in Fund Balance	(15,838)	(15,838)	5,119	20,957
Fund Balance - Beginning	15,838	15,838	15,838	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,957</u>	<u>\$ 20,957</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>911 WIRELESS HOLDING FUND</b>				
Receipts	\$ 65,224	\$ 65,224	\$ -	\$ (65,224)
Disbursements	(300,000)	(300,000)	-	300,000
Transfers in	-	-	20,000	20,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(234,776)	(234,776)	20,000	254,776
Fund Balance - Beginning	234,776	234,776	234,776	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,776</u>	<u>\$ 254,776</u>
<b>COMMISSARY FUND</b>				
Receipts	\$ 96,491	\$ 96,491	\$ 89,510	\$ (6,981)
Disbursements	(155,000)	(155,000)	(84,106)	70,894
Net Change in Fund Balance	(58,509)	(58,509)	5,404	63,913
Fund Balance - Beginning	58,509	58,509	58,509	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,913</u>	<u>\$ 63,913</u>
<b>PROBLEM SOLVING COURT FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 183	\$ (4,817)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	-	-	183	183
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 183</u>
<b>HOUSE ARREST FUND</b>				
Receipts	\$ 26,000	\$ 26,000	\$ 300	\$ (25,700)
Disbursements	(26,000)	(26,000)	(188)	25,812
Net Change in Fund Balance	-	-	112	112
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 112</u>
<b>E911 GRANT FUND</b>				
Receipts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Disbursements	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Road Buyback Fund	Special Road Fund	Justice Center Debt Service Fund	Equipment Sinking Fund	Visitors Promotion Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ 1,080,288	\$ -	\$ 25,762
Investment Income	-	-	1,183	-	-
Intergovernmental	309,988	-	121,158	-	-
Charges for Services	-	-	-	2,600	-
Miscellaneous	-	10,308	-	11,086	-
<b>TOTAL RECEIPTS</b>	<u>309,988</u>	<u>10,308</u>	<u>1,202,629</u>	<u>13,686</u>	<u>25,762</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	65,110	-
Public Safety	-	-	-	47,259	-
Public Works	14,821	1,188,587	-	-	-
Public Assistance	-	-	-	20,875	-
Culture and Recreation	-	-	-	-	21,342
Debt Service:					
Principal Payments	-	-	980,126	-	-
Interest and Fiscal Charges	-	-	230,171	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>14,821</u>	<u>1,188,587</u>	<u>1,210,297</u>	<u>133,244</u>	<u>21,342</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>295,167</u>	<u>(1,178,279)</u>	<u>(7,668)</u>	<u>(119,558)</u>	<u>4,420</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,052,434	-	70,500	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,052,434</u>	<u>-</u>	<u>70,500</u>	<u>-</u>
Net Change in Fund Balances	295,167	(125,845)	(7,668)	(49,058)	4,420
<b>FUND BALANCES - BEGINNING</b>	<u>1,117,375</u>	<u>1,718,451</u>	<u>544,736</u>	<u>511,732</u>	<u>25,269</u>
<b>FUND BALANCES - ENDING</b>	<u>\$1,412,542</u>	<u>\$ 1,592,606</u>	<u>\$ 537,068</u>	<u>\$ 462,674</u>	<u>\$ 29,689</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	29,689
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	537,068	-	-
Road & Bridge Projects	1,412,542	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	1,592,606	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	462,674	-
Reappraisal Services	-	-	-	-	-
Problem Solving Court	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$1,412,542</u>	<u>\$ 1,592,606</u>	<u>\$ 537,068</u>	<u>\$ 462,674</u>	<u>\$ 29,689</u>

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

For the Year Ended June 30, 2022

	Visitors Improvement Fund	Reappraisal Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Aging Services Fund
<b>RECEIPTS</b>					
Taxes	\$ 25,762	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	96,381
Charges for Services	-	2,125	14,813	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>25,762</u>	<u>2,125</u>	<u>14,813</u>	<u>-</u>	<u>96,381</u>
<b>DISBURSEMENTS</b>					
General Government	-	25,599	28,139	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	108,575
Culture and Recreation	16,701	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>16,701</u>	<u>25,599</u>	<u>28,139</u>	<u>-</u>	<u>108,575</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>9,061</u>	<u>(23,474)</u>	<u>(13,326)</u>	<u>-</u>	<u>(12,194)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	26,000	-	-	21,951
Transfers out	-	-	-	-	(11,945)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>26,000</u>	<u>-</u>	<u>-</u>	<u>10,006</u>
Net Change in Fund Balances	9,061	2,526	(13,326)	-	(2,188)
<b>FUND BALANCES - BEGINNING</b>	<u>61,628</u>	<u>19,989</u>	<u>67,476</u>	<u>5,052</u>	<u>10,138</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 70,689</u>	<u>\$ 22,515</u>	<u>\$ 54,150</u>	<u>\$ 5,052</u>	<u>\$ 7,950</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	70,689	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	54,150	-	-
Debt Service	-	-	-	-	-
Road & Bridge Projects	-	-	-	-	-
Aid and Assistance	-	-	-	-	7,950
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	5,052	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	22,515	-	-	-
Problem Solving Court	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 70,689</u>	<u>\$ 22,515</u>	<u>\$ 54,150</u>	<u>\$ 5,052</u>	<u>\$ 7,950</u>



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

	Drug Law Enforcement and Education Fund	Attorney Federal Treasury Drug Law Enforcement Fund	Attorney Federal Justice Drug Law Enforcement Fund	Sheriff Federal Drug Justice Fund	Attorney Grant Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	83,718	-	-	95,728
Charges for Services	-	-	-	-	-
Miscellaneous	105,991	9,000	-	-	-
<b>TOTAL RECEIPTS</b>	<u>105,991</u>	<u>92,718</u>	<u>-</u>	<u>-</u>	<u>95,728</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	45,945	81,702	43,492	14,960	107,473
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>45,945</u>	<u>81,702</u>	<u>43,492</u>	<u>14,960</u>	<u>107,473</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>60,046</u>	<u>11,016</u>	<u>(43,492)</u>	<u>(14,960)</u>	<u>(11,745)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	60,046	11,016	(43,492)	(14,960)	(11,745)
<b>FUND BALANCES - BEGINNING</b>	<u>81,568</u>	<u>525,978</u>	<u>206,040</u>	<u>27,364</u>	<u>139,663</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 141,614</u>	<u>\$ 536,994</u>	<u>\$ 162,548</u>	<u>\$ 12,404</u>	<u>\$ 127,918</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	141,614	-	-	-	-
Law Enforcement	-	536,994	162,548	12,404	127,918
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road & Bridge Projects	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	-	-	-	-
Problem Solving Court	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 141,614</u>	<u>\$ 536,994</u>	<u>\$ 162,548</u>	<u>\$ 12,404</u>	<u>\$ 127,918</u>

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

For the Year Ended June 30, 2022

	Emergency Manager Grant Fund	Road Grant Fund	Miscellaneous Grant Fund	E911 Fund	911 Wireless Service Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ 51,364	\$ 65,054
Investment Income	-	-	-	-	-
Intergovernmental	50,108	-	192	224,394	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	500	-
<b>TOTAL RECEIPTS</b>	<u>50,108</u>	<u>-</u>	<u>192</u>	<u>276,258</u>	<u>65,054</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	560	-	-
Public Safety	63,264	-	-	621,071	40,898
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>63,264</u>	<u>-</u>	<u>560</u>	<u>621,071</u>	<u>40,898</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(13,156)</u>	<u>-</u>	<u>(368)</u>	<u>(344,813)</u>	<u>24,156</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	368,987	4,566
Transfers out	-	-	(407)	(100,895)	(23,603)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(407)</u>	<u>268,092</u>	<u>(19,037)</u>
Net Change in Fund Balances	(13,156)	-	(775)	(76,721)	5,119
<b>FUND BALANCES - BEGINNING</b>	<u>135,452</u>	<u>114,463</u>	<u>775</u>	<u>259,053</u>	<u>15,838</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 122,296</u>	<u>\$ 114,463</u>	<u>\$ -</u>	<u>\$ 182,332</u>	<u>\$ 20,957</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	122,296	-	-	182,332	20,957
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road & Bridge Projects	-	114,463	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	-	-	-	-
Problem Solving Court	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 122,296</u>	<u>\$ 114,463</u>	<u>\$ -</u>	<u>\$ 182,332</u>	<u>\$ 20,957</u>

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

For the Year Ended June 30, 2022

	911 Wireless Holding Fund	Commissary Fund	Problem Solving Court Fund	House Arrest Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,248,230
Investment Income	-	-	-	-	1,183
Intergovernmental	-	-	-	-	981,667
Charges for Services	-	89,510	-	300	109,348
Miscellaneous	-	-	183	-	137,068
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>89,510</b>	<b>183</b>	<b>300</b>	<b>2,477,496</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	119,408
Public Safety	-	84,106	-	188	1,150,358
Public Works	-	-	-	-	1,203,408
Public Assistance	-	-	-	-	129,450
Culture and Recreation	-	-	-	-	38,043
Debt Service:					
Principal Payments	-	-	-	-	980,126
Interest and Fiscal Charges	-	-	-	-	230,171
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>84,106</b>	<b>-</b>	<b>188</b>	<b>3,850,964</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>-</b>	<b>5,404</b>	<b>183</b>	<b>112</b>	<b>(1,373,468)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	20,000	-	-	-	1,564,438
Transfers out	-	-	-	-	(136,850)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,427,588</b>
Net Change in Fund Balances	20,000	5,404	183	112	54,120
<b>FUND BALANCES - BEGINNING</b>	<b>234,776</b>	<b>58,509</b>	<b>-</b>	<b>-</b>	<b>5,881,325</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 254,776</b>	<b>\$ 63,913</b>	<b>\$ 183</b>	<b>\$ 112</b>	<b>\$ 5,935,445</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	100,378
911 Emergency Services	254,776	-	-	-	580,361
Drug Education	-	-	-	-	141,614
Law Enforcement	-	-	-	-	839,864
Preservation of Records	-	-	-	-	54,150
Debt Service	-	-	-	-	537,068
Road & Bridge Projects	-	-	-	-	1,527,005
Aid and Assistance	-	-	-	-	7,950
Committed to:					
Law Enforcement	-	63,913	-	112	64,025
Road Maintenance	-	-	-	-	1,592,606
Aid and Assistance	-	-	-	-	5,052
County Buildings & Equipment	-	-	-	-	462,674
Reappraisal Services	-	-	-	-	22,515
Problem Solving Court	-	-	183	-	183
<b>TOTAL FUND BALANCES</b>	<b>\$ 254,776</b>	<b>\$ 63,913</b>	<b>\$ 183</b>	<b>\$ 112</b>	<b>\$ 5,935,445</b>

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2021	\$ 55,664	\$ 211,508	\$ 15,454	\$ 2,757	\$ 46	\$ -
<b>RECEIPTS</b>						
Licenses and Permits	3,119	-	-	-	-	4,825
Intergovernmental	-	-	-	-	-	-
Charges for Services	188,036	44,487	205,047	38,630	-	435
Miscellaneous	7,665	-	10,622	-	13	25,070
State Fees	244,154	29,811	-	-	-	-
Other Liabilities	-	463,215	487,674	4,412	-	20,500
<b>TOTAL RECEIPTS</b>	<b>442,974</b>	<b>537,513</b>	<b>703,343</b>	<b>43,042</b>	<b>13</b>	<b>50,830</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	198,066	38,041	203,266	38,224	30	30,330
Payments to State Treasurer	253,725	30,275	-	-	-	-
Petty Cash & Other Payments	7,665	-	300	-	-	-
Other Liabilities	-	454,050	483,245	4,437	-	20,500
<b>TOTAL DISBURSEMENTS</b>	<b>459,456</b>	<b>522,366</b>	<b>686,811</b>	<b>42,661</b>	<b>30</b>	<b>50,830</b>
BALANCES JUNE 30, 2022	<u>\$ 39,182</u>	<u>\$ 226,655</u>	<u>\$ 31,986</u>	<u>\$ 3,138</u>	<u>\$ 29</u>	<u>\$ -</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 13,818	\$ 8,740	\$ 9,254	\$ 3,113	\$ 9	\$ -
Petty Cash	7,500	100	15,000	25	20	-
Due to State Treasurer	17,864	1,705	-	-	-	-
Due to Others	-	216,110	7,732	-	-	-
BALANCES JUNE 30, 2022	<u>\$ 39,182</u>	<u>\$ 226,655</u>	<u>\$ 31,986</u>	<u>\$ 3,138</u>	<u>\$ 29</u>	<u>\$ -</u>

(Continued)

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

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2021	\$ 3,419	\$ 400,000	\$ -	\$ 380	\$ -	\$ 689,228
RECEIPTS						
Licenses and Permits	-	-	18,225	-	-	26,169
Intergovernmental	-	-	-	-	96,381	96,381
Charges for Services	-	-	-	15,089	-	491,724
Miscellaneous	382	2,286,299	-	360	-	2,330,411
State Fees	-	-	-	-	-	273,965
Other Liabilities	-	-	-	-	-	975,801
TOTAL RECEIPTS	<u>382</u>	<u>2,286,299</u>	<u>18,225</u>	<u>15,449</u>	<u>96,381</u>	<u>4,194,451</u>
DISBURSEMENTS						
Payments to County Treasurer	2	-	18,225	15,052	96,381	637,617
Payments to State Treasurer	-	-	-	-	-	284,000
Petty Cash & Other Payments	-	2,286,000	-	-	-	2,293,965
Other Liabilities	-	-	-	-	-	962,232
TOTAL DISBURSEMENTS	<u>2</u>	<u>2,286,000</u>	<u>18,225</u>	<u>15,052</u>	<u>96,381</u>	<u>4,177,814</u>
BALANCES JUNE 30, 2022	<u>\$ 3,799</u>	<u>\$ 400,299</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 705,865</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 3,799	\$ 299	\$ -	\$ 752	\$ -	\$ 39,784
Petty Cash	-	400,000	-	25	-	422,670
Due to State Treasurer	-	-	-	-	-	19,569
Due to Others	-	-	-	-	-	223,842
BALANCES JUNE 30, 2022	<u>\$ 3,799</u>	<u>\$ 400,299</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 705,865</u>

(Concluded)

SEWARD 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	\$ 35,850,739	\$ 36,356,033	\$ 37,093,749	\$ 38,239,115	\$ 38,791,050
Personal and Specials	2,422,233	2,382,456	2,217,259	2,186,975	2,648,502
Total	<u>38,272,972</u>	<u>38,738,489</u>	<u>39,311,008</u>	<u>40,426,090</u>	<u>41,439,552</u>
Corrections					
Additions	15,809	26,982	19,700	1,157	4,530
Deductions	(23,392)	(10,714)	(13,525)	(16,873)	(3,982)
Net Additions/ (Deductions)	<u>(7,583)</u>	<u>16,268</u>	<u>6,175</u>	<u>(15,716)</u>	<u>548</u>
Corrected Certified Tax	<u>38,265,389</u>	<u>38,754,757</u>	<u>39,317,183</u>	<u>40,410,374</u>	<u>41,440,100</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	24,745,421	-	-	-	-
June 30, 2019	13,503,543	24,386,828	-	-	-
June 30, 2020	5,627	14,349,334	24,238,704	-	-
June 30, 2021	9,628	16,910	15,070,668	25,424,226	-
June 30, 2022	888	765	6,707	14,984,594	26,937,481
Total Net Collections	<u>38,265,107</u>	<u>38,753,837</u>	<u>39,316,079</u>	<u>40,408,820</u>	<u>26,937,481</u>
Total Uncollected Tax	<u>\$ 282</u>	<u>\$ 920</u>	<u>\$ 1,104</u>	<u>\$ 1,554</u>	<u>\$ 14,502,619</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>35.00%</u>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF JUSTICE</b>			
Equitable Sharing Program	16.922	Not Applicable	58,454
Total U.S. Department of Justice			58,454
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
Emergency Management Performance Grants	97.042	21-GA 8753-05, 21-SR 8753-01, 21-GA 8753-04	51,329
Total U.S. Department of Homeland Security			51,329
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51461 Y3, 51511 Y3	94,916
Passed through City of Lincoln, Nebraska			
Aging Cluster:			
Nutrition Services Incentive Program	93.053	Not Available	9,637
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Not Available	5,697
Total Aging Cluster			15,334
Total U.S. Department of Health and Human Services			110,250
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	C801(222)	150,521
Total U.S. Department of Transportation			150,521
<b>DEPARTMENT OF THE TREASURY</b>			
Equitable Sharing Program	21.016	Not Applicable	* 1,093,002
Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	* 578,137
Total U.S. Department of the Treasury			1,671,139
<b>DEPARTMENT OF THE INTERIOR</b>			
Office of the Secretary of the Interior			
Payments in Lieu of Taxes	15.226	Not Applicable	2,962
Total U.S. Department of the Interior			2,962
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 2,044,655</b>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

SEWARD COUNTY

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

For the Year Ended June 30, 2022

**1. Basis of Presentation**

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

**2. Summary of Significant Accounting Policies**

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





# 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

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

Board of Commissioners  
Seward County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seward County, as of and for the year ended June 30, 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 February 7, 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.

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

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

As part of obtaining reasonable assurance about whether Seward County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Seward County in a separate letter dated February 7, 2023.

### **Seward County’s Response to Findings**

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

### **Purpose of this Report**

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



Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

February 7, 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

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

### Independent Auditor's Report

Board of Commissioners  
Seward County, Nebraska

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

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

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

In our opinion, Seward County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2022

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Seward County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Seward County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Seward County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding #2022-002. Our opinion on each major Federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Seward County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Seward County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Seward County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Seward County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompany Schedule of Findings and Questioned Costs as Finding #2022-002 to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Seward County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Seward County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Seward County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Seward County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

February 7, 2023



Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

SEWARD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

**Financial Statements**

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

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ Yes X None Reported

Significant deficiencies identified?

X Yes \_\_\_ No

Noncompliance material to financial statements noted?

\_\_\_ Yes X None Reported

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

\_\_\_ Yes X None Reported

Significant deficiencies identified?

X Yes \_\_\_ None Reported

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

**Unmodified**

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

X Yes \_\_\_ No

Major programs: **Equitable Sharing Program: AL# 21.016**  
**Coronavirus State and Local Fiscal Recovery Funds: AL# 21.027**

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes X No

SEWARD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

**Section II – Financial Statement Findings**

**Finding # 2022-001**

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

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

**Finding # 2022-002**

- Program - AL #21.016 – Equitable Sharing Program - Suspension & Debarment
- Grant Number & Year - NB0800000, FFY 2022
- Federal Grantor Agency - U.S. Department of the Treasury
- Criteria - Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2022) states the following, in relevant part:
- The non-Federal entity must:*
- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) . . . .*

SEWARD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2022), which states the following:

*Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.*

2 CFR § 180.300 (January 1, 2022) requires non-Federal entities to verify that an entity is not excluded or disqualified prior to entering into a covered transaction by: “(a) Checking SAM Exclusions; or (b) Collecting a certification from that . . . [entity]; or (c) Adding a clause or condition to the covered transaction with that . . . [entity].”

The U.S. Department of Justice released a memo titled “Equitable Sharing Wire,” dated September 30, 2021, which states, in relevant part, the following regarding the Equitable Sharing Program:

*When procuring goods or services from a vendor using equitable sharing funds, state and local law enforcement agencies participating in the Department of Justice and the Department of the Treasury Equitable Sharing Programs must verify that vendors are registered in the System for Award Management (SAM) and are in good standing. A vendor in good standing means the vendor is not suspended or debarred from receiving federal funds. This requirement applies to all qualifying purchases. A qualifying purchase is one single payment or multiple payments to a vendor that exceeds \$25,000 annually.*

A good internal control plan requires the County to have proper procedures in place to verify that contractors paid with grant funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition - Seward County could not provide documentation to support the County implemented effective internal controls to ensure that the suspension and debarment requirements of the Equitable Sharing Program were followed and adequately documented.

We noted that three of the seven vendors that were paid \$25,000 or more during the fiscal year 2022 were not registered on SAM.gov. We did note that none of the seven vendors were suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date testing was performed.

Repeat Finding - No

Questioned Costs - None

Statistical Sample - No

Context - The County paid seven vendors each \$25,000 or more during the fiscal year 2022. Of these seven vendors, three were not registered on SAM.gov prior to being paid with Equitable Sharing Program funds. These three vendors were paid \$123,134 during the fiscal year 2022. However, one of the vendors was paid \$25,000 prior to the date of the “Equitable Sharing Wire” memo.



SEWARD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Concluded)

The County Sheriff was unable to provide documentation to support the following: 1) the vendors were not excluded or disqualified prior to entering into the covered transactions; and 2) the vendor was verified as having registered in SAM.gov prior to the County paying the vendor with Equitable Sharing Program funds. For two vendors, the County Sheriff's office contacted the vendor to inform them to register with SAM.gov; however, these two vendors still received Equitable Sharing Program funds prior to being registered in SAM.gov.

Cause - Lack of procedures and knowledge of the Equitable Sharing Program suspension and debarment requirements.

Effect - Without adequate procedures to ensure contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations.

Recommendation - We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and those procedures are adequately documented.

View of Officials - The County Sheriff has implemented a procedure to verify any entity is not excluded or disqualified prior to paying said entity, and such verification will be adequately documented in the entity's file. The change in procedures is effective immediately.

# Seward County Commissioners

P.O. Box 190  
Seward, NE 68434  
Phone 402-643-2883  
Fax 402-643-2228  
Email: [sschweitzer@co.seward.ne.us](mailto:sschweitzer@co.seward.ne.us)

## SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2022

### Finding 2021-1 (Since 2020) Segregation of Duties

**Status:** On-going

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

  
\_\_\_\_\_  
Chair, Seward County

WITNESS my hand and the seal of my  
this 20<sup>th</sup> day of Dec. 2022

  
\_\_\_\_\_  
Seward County Clerk

12/20/22  
Date



# Seward County Commissioners

P.O. Box 190  
Seward, NE 68434  
402-643-2883  
402-643-2228 Fax  
Email: [sschweitzer@co.seward.ne.us](mailto:sschweitzer@co.seward.ne.us)

## **CORRECTIVE ACTION PLAN**

Year Ended June 30, 2022

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

### **Finding 2022-001: Segregation of Duties**

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

Anticipated Completion Date: Ongoing

Responsible Party: John Culver, County Board Chairperson

### **Finding 2022-002: Department of the Treasury Equitable Sharing Program – Suspension & Debarment**

Corrective Action Planned: The County Sheriff has implemented a procedure to verify an entity is not excluded or disqualified prior to paying said entity, and such verification will be adequately documented in the entity's file.

Anticipated Completion Date: The change in procedures is effective immediately.

Responsible Party: Michael Vance, County Sheriff



# 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

February 7, 2023

Board of Commissioners  
Seward County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Seward County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 7, 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 SHERIFF

### Accounting Procedures

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

- A monthly asset-to-liability reconciliation was not performed for the fee account, resulting in a cash short of \$1,023 at June 30, 2022, an increase of \$123 from the \$900 short noted in fiscal year 2021. The following table summarizes this short.

Assets	
Reconciled Bank Balance	\$ 2,879
Accounts Receivable	\$ 1,037
<b>Total Assets</b>	<b>\$ 3,916</b>
Liabilities	
Unremitted County Fees	\$ 3,706
Due to Others	\$ 1,233
<b>Total Liabilities</b>	<b>\$ 4,939</b>
<b>Unknown Short</b>	<b>\$ (1,023)</b>

- A monthly asset-to-liability reconciliation was not performed for the inmate account, resulting in a cash long of \$78 at June 30, 2022, a decrease of \$15 from the \$93 long noted in fiscal year 2021.

Assets	
Reconciled Bank Balance	\$ 8,246
Cash on Hand	\$ 8,481
<b>Total Assets</b>	<b>\$ 16,727</b>

<b>Liabilities</b>	
Unremitted County Fees	\$ 5,149
Due to Others	\$ 6,500
Petty Cash	\$ 5,000
<b>Total Liabilities</b>	<b>\$ 16,649</b>
<b>Unknown Long</b>	<b>\$ 78</b>

- Checks, totaling \$1,770, were not remitted to the County Treasurer in a timely manner. On June 28, 2022, the County Sheriff issued checks, totaling \$1,770, to the County Treasurer; however, these checks were issued and held by the County Sheriff's office and were finally remitted to the Treasurer on July 5, 2022.

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

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

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

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

A similar finding was noted in prior years.

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

## COUNTY PUBLIC TRANSIT

### Accounting Procedures and Coding Issues

During our audit, we noted the following issues regarding the County Public Transit office's accounting procedures:

- We noted fees collected, totaling \$752, for March through June 2022 were not remitted to the County Treasurer in a timely manner. These fees were remitted on August 2, 2022.
- The County Public Transit office was not properly retaining supporting documentation for amounts collected during the fiscal year 2022.
- For fiscal year 2022, the County Public Transit office remitted \$14,692 for bus fares to the County Treasurer, which was recorded to the contribution and donations revenue code (534.01) rather than the handi-bus fee revenue code (506.06).

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

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

A good internal control plan requires procedures to ensure the following: 1) fees collected are remitted timely to the County Treasurer; 2) adequate documentation is maintained to support all amounts collected by the office; and 3) revenues are coded to the proper revenue code.

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

We recommend the County Public Transit office implement procedures to ensure the following: 1) fees collected are remitted timely to the County Treasurer; 2) adequate documentation is maintained to support all amounts collected by the office; and 3) revenues are coded to the proper revenue code.

### **Fees Not Approved by County Board**

During the audit, we noted the bus fares changed in July 2021; however, the new rates were not approved by the County Board as of the end of fieldwork in early January 2023. The total collected for bus fares during fiscal year 2022 was \$14,692.

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

Additionally, good internal controls and sound business practice require County fees to be set by the governing body and documentation of this approval to be maintained.

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

We recommend the implementation of procedures to ensure that the County Board approves all fees charged by County offices that are not otherwise set by State statute.

*County Response: We are in receipt of the Audit Report and Management Letter. We are actively working to improve our accounting procedures and to develop a good internal control plan which meets State Statutes as noted in your report. Furthermore, the Coding Issues mentioned in your report have been resolved and funds are now being recorded in handi-bus fee revenue code 506.06. Lastly, we recognize the need for all County fees to be set by the governing body. To that effect, our Proposed Fare Schedule is on the County Board's agenda for a Public Hearing on February 28th, 2023 at 9:30am in the County Commissioners Room at the Seward County Courthouse, 529 Seward St, Seward, Nebraska.*

## **COUNTY OVERALL**

### **Segregation of Duties**

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

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

This was also noted in prior audits.

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

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

*County Board Overall Response: The issues will be addressed and discussed as a board.*

\* \* \* \* \*

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,



Dakota Christensen, CPA, CISA, CFE  
Audit Manager