

**AUDIT REPORT
OF
JEFFERSON COUNTY**

JULY 1, 2022, THROUGH JUNE 30, 2023

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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 20, 2024

JEFFERSON COUNTY

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JEFFERSON COUNTY

411 4th Street
Fairbury, NE 68352

LIST OF COUNTY OFFICIALS

At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Michael Dux	Jan. 2027
	Mark Schoenrock	Jan. 2027
	Gale Pohlmann	Jan. 2025
Assessor	Mary Banahan	Jan. 2027
Attorney	Joseph Casson	Jan. 2027
Clerk	Kristina Riggle	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Shawna Taylor	Jan. 2027
Sheriff	Nick Georgi	Jan. 2027
Treasurer	Leroy Bast	Jan. 2027
Veterans' Service Officer	Don Cook	Appointed
Weed Superintendent	John Mckee	Appointed
Planning & Zoning		
Emergency Manager		



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JEFFERSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson 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 Jefferson County, as of and for the year ended June 30, 2023, 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 Jefferson County as of June 30, 2023, 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 20-37, 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 20, 2024, on our consideration of Jefferson 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 Jefferson County's internal control over financial reporting and compliance.

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

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

February 20, 2024

JEFFERSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2023

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,314,765
Investments (Note 1.D)	3,655,135
TOTAL ASSETS	<u>\$ 7,969,900</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 21,010
911 Emergency Services	163,803
Drug Education	1,256
Law Enforcement and Public Safety	174,676
Preservation of Records	24,299
Debt Service	461,285
Road and Bridge Projects	704,465
Federal Relief	375,106
Community Development	267,489
Unrestricted	<u>5,776,511</u>
TOTAL NET POSITION	<u>\$ 7,969,900</u>

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

JEFFERSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2023

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (3,764,530)	\$ 495,958	\$ 58,341	\$ (3,210,231)
Public Safety	(4,251,108)	1,148,677	156,160	(2,946,271)
Public Works	(4,626,607)	5,883	2,249,005	(2,371,719)
Public Assistance	(68,730)	-	-	(68,730)
Culture and Recreation	(378,787)	-	-	(378,787)
Debt Payments	(928,180)	-	-	(928,180)
Capital Outlay	(33,444)	-	-	(33,444)
Total Governmental Activities	<u>\$ (14,051,386)</u>	<u>\$ 1,650,518</u>	<u>\$ 2,463,506</u>	<u>(9,937,362)</u>

General Receipts:

Taxes:	
Property	7,573,576
Motor Vehicle	410,403
Inheritance	667,631
Other	261,901
Grants and Contributions Not Restricted to Specific Programs	51,299
Investment Income	147,544
Miscellaneous	241,167
Total General Receipts	<u>9,353,521</u>
Change in Net Position	(583,841)
Net Position - Beginning of year	8,553,741
Net Position - End of year	<u>\$ 7,969,900</u>

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

JEFFERSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ -	\$ 804,608	\$ -	\$ 3,510,157	\$ 4,314,765
Investments (Note 1.D)	1,902,623	-	1,748,195	4,317	3,655,135
TOTAL ASSETS	<u>\$ 1,902,623</u>	<u>\$ 804,608</u>	<u>\$ 1,748,195</u>	<u>\$ 3,514,474</u>	<u>\$ 7,969,900</u>
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	21,010	21,010
911 Emergency Services	-	-	-	163,803	163,803
Drug Education	-	-	-	1,256	1,256
Law Enforcement and Public Safety	-	-	-	174,676	174,676
Preservation of Records	-	-	-	24,299	24,299
Debt Service	-	-	-	461,285	461,285
Road and Bridge Projects	-	-	-	704,465	704,465
Federal Relief	-	-	-	375,106	375,106
Community Development	-	-	-	267,489	267,489
Committed to:					
Law Enforcement	-	-	-	19,546	19,546
Road Maintenance	-	804,608	-	261,338	1,065,946
County Buildings	-	-	-	272,973	272,973
County Equipment	-	-	-	116,756	116,756
Culture and Recreation	-	-	-	137,281	137,281
Emergency Management	-	-	-	349,093	349,093
County Ambulance	-	-	-	164,098	164,098
Assigned to:					
Other Purposes	-	-	1,748,195	-	1,748,195
Unassigned	1,902,623	-	-	-	1,902,623
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,902,623</u>	<u>\$ 804,608</u>	<u>\$ 1,748,195</u>	<u>\$ 3,514,474</u>	<u>\$ 7,969,900</u>

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

JEFFERSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS					
Taxes:					
Property	\$6,527,309	\$ -	\$ -	\$ 1,046,267	\$ 7,573,576
Motor Vehicle	410,403	-	-	-	410,403
Inheritance	-	-	667,631	-	667,631
Other	147,388	31	-	114,482	261,901
Investment Income	144,826	-	-	2,718	147,544
Intergovernmental	112,941	1,762,506	-	639,358	2,514,805
Charges for Services	1,205,096	5,883	-	439,539	1,650,518
Miscellaneous	50,581	74,881	-	115,705	241,167
TOTAL RECEIPTS	<u>8,598,544</u>	<u>1,843,301</u>	<u>667,631</u>	<u>2,358,069</u>	<u>13,467,545</u>
DISBURSEMENTS					
General Government	3,247,082	-	2,881	514,567	3,764,530
Public Safety	2,751,671	-	-	1,499,437	4,251,108
Public Works	127,571	3,901,829	-	597,207	4,626,607
Public Assistance	68,730	-	-	-	68,730
Culture and Recreation	-	-	-	378,787	378,787
Debt Service:					
Principal Payments	-	-	-	799,000	799,000
Interest and Fiscal Charges	-	-	-	129,180	129,180
Capital Outlay	-	-	-	33,444	33,444
TOTAL DISBURSEMENTS	<u>6,195,054</u>	<u>3,901,829</u>	<u>2,881</u>	<u>3,951,622</u>	<u>14,051,386</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>2,403,490</u>	<u>(2,058,528)</u>	<u>664,750</u>	<u>(1,593,553)</u>	<u>(583,841)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	807,000	2,369,656	-	894,619	4,071,275
Transfers out	(2,647,570)	(362,845)	(877,000)	(183,860)	(4,071,275)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,840,570)</u>	<u>2,006,811</u>	<u>(877,000)</u>	<u>710,759</u>	<u>-</u>
Net Change in Fund Balances	562,920	(51,717)	(212,250)	(882,794)	(583,841)
CASH BASIS FUND BALANCES - BEGINNING	<u>1,339,703</u>	<u>856,325</u>	<u>1,960,445</u>	<u>4,397,268</u>	<u>8,553,741</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$1,902,623</u>	<u>\$ 804,608</u>	<u>\$ 1,748,195</u>	<u>\$ 3,514,474</u>	<u>\$ 7,969,900</u>

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

JEFFERSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Custodial Fund Balances July 1, 2022	Receipts	Disbursements	Custodial Fund Balances June 30, 2023
ASSETS				
Cash and Cash Equivalents	\$ 515,264	\$ 27,060,243	\$ 26,923,915	\$ 651,592
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	219,758	2,837,897	2,869,162	188,493
State - Collected by Other Offices	10,276	93,086	88,532	14,830
Schools	143,622	17,925,198	17,881,827	186,993
Educational Service Units	1,714	284,336	283,155	2,895
Technical College	10,709	1,776,062	1,768,685	18,086
Natural Resource Districts	2,408	454,615	452,253	4,770
Fire Districts	5,072	643,010	640,713	7,369
Municipalities	39,009	1,828,031	1,822,928	44,112
Airport Authority	1,516	70,492	70,219	1,789
Historical Society	341	56,340	56,106	575
Others - Collected by County Treasurer	13,916	431,336	331,934	113,318
Others - Collected by Other Offices	66,923	659,840	658,401	68,362
TOTAL LIABILITIES	<u>515,264</u>	<u>27,060,243</u>	<u>26,923,915</u>	<u>651,592</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Jefferson 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 \$45,219 toward the operation of the Region during fiscal year 2023. 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 Public Health Solutions (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 contributed \$3,000 toward the operation of the Department during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2023). Financial information for the Department is available in that report.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Southeast Region 911 Communications Services (911 Region) – The County has entered into an agreement with the governing boards of 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, Johnson County, Pawnee County, Nemaha County, Nuckolls County, Otoe County, Seward County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2023. In event of the termination of the agreement, assets would be disposed of in accordance with terms of the agreement. Nemaha County was named the fiscal agent of the 911 Region, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

Southeast Region Emergency Management (Southeast Region) – The County has entered into an agreement with the governing boards of Cass County, Gage County, Fillmore County, Johnson County, Lancaster County, Nemaha County, Otoe County, Pawnee County, Richardson County, Saline County, Seward County, Thayer County, and York County to establish a regional interjurisdictional emergency management organization for the purpose of ensuring regional emergency management coordination, planning, exercise, training, interoperable communications, grant fund administration and dispersion, and mutual aid arrangements among the parties of the agreement.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Any expenses of the Southeast Region not covered by grant funds would be shared equally among the participating counties. The County did not contribute toward the operation of the Southeast Region during fiscal year 2023. In event of the termination of the agreement, assets would be disposed of in accordance with terms of the agreement. The County was named the fiscal agent of the Southeast Region, and all financial activity of the Southeast Region is included in this report.

B. Basis of Presentation

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

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

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

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

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

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

Capital Project Funds. The Fair Building Fund and Law Enforcement Addition Remodel Fund account for all resources received and used for the acquisition or development of major capital improvements.

Debt Service Fund. The Law Enforcement Building Bond Fund, Highway Bond Fund, and Highway Bond – PWF Road Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,193,389 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 30, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

2. Deposits and Investments

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

At year end, the County's carrying amount of deposits was \$4,314,765 for County funds and \$651,592 for Fiduciary funds. The bank balances for all funds totaled \$5,117,586. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$299,204 in U.S. Government Securities and of \$3,355,931 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The U.S. Government Securities were held by the County or its agent in the name of the County. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

Property taxes are levied by the County Board on or before October 20 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 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.367577/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.36884/\$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.

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, Supp. 2023) 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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2023, 111 employees contributed \$221,494, and the County contributed \$326,924. Contributions included \$10,640 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$144 directly to one retired employee for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 107 counties and local governments throughout Nebraska.

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

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

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 500,000	\$ 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 777,000	\$ 30,000	\$ 807,000
Road Fund	2,369,656	-	-	-	2,369,656
Nonmajor Funds	277,914	362,845	100,000	153,860	894,619
Total	<u>\$ 2,647,570</u>	<u>\$ 362,845</u>	<u>\$ 877,000</u>	<u>\$ 183,860</u>	<u>\$ 4,071,275</u>

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

In the year ended June 30, 2023, the County made a one-time transfer of \$362,845 from the Road Fund to the Highway Bond Fund to ensure adequate funds were available to pay the costs of the Highway Allocation Bond. Also, during the fiscal year 2023, the County made a transfer of \$30,000 from the Ambulance Service Fund to the General Fund to reimburse for claims paid out of the General Fund. Furthermore, the County transferred \$100,000 to the Ambulance Service Fund from the Inheritance Fund as an interfund loan.

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:

	John Deere Road Equipment	Caterpillar Road Equipment	Ambulance	Total
Balance July 1, 2022	\$ 551,877	\$ 640,791	\$ 85,745	\$ 1,278,413
Purchases	131,103	-	-	131,103
Payments	266,777	128,177	31,940	426,894
Balance June 30, 2023	<u>\$ 416,203</u>	<u>\$ 512,614</u>	<u>\$ 53,805</u>	<u>\$ 982,622</u>

Future Payments:

Year				
2024	\$ 180,312	\$ 140,929	\$ 37,339	\$ 358,580
2025	138,695	140,929	18,669	298,293
2026	76,318	140,929	-	217,247
2027	38,192	93,008	-	131,200
2028	10,189	19,259	-	29,448
Total Payments	443,706	535,054	56,008	1,034,768
Less Interest	27,503	22,440	2,203	52,146
Present Value of Future Minimum Lease Payments	<u>\$ 416,203</u>	<u>\$ 512,614</u>	<u>\$ 53,805</u>	<u>\$ 982,622</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,719,085</u>	<u>\$ 859,600</u>	<u>\$ 166,100</u>	<u>\$ 2,744,785</u>

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Long-Term Obligations** (Continued)**Bonds**

Highway Allocation Bonds. The County issued bonds on April 26, 2011, in the amount of \$4,875,000 for the purpose of paying the costs of improvements to certain roads and bridges of the County and the costs of issuing the bonds. The County issued bonds on June 23, 2016, in the amount of \$4,030,000 for the purpose of refinancing the Series 2011 Highway Allocation Bonds. The County issued bonds on May 20, 2021, in the amount of \$2,530,000 for the purpose of paying the costs of refinancing the Series 2016 Highway Allocation Bonds. The bond payable balance, as of June 30, 2023, was \$1,830,000. 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 highway allocation funds and tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2024	\$ 350,000	\$ 11,395	\$ 361,395
2025	355,000	10,170	365,170
2026	355,000	8,573	363,573
2027	360,000	6,620	366,620
2028	360,000	4,100	364,100
2029	50,000	500	50,500
Total Payments	<u>\$ 1,830,000</u>	<u>\$ 41,358</u>	<u>\$ 1,871,358</u>

Highway Bonds – PWF Road Bonds. The County issued bonds on December 16, 2015, in the amount of \$8,000,000 for the purpose of paying the costs of improving and repaving certain highways and roads of the County. On September 17, 2020, the County issued bonds to refund the Series 2015 bonds. The bond payable balance, as of June 30, 2023, was \$5,520,000. 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:

Year	Principal	Interest	Total
2024	\$ 375,000	\$ 106,650	\$ 481,650
2025	385,000	99,050	484,050
2026	390,000	91,300	481,300
2027	400,000	83,400	483,400
2028	405,000	75,350	480,350
2029-2033	2,165,000	249,750	2,414,750
2034-2036	1,400,000	42,300	1,442,300
Total Payments	<u>\$ 5,520,000</u>	<u>\$ 747,800</u>	<u>\$ 6,267,800</u>

Limited Tax Refunding Bonds. The County issued bonds on May 19, 2021, in the amount of \$402,000 for the purpose of paying the costs of refinancing Tax Obligation Bonds, Series 2015. The bond payable balance, as of June 30, 2023, was \$243,000. 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

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

Future Payments:

Year	Principal	Interest	Total
2024	\$ 82,000	\$ 1,111	\$ 83,111
2025	81,000	663	81,663
2026	80,000	220	80,220
Total Payments	<u>\$ 243,000</u>	<u>\$ 1,994</u>	<u>\$ 244,994</u>

Jefferson Community Health Center – Conduit Debt. To provide for the financing to pay the costs of improvements to the facilities of the Jefferson Community Health Center (Center), a non-profit entity, the County issued revenue and refunding bonds on December 18, 2020, in the amount of \$8,275,000, which will mature no later than December 31, 2041. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Center. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements. Additional information may be obtained from the Center's Administrative Office.

Westin Foods Project – Conduit Debt. On June 7, 2022, the County Board approved the issuance of Series 2022 Revenue Bonds to finance a portion of the costs of constructing, equipping, and furnishing a Westin, Inc., pork processing facility in Fairbury, Nebraska, and paying certain expenses related to the issuance of the bonds not to exceed \$10,000,000. On December 20, 2022, the County issued revenue bonds in the amount of \$3,500,000 maturing on July 31, 2028. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Westin, Inc. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements. Additional information may be obtained from the Westin, Inc., Administrative Office.

8. **Interfund Loan**

Interfund loans for the year ended June 30, 2023, consisted of the following outstanding interfund loans:

Receivable Fund	Payable Fund	Amount
Inheritance Fund	Ambulance Service Fund	\$ 100,000

9. **Contingent Liabilities**

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

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 7,023,757	\$ 7,023,757	\$ 7,085,100	\$ 61,343
Investment Income	40,300	40,300	144,826	104,526
Intergovernmental	159,503	159,503	112,941	(46,562)
Charges for Services	1,233,854	1,233,854	1,205,096	(28,758)
Miscellaneous	18,800	18,800	50,581	31,781
TOTAL RECEIPTS	8,476,214	8,476,214	8,598,544	122,330
DISBURSEMENTS				
General Government:				
County Board	95,240	95,240	94,641	599
County Clerk	157,405	157,405	154,249	3,156
County Treasurer	212,431	212,431	206,534	5,897
Register of Deeds	45,023	45,023	42,625	2,398
County Assessor	263,044	263,044	244,229	18,815
Election Commissioner	51,900	51,900	33,515	18,385
Building and Zoning	75,107	75,107	40,251	34,856
Clerk of the District Court	161,373	161,373	147,186	14,187
County Court System	11,950	11,950	6,324	5,626
Building and Grounds	219,380	219,380	152,226	67,154
Agricultural Extension Agent	77,202	77,202	64,899	12,303
Computer IT	154,590	154,590	148,727	5,863
Employment Security	-	881	881	-
Miscellaneous	2,293,733	2,289,800	1,910,795	379,005
Public Safety				
County Sheriff	1,829,575	1,829,575	1,522,665	306,910
County Attorney	296,782	296,782	276,531	20,251
County Jail	944,451	944,451	755,031	189,420
Emergency Management	174,028	174,028	168,415	5,613
Child Support Enforcement	29,084	29,084	29,029	55
Public Works				
County Surveyor	42,000	45,052	45,051	1
Noxious Weed Control	88,641	88,641	82,520	6,121
Public Assistance				
Veterans' Service Officer	73,860	73,860	61,090	12,770
Veterans' Aid	19,000	19,000	7,640	11,360
TOTAL DISBURSEMENTS	7,315,799	7,315,799	6,195,054	1,120,745
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,160,415	1,160,415	2,403,490	1,243,075

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	807,000	807,000	807,000	-
Transfers out	(2,825,478)	(2,825,478)	(2,647,570)	177,908
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,018,478)</u>	<u>(2,018,478)</u>	<u>(1,840,570)</u>	<u>177,908</u>
Net Change in Fund Balance	(858,063)	(858,063)	562,920	1,420,983
FUND BALANCE - BEGINNING	<u>1,339,203</u>	<u>1,339,203</u>	<u>1,339,703</u>	<u>500</u>
FUND BALANCE - ENDING	<u><u>\$ 481,140</u></u>	<u><u>\$ 481,140</u></u>	<u><u>\$ 1,902,623</u></u>	<u><u>\$ 1,421,483</u></u>
				(Concluded)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 31	\$ 31	\$ 31	\$ -
Intergovernmental	1,655,519	1,655,519	1,762,506	106,987
Charges for Services	6,200	6,200	5,883	(317)
Miscellaneous	25,000	25,000	74,881	49,881
TOTAL RECEIPTS	<u>1,686,750</u>	<u>1,686,750</u>	<u>1,843,301</u>	<u>156,551</u>
DISBURSEMENTS	<u>4,359,380</u>	<u>4,359,380</u>	<u>3,901,829</u>	<u>457,551</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(2,672,630)</u>	<u>(2,672,630)</u>	<u>(2,058,528)</u>	<u>614,102</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,548,000	2,548,000	2,369,656	(178,344)
Transfers out	(362,845)	(362,845)	(362,845)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,185,155</u>	<u>2,185,155</u>	<u>2,006,811</u>	<u>(178,344)</u>
Net Change in Fund Balance	(487,475)	(487,475)	(51,717)	435,758
FUND BALANCE - BEGINNING	<u>856,325</u>	<u>856,325</u>	<u>856,325</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 368,850</u>	<u>\$ 368,850</u>	<u>\$ 804,608</u>	<u>\$ 435,758</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 100,000	\$ 100,000	\$ 667,631	\$ 567,631
TOTAL RECEIPTS	<u>100,000</u>	<u>100,000</u>	<u>667,631</u>	<u>567,631</u>
DISBURSEMENTS	<u>1,283,445</u>	<u>1,283,445</u>	<u>2,881</u>	<u>1,280,564</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,183,445)</u>	<u>(1,183,445)</u>	<u>664,750</u>	<u>1,848,195</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(777,000)	(777,000)	(877,000)	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(777,000)</u>	<u>(777,000)</u>	<u>(877,000)</u>	<u>(100,000)</u>
Net Change in Fund Balance	(1,960,445)	(1,960,445)	(212,250)	1,748,195
FUND BALANCE - BEGINNING	<u>1,960,445</u>	<u>1,960,445</u>	<u>1,960,445</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,748,195</u>	<u>\$ 1,748,195</u>

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY STREET BUYBACK PROGRAM FUND				
Receipts	\$ 140,073	\$ 140,073	\$ 157,051	\$ 16,978
Disbursements	(440,054)	(440,054)	(139,575)	300,479
Net Change in Fund Balance	(299,981)	(299,981)	17,476	317,457
Fund Balance - Beginning	299,981	299,981	299,981	-
Fund Balance - Ending	\$ -	\$ -	\$ 317,457	\$ 317,457
HIGHWAY BRIDGE BUYBACK PROGRAM FUND				
Receipts	\$ 337,170	\$ 337,170	\$ 329,448	\$ (7,722)
Disbursements	(835,622)	(835,622)	(440,892)	394,730
Net Change in Fund Balance	(498,452)	(498,452)	(111,444)	387,008
Fund Balance - Beginning	498,452	498,452	498,452	-
Fund Balance - Ending	\$ -	\$ -	\$ 387,008	\$ 387,008
SPECIAL ROAD FUND				
Receipts	\$ 2,850,000	\$ 2,850,000	\$ -	\$ (2,850,000)
Disbursements	(2,955,959)	(2,955,959)	-	2,955,959
Net Change in Fund Balance	(105,959)	(105,959)	-	105,959
Fund Balance - Beginning	105,959	105,959	105,959	-
Fund Balance - Ending	\$ -	\$ -	\$ 105,959	\$ 105,959
ROAD BRIDGE ESCROW FUND				
Receipts	\$ 220,000	\$ 220,000	\$ -	\$ (220,000)
Disbursements	(392,119)	(392,119)	(16,740)	375,379
Net Change in Fund Balance	(172,119)	(172,119)	(16,740)	155,379
Fund Balance - Beginning	172,119	172,119	172,119	-
Fund Balance - Ending	\$ -	\$ -	\$ 155,379	\$ 155,379
EQUIPMENT RESERVE FUND				
Receipts	\$ 24,997	\$ 24,997	\$ -	\$ (24,997)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(3)	(3)	-	3
Fund Balance - Beginning	3	3	3	-
Fund Balance - Ending	\$ -	\$ -	\$ 3	\$ 3
COMMUNICATION EQUIPMENT FUND				
Receipts	\$ 68,415	\$ 68,415	\$ 68,416	\$ 1
Disbursements	(134,401)	(134,401)	(23,681)	110,720
Transfers in	-	-	-	-
Transfers out	(59,416)	(59,416)	(59,416)	-
Net Change in Fund Balance	(125,402)	(125,402)	(14,681)	110,721
Fund Balance - Beginning	125,402	125,402	125,402	-
Fund Balance - Ending	\$ -	\$ -	\$ 110,721	\$ 110,721

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EQUIPMENT VEHICLE FUND				
Receipts	\$ -	\$ -	\$ 3,217	\$ 3,217
Disbursements	(184,643)	(184,643)	(181,828)	2,815
Transfers in	159,416	159,416	159,416	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(25,227)	(25,227)	(19,195)	6,032
Fund Balance - Beginning	25,227	25,227	25,227	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,032</u>	<u>\$ 6,032</u>

FAIR FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 21,369	\$ 11,369
Disbursements	(154,234)	(154,234)	(155,117)	(883)
Transfers in	179,000	179,000	179,000	-
Transfers out	(50,000)	(50,000)	(44,444)	5,556
Net Change in Fund Balance	(15,234)	(15,234)	808	16,042
Fund Balance - Beginning	30,921	30,921	30,921	-
Fund Balance - Ending	<u>\$ 15,687</u>	<u>\$ 15,687</u>	<u>\$ 31,729</u>	<u>\$ 16,042</u>

PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 5,133	\$ 133
Disbursements	(30,898)	(30,898)	(6,732)	24,166
Net Change in Fund Balance	(25,898)	(25,898)	(1,599)	24,299
Fund Balance - Beginning	25,898	25,898	25,898	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,299</u>	<u>\$ 24,299</u>

ATTORNEY GRANT FUND				
Receipts	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Disbursements	(9,507)	(9,507)	-	9,507
Net Change in Fund Balance	(6,507)	(6,507)	-	6,507
Fund Balance - Beginning	6,507	6,507	6,507	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,507</u>	<u>\$ 6,507</u>

DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 23,744	\$ 23,744	\$ -	\$ (23,744)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(1,256)	(1,256)	-	1,256
Fund Balance - Beginning	1,256	1,256	1,256	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,256</u>	<u>\$ 1,256</u>

INTOXILYZER FUND				
Receipts	\$ 2,470	\$ 2,470	\$ 1,604	\$ (866)
Disbursements	(4,584)	(4,584)	(1,860)	2,724
Net Change in Fund Balance	(2,114)	(2,114)	(256)	1,858
Fund Balance - Beginning	2,114	2,114	2,114	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,858</u>	<u>\$ 1,858</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SHERIFF GRANT FUND				
Receipts	\$ 48,204	\$ 48,204	\$ -	\$ (48,204)
Disbursements	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	(1,796)	(1,796)	-	1,796
Fund Balance - Beginning	1,796	1,796	1,796	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,796	\$ 1,796
CANINE FUND				
Receipts	\$ 30,000	\$ 30,000	\$ 17,426	\$ (12,574)
Disbursements	(42,762)	(42,762)	(12,500)	30,262
Net Change in Fund Balance	(12,762)	(12,762)	4,926	17,688
Fund Balance - Beginning	12,762	12,762	12,762	-
Fund Balance - Ending	\$ -	\$ -	\$ 17,688	\$ 17,688
COVID AMERICAN RESCUE PLAN ACT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(996,936)	(996,936)	(621,830)	375,106
Net Change in Fund Balance	(996,936)	(996,936)	(621,830)	375,106
Fund Balance - Beginning	996,936	996,936	996,936	-
Fund Balance - Ending	\$ -	\$ -	\$ 375,106	\$ 375,106
COMMUNITY DEVELOPMENT GRANT FUND				
Receipts	\$ 729	\$ 729	\$ 2,718	\$ 1,989
Disbursements	(265,500)	(265,500)	-	265,500
Net Change in Fund Balance	(264,771)	(264,771)	2,718	267,489
Fund Balance - Beginning	264,771	264,771	264,771	-
Fund Balance - Ending	\$ -	\$ -	\$ 267,489	\$ 267,489
911 EMERGENCY SERVICES FUND				
Receipts	\$ 30,000	\$ 30,000	\$ 26,363	\$ (3,637)
Disbursements	(36,232)	(36,232)	(24,580)	11,652
Net Change in Fund Balance	(6,232)	(6,232)	1,783	8,015
Fund Balance - Beginning	6,232	6,232	6,232	-
Fund Balance - Ending	\$ -	\$ -	\$ 8,015	\$ 8,015
911 WIRELESS SERVICE FUND				
Receipts	\$ 48,562	\$ 48,562	\$ 48,562	\$ -
Disbursements	(184,281)	(184,281)	(28,929)	155,352
Transfers in	-	-	436	436
Transfers out	-	-	-	-
Net Change in Fund Balance	(135,719)	(135,719)	20,069	155,788
Fund Balance - Beginning	135,719	135,719	135,719	-
Fund Balance - Ending	\$ -	\$ -	\$ 155,788	\$ 155,788

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 140,000	\$ 140,000	\$ 170,452	\$ 30,452
Disbursements	(485,391)	(485,391)	(166,750)	318,641
Net Change in Fund Balance	(345,391)	(345,391)	3,702	349,093
Fund Balance - Beginning	345,391	345,391	345,391	-
Fund Balance - Ending	\$ -	\$ -	\$ 349,093	\$ 349,093
SOUTHEAST REGION EMERGENCY MANAGEMENT FUND				
Receipts	\$ 43,176	\$ 43,176	\$ 24,949	\$ (18,227)
Disbursements	(45,076)	(45,076)	(26,349)	18,727
Net Change in Fund Balance	(1,900)	(1,900)	(1,400)	500
Fund Balance - Beginning	1,900	1,900	1,900	-
Fund Balance - Ending	\$ -	\$ -	\$ 500	\$ 500
LAW ENFORCEMENT BUILDING BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(135,731)	(135,731)	(80,835)	54,896
Net Change in Fund Balance	(135,731)	(135,731)	(80,835)	54,896
Fund Balance - Beginning	135,731	135,731	135,731	-
Fund Balance - Ending	\$ -	\$ -	\$ 54,896	\$ 54,896
HIGHWAY BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(370,279)	(370,279)	(362,845)	7,434
Transfers in	362,845	362,845	362,845	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(7,434)	(7,434)	-	7,434
Fund Balance - Beginning	7,434	7,434	7,434	-
Fund Balance - Ending	\$ -	\$ -	\$ 7,434	\$ 7,434
HIGHWAY BOND - PWF ROAD FUND				
Receipts	\$ 337,775	\$ 337,775	\$ 393,804	\$ 56,029
Disbursements	(827,426)	(827,426)	(484,500)	342,926
Net Change in Fund Balance	(489,651)	(489,651)	(90,696)	398,955
Fund Balance - Beginning	489,651	489,651	489,651	-
Fund Balance - Ending	\$ -	\$ -	\$ 398,955	\$ 398,955
NATURAL DISASTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(165,873)	(165,873)	-	165,873
Net Change in Fund Balance	(165,873)	(165,873)	-	165,873
Fund Balance - Beginning	165,873	165,873	165,873	-
Fund Balance - Ending	\$ -	\$ -	\$ 165,873	\$ 165,873

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FAIR BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(220,810)	(220,810)	(109,702)	111,108
Transfers in	98,478	98,478	92,922	(5,556)
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(172,332)	(172,332)	(66,780)	105,552
Fund Balance - Beginning	172,332	172,332	172,332	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,552</u>	<u>\$ 105,552</u>

COUNTY BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(198,642)	(198,642)	-	198,642
Net Change in Fund Balance	(198,642)	(198,642)	-	198,642
Fund Balance - Beginning	198,642	198,642	198,642	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,642</u>	<u>\$ 198,642</u>

LAW ENFORCEMENT ADDITION REMODEL FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(85,664)	(85,664)	(11,333)	74,331
Net Change in Fund Balance	(85,664)	(85,664)	(11,333)	74,331
Fund Balance - Beginning	85,664	85,664	85,664	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,331</u>	<u>\$ 74,331</u>

VISITORS PROMOTION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 28,886	\$ 8,886
Disbursements	(34,208)	(34,208)	(22,084)	12,124
Net Change in Fund Balance	(14,208)	(14,208)	6,802	21,010
Fund Balance - Beginning	14,208	14,208	14,208	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,010</u>	<u>\$ 21,010</u>

AMBULANCE SERVICE FUND				
Receipts	\$ 1,081,416	\$ 1,081,416	\$ 1,034,835	\$ (46,581)
Disbursements	(1,068,120)	(1,068,120)	(998,550)	69,570
Transfers in	-	-	100,000	100,000
Transfers out	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balance	(16,704)	(16,704)	106,285	122,989
Fund Balance - Beginning	56,917	56,917	56,917	-
Fund Balance - Ending	<u>\$ 40,213</u>	<u>\$ 40,213</u>	<u>\$ 163,202</u>	<u>\$ 122,989</u>

AMBULANCE EQUIPMENT FUND				
Receipts	\$ 22,940	\$ 22,940	\$ 23,836	\$ 896
Disbursements	(34,410)	(34,410)	(34,410)	-
Net Change in Fund Balance	(11,470)	(11,470)	(10,574)	896
Fund Balance - Beginning	11,470	11,470	11,470	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 896</u>	<u>\$ 896</u>

(Concluded)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Special Road Fund	Road Bridge Escrow Fund	Equipment Reserve Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	157,051	329,448	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>157,051</u>	<u>329,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	139,575	440,892	-	16,740	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>139,575</u>	<u>440,892</u>	<u>-</u>	<u>16,740</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>17,476</u>	<u>(111,444)</u>	<u>-</u>	<u>(16,740)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,476	(111,444)	-	(16,740)	-
FUND BALANCES - BEGINNING	<u>299,981</u>	<u>498,452</u>	<u>105,959</u>	<u>172,119</u>	<u>3</u>
FUND BALANCES - ENDING	<u>\$ 317,457</u>	<u>\$ 387,008</u>	<u>\$ 105,959</u>	<u>\$ 155,379</u>	<u>\$ 3</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement and Public Safety	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	317,457	387,008	-	-	-
Federal Relief	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	105,959	155,379	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	3
Culture and Recreation	-	-	-	-	-
Emergency Management	-	-	-	-	-
County Ambulance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 317,457</u>	<u>\$ 387,008</u>	<u>\$ 105,959</u>	<u>\$ 155,379</u>	<u>\$ 3</u>

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Communication Equipment Fund	Equipment Vehicle Fund	Fair Fund	Preservation and Modernization Fund	Attorney Grant Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	2	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	3,217	-	-	-
Charges for Services	68,416	-	-	5,133	-
Miscellaneous	-	-	21,367	-	-
TOTAL RECEIPTS	68,416	3,217	21,369	5,133	-
DISBURSEMENTS					
General Government	-	-	-	6,732	-
Public Safety	23,681	181,828	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	155,117	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	23,681	181,828	155,117	6,732	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	44,735	(178,611)	(133,748)	(1,599)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	159,416	179,000	-	-
Transfers out	(59,416)	-	(44,444)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(59,416)	159,416	134,556	-	-
Net Change in Fund Balances	(14,681)	(19,195)	808	(1,599)	-
FUND BALANCES - BEGINNING	125,402	25,227	30,921	25,898	6,507
FUND BALANCES - ENDING	\$ 110,721	\$ 6,032	\$ 31,729	\$ 24,299	\$ 6,507
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement and Public Safety	-	-	-	-	6,507
Preservation of Records	-	-	-	24,299	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
Federal Relief	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
County Equipment	110,721	6,032	-	-	-
Culture and Recreation	-	-	31,729	-	-
Emergency Management	-	-	-	-	-
County Ambulance	-	-	-	-	-
TOTAL FUND BALANCES	\$ 110,721	\$ 6,032	\$ 31,729	\$ 24,299	\$ 6,507

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Drug Law Enforcement and Education Fund	Intoxilyzer Fund	Sheriff Grant Fund	Canine Fund	COVID American Rescue Plan Act Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	13,500	-
Charges for Services	-	1,604	-	-	-
Miscellaneous	-	-	-	3,926	-
TOTAL RECEIPTS	<u>-</u>	<u>1,604</u>	<u>-</u>	<u>17,426</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	507,835
Public Safety	-	1,860	-	12,500	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	113,995
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>1,860</u>	<u>-</u>	<u>12,500</u>	<u>621,830</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>-</u>	<u>(256)</u>	<u>-</u>	<u>4,926</u>	<u>(621,830)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(256)	-	4,926	(621,830)
FUND BALANCES - BEGINNING	<u>1,256</u>	<u>2,114</u>	<u>1,796</u>	<u>12,762</u>	<u>996,936</u>
FUND BALANCES - ENDING	<u>\$ 1,256</u>	<u>\$ 1,858</u>	<u>\$ 1,796</u>	<u>\$ 17,688</u>	<u>\$ 375,106</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	1,256	-	-	-	-
Law Enforcement and Public Safety	-	-	1,796	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
Federal Relief	-	-	-	-	375,106
Community Development	-	-	-	-	-
Committed to:					
Law Enforcement	-	1,858	-	17,688	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Emergency Management	-	-	-	-	-
County Ambulance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,256</u>	<u>\$ 1,858</u>	<u>\$ 1,796</u>	<u>\$ 17,688</u>	<u>\$ 375,106</u>

(Continued)

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

For the Year Ended June 30, 2023

	Community Development Grant Fund	911 Emergency Services Fund	911 Wireless Service Fund	Emergency Management Fund	Southeast Region Emergency Management Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	26,363	48,562	-	-
Investment Income	2,718	-	-	-	-
Intergovernmental	-	-	-	109,038	24,949
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	61,414	-
TOTAL RECEIPTS	<u>2,718</u>	<u>26,363</u>	<u>48,562</u>	<u>170,452</u>	<u>24,949</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	24,580	28,929	166,750	26,349
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>24,580</u>	<u>28,929</u>	<u>166,750</u>	<u>26,349</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>2,718</u>	<u>1,783</u>	<u>19,633</u>	<u>3,702</u>	<u>(1,400)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	436	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>436</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,718	1,783	20,069	3,702	(1,400)
FUND BALANCES - BEGINNING	<u>264,771</u>	<u>6,232</u>	<u>135,719</u>	<u>345,391</u>	<u>1,900</u>
FUND BALANCES - ENDING	<u>\$ 267,489</u>	<u>\$ 8,015</u>	<u>\$ 155,788</u>	<u>\$ 349,093</u>	<u>\$ 500</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	8,015	155,788	-	-
Drug Education	-	-	-	-	-
Law Enforcement and Public Safety	-	-	-	-	500
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
Federal Relief	-	-	-	-	-
Community Development	267,489	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Emergency Management	-	-	-	349,093	-
County Ambulance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 267,489</u>	<u>\$ 8,015</u>	<u>\$ 155,788</u>	<u>\$ 349,093</u>	<u>\$ 500</u>

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Law Enforcement Building Bond Fund	Highway Bond Fund	Highway Bond - PWF Road Fund	Natural Disaster Fund	Fair Building Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ 386,007	\$ -	\$ -
Other	-	-	7,044	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	753	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	-	393,804	-	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	87,591
Debt Service:					
Principal Payments	79,000	350,000	370,000	-	-
Interest and Fiscal Charges	1,835	12,845	114,500	-	-
Capital Outlay	-	-	-	-	22,111
TOTAL DISBURSEMENTS	80,835	362,845	484,500	-	109,702
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(80,835)	(362,845)	(90,696)	-	(109,702)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	362,845	-	-	92,922
Transfers out	-	-	-	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	362,845	-	-	42,922
Net Change in Fund Balances	(80,835)	-	(90,696)	-	(66,780)
FUND BALANCES - BEGINNING	135,731	7,434	489,651	165,873	172,332
FUND BALANCES - ENDING	\$ 54,896	\$ 7,434	\$ 398,955	\$ 165,873	\$ 105,552
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement and Public Safety	-	-	-	165,873	-
Preservation of Records	-	-	-	-	-
Debt Service	54,896	7,434	398,955	-	-
Road and Bridge Projects	-	-	-	-	-
Federal Relief	-	-	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	-
Culture and Recreation	-	-	-	-	105,552
Emergency Management	-	-	-	-	-
County Ambulance	-	-	-	-	-
TOTAL FUND BALANCES	\$ 54,896	\$ 7,434	\$ 398,955	\$ 165,873	\$ 105,552

(Continued)

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

For the Year Ended June 30, 2023

	County Building Fund	Law Enforcement Addition Remodel Fund	Visitors Promotion Fund	Ambulance Service Fund	Ambulance Equipment Fund	Total Nonmajor Funds
RECEIPTS						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ 660,260	\$ -	\$ 1,046,267
Other	-	-	28,886	3,625	-	114,482
Investment Income	-	-	-	-	-	2,718
Intergovernmental	-	-	-	1,402	-	639,358
Charges for Services	-	-	-	364,386	-	439,539
Miscellaneous	-	-	-	5,162	23,836	115,705
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>28,886</u>	<u>1,034,835</u>	<u>23,836</u>	<u>2,358,069</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	514,567
Public Safety	-	-	-	998,550	34,410	1,499,437
Public Works	-	-	-	-	-	597,207
Culture and Recreation	-	-	22,084	-	-	378,787
Debt Service:						
Principal Payments	-	-	-	-	-	799,000
Interest and Fiscal Charges	-	-	-	-	-	129,180
Capital Outlay	-	11,333	-	-	-	33,444
TOTAL DISBURSEMENTS	<u>-</u>	<u>11,333</u>	<u>22,084</u>	<u>998,550</u>	<u>34,410</u>	<u>3,951,622</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>-</u>	<u>(11,333)</u>	<u>6,802</u>	<u>36,285</u>	<u>(10,574)</u>	<u>(1,593,553)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	100,000	-	894,619
Transfers out	-	-	-	(30,000)	-	(183,860)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>710,759</u>
Net Change in Fund Balances	-	(11,333)	6,802	106,285	(10,574)	(882,794)
FUND BALANCES - BEGINNING	<u>198,642</u>	<u>85,664</u>	<u>14,208</u>	<u>56,917</u>	<u>11,470</u>	<u>4,397,268</u>
FUND BALANCES - ENDING	<u>\$ 198,642</u>	<u>\$ 74,331</u>	<u>\$ 21,010</u>	<u>\$ 163,202</u>	<u>\$ 896</u>	<u>\$ 3,514,474</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	21,010	-	-	21,010
911 Emergency Services	-	-	-	-	-	163,803
Drug Education	-	-	-	-	-	1,256
Law Enforcement and Public Safety	-	-	-	-	-	174,676
Preservation of Records	-	-	-	-	-	24,299
Debt Service	-	-	-	-	-	461,285
Road and Bridge Projects	-	-	-	-	-	704,465
Federal Relief	-	-	-	-	-	375,106
Community Development	-	-	-	-	-	267,489
Committed to:						
Law Enforcement	-	-	-	-	-	19,546
Road Maintenance	-	-	-	-	-	261,338
County Buildings	198,642	74,331	-	-	-	272,973
County Equipment	-	-	-	-	-	116,756
Culture and Recreation	-	-	-	-	-	137,281
Emergency Management	-	-	-	-	-	349,093
County Ambulance	-	-	-	163,202	896	164,098
TOTAL FUND BALANCES	<u>\$ 198,642</u>	<u>\$ 74,331</u>	<u>\$ 21,010</u>	<u>\$ 163,202</u>	<u>\$ 896</u>	<u>\$ 3,514,474</u>

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2022	\$ 242	\$ 15,798	\$ 59,594	\$ 92,547	\$ 5,785	\$ 6,020	\$ 500
RECEIPTS							
Taxes	-	-	-	8,922	-	-	-
Intergovernmental	-	-	-	3,217	-	-	-
Charges for Services	9,428	57,062	11,212	847,985	322	29,901	3,685
Miscellaneous	300	-	100	3,660	16	-	73,396
State Fees	303	78,183	13,565	245	-	-	790
Other Liabilities	-	45	529,719	82,783	1,955	-	-
TOTAL RECEIPTS	10,031	135,290	554,596	946,812	2,293	29,901	77,871
DISBURSEMENTS							
Payments to County Treasurer	9,277	56,623	13,219	803,879	-	32,830	77,081
Payments to State Treasurer	345	73,821	13,184	392	-	-	790
Petty Cash & Other Payments	-	-	-	595	16	-	-
Other Liabilities	-	45	528,929	84,085	1,802	-	-
TOTAL DISBURSEMENTS	9,622	130,489	555,332	888,951	1,818	32,830	77,871
BALANCES JUNE 30, 2023	\$ 651	\$ 20,599	\$ 58,858	\$ 150,408	\$ 6,260	\$ 3,091	\$ 500
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 292	\$ 7,012	\$ 728	\$ 147,434	\$ 1,427	\$ 3,041	\$ -
Petty Cash	350	-	100	2,700	1,000	50	500
Due to State Treasurer	9	13,587	1,195	39	-	-	-
Due to Others	-	-	56,835	235	3,833	-	-
BALANCES JUNE 30, 2023	\$ 651	\$ 20,599	\$ 58,858	\$ 150,408	\$ 6,260	\$ 3,091	\$ 500

(Continued)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	Veterans' Service Officer	County Fair	County Ambulance	County Planning & Zoning	County Cafeteria Plan	County Emergency Manager	County Assessor	Total
BALANCES JULY 1, 2022	<u>\$ 4,041</u>	<u>\$ 10,635</u>	<u>\$ 283,652</u>	<u>\$ -</u>	<u>\$ 22,080</u>	<u>\$ 18,740</u>	<u>\$ 25</u>	<u>\$ 519,659</u>
RECEIPTS								
Taxes	-	-	-	-	-	-	-	8,922
Intergovernmental	-	-	-	-	-	-	-	3,217
Charges for Services	-	-	408,352	1,353	-	-	-	1,369,300
Miscellaneous	5,267	41,228	5,000	-	1,744	42,699	-	173,410
State Fees	-	-	-	-	-	-	-	93,086
Other Liabilities	-	30,300	-	-	15,038	-	-	659,840
TOTAL RECEIPTS	<u>5,267</u>	<u>71,528</u>	<u>413,352</u>	<u>1,353</u>	<u>16,782</u>	<u>42,699</u>	<u>-</u>	<u>2,307,775</u>
DISBURSEMENTS								
Payments to County Treasurer	-	21,367	393,222	1,353	-	61,415	25	1,470,291
Payments to State Treasurer	-	-	-	-	-	-	-	88,532
Petty Cash & Other Payments	6,411	19,768	-	-	371	-	-	27,161
Other Liabilities	-	30,280	-	-	13,260	-	-	658,401
TOTAL DISBURSEMENTS	<u>6,411</u>	<u>71,415</u>	<u>393,222</u>	<u>1,353</u>	<u>13,631</u>	<u>61,415</u>	<u>25</u>	<u>2,244,385</u>
BALANCES JUNE 30, 2023	<u><u>\$ 2,897</u></u>	<u><u>\$ 10,748</u></u>	<u><u>\$ 303,782</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,231</u></u>	<u><u>\$ 24</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 583,049</u></u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 2,897	\$ 778	\$ 303,282	\$ -	\$ 1,742	\$ 24	\$ -	\$ 468,657
Petty Cash	-	7,500	500	-	18,500	-	-	31,200
Due to State Treasurer	-	-	-	-	-	-	-	14,830
Due to Others	-	2,470	-	-	4,989	-	-	68,362
BALANCES JUNE 30, 2023	<u><u>\$ 2,897</u></u>	<u><u>\$ 10,748</u></u>	<u><u>\$ 303,782</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,231</u></u>	<u><u>\$ 24</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 583,049</u></u>

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2023

Item	2018	2019	2020	2021	2022
Tax Certified by Assessor					
Real Estate	\$ 21,348,754	\$ 21,851,190	\$ 21,925,763	\$ 21,940,047	\$ 22,616,726
Personal and Specials	4,229,570	4,306,637	4,435,592	4,496,988	4,543,860
Total	<u>25,578,324</u>	<u>26,157,827</u>	<u>26,361,355</u>	<u>26,437,035</u>	<u>27,160,586</u>
Corrections					
Additions	9,967	21,116	46,771	19,004	4,088
Deductions	<u>(3,830)</u>	<u>(2,011)</u>	<u>(931)</u>	<u>(2,077)</u>	<u>(1,568)</u>
Net Additions/ (Deductions)	<u>6,137</u>	<u>19,105</u>	<u>45,840</u>	<u>16,927</u>	<u>2,520</u>
Corrected Certified Tax	<u>25,584,461</u>	<u>26,176,932</u>	<u>26,407,195</u>	<u>26,453,962</u>	<u>27,163,106</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	15,341,147	-	-	-	-
June 30, 2020	10,176,253	15,303,041	-	-	-
June 30, 2021	18,647	10,801,842	16,118,886	-	-
June 30, 2022	13,576	19,118	10,214,312	16,378,668	-
June 30, 2023	<u>11,937</u>	<u>29,732</u>	<u>42,322</u>	<u>10,028,763</u>	<u>16,829,922</u>
Total Net Collections	<u>25,561,560</u>	<u>26,153,733</u>	<u>26,375,520</u>	<u>26,407,431</u>	<u>16,829,922</u>
Total Uncollected Tax	<u>\$ 22,901</u>	<u>\$ 23,199</u>	<u>\$ 31,675</u>	<u>\$ 46,531</u>	<u>\$ 10,333,184</u>
Percentage Uncollected Tax	<u>0.09%</u>	<u>0.09%</u>	<u>0.12%</u>	<u>0.18%</u>	<u>38.04%</u>

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

JEFFERSON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Passed through the National White Collar Crime Center			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJA-2020-17373	<u>13,500</u>
Total U.S. Department of Justice			<u>13,500</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Emergency Management Performance Grants	97.042	22-SR 8726-01	54,982
COVID-19 - Emergency Management Performance Grants	97.042	21-GA 8726-05	<u>15,000</u>
Total - Emergency Management Performance Grants			69,982
		19-GA 31007-02	
Homeland Security Grant Program	97.067	20-GA 31007-04	<u>26,333</u>
Total U.S. Department of Homeland Security			<u>96,315</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
		51322 Y3	
Child Support Enforcement	93.563	51426 Y3	<u>69,554</u>
Total U.S. Department of Health and Human Services			<u>69,554</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Highway Safety Cluster			
National Priority Safety Programs	20.616	405d-22-52-05	<u>3,217</u>
Total - Highway Safety Cluster			<u>3,217</u>
Total U.S. Department of Transportation			<u>3,217</u>
DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	<u>* 621,830</u>
Total U.S. Department of the Treasury			<u>621,830</u>
DEPARTMENT OF COMMERCE			
Economic Development Cluster			
Economic Adjustment Assistance	11.307	Not Applicable	<u>103,691</u>
Total - Economic Development Cluster			<u>103,691</u>
Total U.S. Department of Commerce			<u>103,691</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 908,107</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

JEFFERSON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Jefferson County (County) under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. Summary of Significant Accounting Policies

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



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JEFFERSON 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
Jefferson 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 Jefferson County, as of and for the year ended June 30, 2023, 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 20, 2024. 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 Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson 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 Jefferson County in a separate letter dated February 20, 2024.

Jefferson County's Response to Findings

Government Auditing Standards requires 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 20, 2024



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JEFFERSON COUNTY INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Jefferson County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Jefferson County's major Federal programs for the year ended June 30, 2023. Jefferson 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, Jefferson 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, 2023.

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 Jefferson 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 Jefferson 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 Jefferson 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 Jefferson 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 Jefferson 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 Jefferson 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 Jefferson 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 Jefferson 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 #2023-002. 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 Jefferson County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Jefferson 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.

Jefferson County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Jefferson 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 accompanying Schedule of Findings and Questioned Costs as item 2023-002 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 Jefferson County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Jefferson 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.

Jefferson County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Jefferson 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 20, 2024



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

JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

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 No

Significant deficiencies identified? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

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: **COVID-19 – 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

JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings

Finding # 2023-001

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

Section III – Federal Award Findings and Questioned Costs

Finding # 2023-002

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment
<u>Grant Number & Year</u> -	SLFRP1474, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury
<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) 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).

JEFFERSON 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, 2023), 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 § 200.214 (January 1, 2023) states the following:

Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR § 180.300 (January 1, 2023) 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].”

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

Condition -

Jefferson County could not provide documentation to support that the County implemented effective internal controls to ensure that suspension and debarment requirements were followed and adequately documented for vendor claims.

We noted the County used Coronavirus State and Local Fiscal Recovery Funds to pay four vendors over \$25,000, totaling \$594,385, during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors were not excluded or disqualified prior to entering into these covered transactions.

We reviewed SAM.gov, and noted that none of these 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 following table provides details of the covered transactions noted:

VENDOR	AMOUNT
DIODE CABLE COMPANY	\$ 330,390
FIRST WIRELESS, INC.	150,000
WHISPERING ACRES	62,000
JEFFERSON COUNTY HISTORICAL SOCIETY	51,995
TOTAL	\$ 594,385

JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Concluded)

<u>Cause</u> -	Lack of procedures and knowledge regarding suspension and debarment requirements.
<u>Effect</u> -	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, leading to possible Federal sanctions.
<u>Recommendation</u> -	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.
<u>View of Officials</u> -	The County plans to check the SAM (System for Award Management) formerly Excluded Parties Listing System (EPLS), which is maintained by the General Services Administration before any funds are disbursed to vendors/entities.

Jefferson County Commissioners

Michael T Dux 402-300-0257 Gale A Pohlmann, Chairman 402-656-3733 Mark A Schoenrock 402-793-5585

411 4th Street
Fairbury, NE 68352

CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

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

I. Findings Related to the Financial Statements

Finding 2023-001: 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:

Gale Pohlmann, Jefferson County Board Chairman

II. Findings Related to Federal Awards

Finding 2023-002: Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

Program:

AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

Corrective Action Planned:

The County plans to check the SAM (System for Award Management formerly Excluded Parties Listing System (EPLS), which is maintained by the General Services Administration before any funds are disbursed to vendors/entities.

Anticipated Completion Date:

Ongoing

Responsible Party:

Gale Pohlmann, Jefferson County Board Chairman

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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 20, 2024

Board of Commissioners
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 20, 2024. 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 AMBULANCE

Ambulance Office Procedures

The County Ambulance did not perform any reconciliations during the fiscal year between the bank account, the financial records of the office, and the records of Quick Med Claims (QMC), with whom the County has contracted to perform billing and collection services. This lack of reconciliation procedures resulted in the following errors:

- The County Ambulance account had an unknown long of \$1,242 as of June 30, 2023. The following table provides details of how this long was calculated:

Office Assets	
Reconciled Bank Balance	\$ 27,658
Accounts Receivable	276,123
Total Office Assets	\$ 303,781
Office Liabilities	
Due to County	\$ 302,039
Petty Cash	500
Total Office Liabilities	\$ 302,539
Unknown Long	\$ 1,242

- Complete receipt records were not on file for all payments collected directly by the office, and QMC records were not available for September 2022, March 2023, and April 2023. As a result, we could not examine the deposit records for the County Ambulance during these months. The bank deposits totaled \$99,406 during these three months.

- Adequate receipt documentation was not maintained for cash collected by the County Ambulance. The only receipt records on file included the County Treasurer's miscellaneous receipts received when money was remitted to the County Treasurer, but no receipts were recorded when cash was initially collected by the office. Cash collections totaled \$28,836 during the fiscal year.
- The County Ambulance was unable to provide the underlying details of the rates and services charged for collections during the fiscal year. The County Ambulance collected fees, totaling \$413,352, during the fiscal year. This documentation was unavailable due to the County switching billing companies in October 2023 from QMC to One Billing Solutions. Only monthly summary reports were provided for 9 of 12 months.
- We noted that \$30 was received from Collection Associations in August 2021 for past due ambulance fees; however, the amount was not properly remitted to the County Treasurer as of June 30, 2023.
- Petty cash expenditures, including bank fees, totaling \$587, were incurred from September 2017 through December 2019 but had not been claimed to the County Board for reimbursement as of June 30, 2023. As a result, the petty cash account was not reconciled to the County Board-authorized amount of \$500.

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides 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.

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in relevant part, the following:

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed

Good internal controls and sound business practices require procedures to ensure the following: 1) adequate reconciliation and balancing procedures are utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on, at least, a monthly basis; 2) receipts are recorded for all money collected, and those records are adequately maintained; 3) all funds are remitted to the County Treasurer in a timely manner; 4) documentation is maintained and kept on file to support the rates charges for all services provided; and 5) all petty cash expenses are submitted to the County Board for reimbursement within 90 days of the expense being incurred, as required by State statute.

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

A similar comment was noted in prior audits.

We recommend the County Ambulance implement procedures to ensure the following: 1) adequate reconciliation and balancing procedures are utilized, including procedures to verify that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on, at least, a monthly basis; 2) receipts are recorded for all money collected, and those records are adequately maintained; 3) all funds are remitted to the County Treasurer in a timely manner; 4) documentation is maintained and kept on file to support the rates charges for all services provided; and 5) all petty cash expenses are submitted to the County Board for reimbursement within 90 days of the expense being incurred, as required by State statute.

COUNTY FAIR

Fair Office Procedures

During testing, we noted the following issues regarding office procedures of the Jefferson County Fair:

- Bank reconciliations and monthly asset-to-liability reconciliations were not completed, and the petty cash amount was not maintained at the County Board-authorized amount of \$7,500, resulting in a \$2,371 shortage in the account. Additionally, \$735 in prior-year expenses have not been claimed for reimbursement to the County Board as of audit fieldwork in early January 2024.
- Two checks, totaling \$12,250, were made payable to “Cash.” One check for \$8,000 was used to pay contest winners during the County Rodeo; however, the County Fair was unable to provide a listing of the amounts paid to the winners. Additionally, for the other check, the County Fair was unable to provide supporting documentation for \$250 of the cash withdrawal to identify how the funds were used.
- Six checks, totaling \$49, were voided during fiscal year 2023; however, no documentation was on file to support these voided checks.
- In July 2022, a \$6,000 claim was submitted to the County Board for County Fair premiums. In order for the recipients to be paid in a timely manner, the County Board approved that claim before the expenses were incurred; however, documentation for the expenses was not subsequently received by the County Board. Additionally, we noted that the premium checks paid out for the 2022 County Fair totaled \$5,310, leaving \$690 of the amount requested and paid by the County Board unused. The excess money was not remitted back to the County Treasurer, remaining instead in the County Fair checking account.
- County Fair receipt records for donations and other proceeds did not include the date the money was received; therefore, we were unable to determine if these funds were remitted timely to the County Treasurer.
- Fees charged for the County Fair were not approved by the Board.

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides 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.

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

Sound accounting practices and good internal controls require procedures to ensure the following: 1) adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balances, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on, at least, a monthly basis; 2) any variances noted during the reconciliation and balancing process are identified and resolved timely, and proper documentation is maintained to support correct balances; 3) fees are set by the governing body, and documentation of such approval is maintained; and 4) adequate documentation for voided checks is maintained for subsequent review.

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

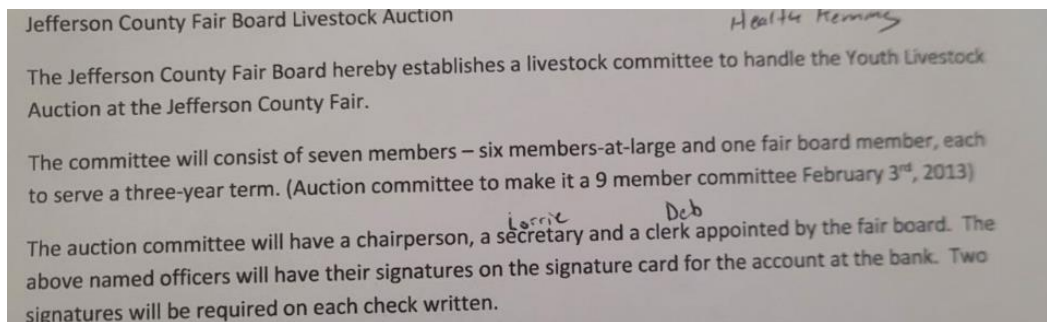
A similar comment was noted in prior audits.

We recommend the County Fair implement procedures to ensure the following: 1) adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balances, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on, at least, a monthly basis; 2) any variances noted during the reconciliation and balancing process are identified and resolved timely, and proper documentation is maintained to support correct balances; 3) fees are set by the governing body, and documentation of such approval is maintained; and 4) adequate documentation for voided checks is maintained for subsequent review.

Youth Livestock Auction Account

The County Fair Board is the holder of a bank account for its Livestock Committee, which administers the annual Youth Livestock Auction. Opened under the County's Federal tax identification number (FTIN), that bank account serves as the depository for premium money awarded to participants in the Youth Livestock Auction (Auction) at the County Fair each year. In addition to being disbursed to individuals whose livestock is shown at the County Fair, a portion of the premium money is paid to exhibitor organizations. The County retains the remainder of the funds for administrative expenses.

During our audit, the Treasurer for the Livestock Committee stated he did not think the Livestock Committee or the Auction was part of the County Fair Board or the County. As a result, the APA requested organization documents for this Livestock Committee. As shown below in the excerpt from the documentation creating the Livestock Committee, one County Fair Board member is required to serve on that body. Additionally, the County Fair Board is responsible for appointing a chairperson, secretary, and clerk for the committee:



Based on the information above, it appears the Livestock Committee and its Auction appear to be part of the County Fair Board and the County.

During fiscal year 2023, the County Fair retained \$200 for administrative expenses. Administrative funds, totaling \$778, were also held in the bank account and were due to the County as of June 30, 2023. However, those funds had not been remitted to the County Treasurer as of audit fieldwork completed in December 2023. Additionally, the administrative funds are subject to the County's claims and disbursements procedures.

Furthermore, the Jefferson County Fair Board Youth Livestock Auction Rules prescribe how premium money is to be allocated, but this method of allocation has not been approved by the County Board.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides 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.

Neb. Rev. Stat. § 23-3106 (Reissue 2022) states the following, in relevant part:

The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act. . . .

Good internal controls require procedures to ensure the following: 1) the County's portion of the livestock premium proceeds and other fair donations are remitted timely to the County Treasurer; 2) premium allocations are formally approved by the County Board; and 3) no expenditure of County funds occurs without the proper approval of the County Board.

Without such procedures, there is an increased risk of not only noncompliance with State statute but also loss of funds and incorrect financial statements.

A similar comment was noted in prior audits.

We recommend that the County Board and County Fair Board work together to determine if the Youth Livestock Auction is a County function. If it is determined the Auction is a function of the County, we recommend the County implement procedures to ensure the County's portion of the livestock premium proceeds and other fair donations are remitted timely to the County Treasurer. Those same procedures should ensure also that premium allocations are formally approved by the County Board, and no expenditure of County funds occurs without the proper approval of the County Board.

If it is determined the Auction is not a necessary function under the County's control, the County Board and County Fair Board should ensure the organization of the Auction is clearly separate of the County, and any agreements between the County and the Auction clearly outline the responsibilities of the County versus the responsibilities of the Auction, including any funds owed to the County.

COUNTY ATTORNEY

Attorney Accounting Procedures

During the audit, we noted the following issues with the County Attorney's office procedures:

- The County Attorney held a \$3,832 trust balance in the Special Trust account as of June 30, 2023. The proper recipient(s) for \$1,370 of those funds could not be identified, however. The remaining \$2,463 trust balance was collected during fiscal year 2022 and prior, but it had not been paid to the appropriate parties as of June 30, 2023.
- The County Attorney did not complete a bank reconciliation for the Special Trust account, resulting in an unknown variance of \$39 between the reconciled bank balance and the book balance.
- The County Attorney did not complete a bank reconciliation or maintain a book balance for the Restitution Trust account. As a result, the account had a negative \$153 balance, indicating that more funds were paid out than were initially received. The County Attorney could not provide an explanation for this negative balance.
- The County Attorney had petty cash expenditures, totaling \$24, during fiscal year 2021, which had not been claimed for reimbursement as of June 30, 2023.
- The County Attorney collected \$30 in notary fees in July 2021. These fees had not been remitted to the County Treasurer as of June 30, 2023.
- The County Attorney collected traffic diversion fees, totaling \$1,550, during fiscal year 2023 and prior; however, these fees had not been remitted to the County Treasurer as of June 30, 2023.

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 control and sound accounting practices requires procedures to ensure the following: 1) bank reconciliations are performed monthly; 2) complete and accurate financial records are maintained to identify the proper recipients of all trust balances owed, and those balances are paid out timely; 3) reimbursement claims are submitted timely; and 4) fees collected are remitted to the County Treasurer in a timely manner.

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

A similar comment was noted in prior audits.

We recommend the County Attorney implement procedures to ensure the following: 1) bank reconciliations are performed monthly; 2) complete and accurate financial records are maintained to identify the proper recipients of all trust balances owed, and those balances are paid out timely; 3) reimbursement claims are submitted timely; and 4) fees collected are remitted to the County Treasurer in a timely manner.

COUNTY SHERIFF

Sheriff Accounting Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures for the Fee account and Jail account during fiscal year 2023, as described below:

Fee Account

The following issues with the County Sheriff's Fee account were noted:

- The County Sheriff's Fee account had an unknown long of \$1,728 as of June 30, 2023. The following table provides details of how this long was calculated:

Office Assets	
Reconciled Bank Balance	\$ 146,725
Accounts Receivable	214
Total Office Assets	\$ 146,939
Office Liabilities	
Due to County	\$ 144,071
Petty Cash	1,097
Due to Others	43
Total Office Liabilities	\$ 145,211
Unknown Long	\$ 1,728

- We noted that \$40 in copy fees, \$150 in inmate commission fees, and \$25 in donations were collected during fiscal year 2023 and prior, but they had not been remitted to the County Treasurer as of audit fieldwork completed in January 2024.
- We noted that the County Sheriff's service fee accounts receivable listing included two negative balances, totaling (\$74), as of June 30, 2023.
 - One (\$31) balance appears to have been refunded to the proper recipient during the fiscal year; however, it was recorded to the wrong case in the system, resulting in the accounts receivable listing showing a (\$31) balance as of June 30, 2023.
 - The County Sheriff collected advanced fees of \$100 for a service return in July 2022. The service return was served in July 2022 with costs totaling \$57. Therefore, a \$43 refund was owed; however, this refund had not been issued as of June 30, 2023.

Jail Account

The following issues with County Sheriff's Jail account were noted:

- The County Sheriff's Jail account had an unknown short of \$284 as of June 30, 2023. The following table provides details of how this long was calculated:

Office Assets	
Reconciled Bank Balance	\$ 2,714
Accounts Receivable	53
Total Office Assets	\$ 2,767
Office Liabilities	
Due to County	\$ 1,620
Petty Cash	1,200
Due to Others	231
Total Office Liabilities	\$ 3,051
Unknown Long	\$ (284)

- The June 30, 2023, balance sheet included an accounts receivable balance of \$53; however, the County Sheriff was unable to provide a detailed listing of who owed the County Jail this money.
- The June 30, 2023, balance sheet included a resident inmate balance of \$192; however, the County Sheriff was unable to identify which inmates are owed these funds.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides 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 the following: 1) office assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand, trust accounts, authorized petty cash, and accounts payable), and any variances noted are resolved timely; 2) funds are remitted to the County Treasurer timely; 3) account receivable balances are accurate and identify the specific parties that owe money; and 4) a detailed listing of balances owed to inmates is maintained.

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

A similar finding was included in prior reports.

We recommend the County Sheriff implement procedures to ensure the following: 1) office assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand, trust accounts, authorized petty cash, and accounts payable), and any variances noted are resolved timely; 2) funds are remitted to the County Treasurer timely; 3) account receivable balances are accurate and identify the specific parties that owe money; and 4) a detailed listing of balances owed to inmates is maintained.

Petty Cash Issues

The County Sheriff has two petty cash balances authorized by the County Board in the Budget Message. One balance is authorized at \$1,500 for a general petty cash account to pay for general County Sheriff office expenses. The second balance is authorized at \$1,200 to pay out inmate balances for the Jail account. During the audit, we noted the following issues with these accounts:

- The general petty cash account held \$16 over the \$1,500 authorized amount as of June 30, 2023. Additionally, the County Sheriff holds a portion of the \$1,500 petty cash balance in the Sheriff's Fee account; however, the County Sheriff was unaware of the exact amount held in the Fee account. Specifically, the office was unaware that a \$330 petty cash reimbursement received in January 2023 was deposited into the Fee account. We noted that the County Sheriff's Fee account held \$1,098 in petty cash funds as of June 30, 2023.
- The June 2023 Jail petty cash bank statement lists a balance of \$1,200; however, the accounting system indicated a balance of \$1,238, or \$38 over the authorized amount, as of June 30, 2023. The accounting system has indicated this overage for multiple years, but the County Sheriff has not corrected the error.

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) provides the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Good internal controls and sound accounting practices require procedures to ensure the following: 1) all petty cash accounts are reconciled to the authorized amount; 2) any balances held in multiple accounts are documented and tracked to confirm that those balances reconcile; and 3) any recording errors in the accounting system are reviewed and corrected timely.

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

We recommend the County Sheriff implement procedures to ensure the following:
1) all petty cash accounts are reconciled to the authorized amount; 2) any balances held in multiple accounts are documented and tracked to confirm that those balances reconcile; and 3) any recording errors in the accounting system are reviewed and corrected timely.

COUNTY CLERK

Cafeteria Account

The County Clerk maintains a Cafeteria bank account for paying expenditures related to employees' flexible spending account funds. The Cafeteria bank account had a balance of \$20,488 at June 30, 2023. Additionally, \$2,500 was held as a balance at Infinisource, the vendor responsible for administering the cafeteria plan. Of the total balance, \$1,743 was in excess of the petty cash balance approved by the Board, and no documentation was on file to support the recipients of these funds.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) provides 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.

Additionally, good internal control requires procedures to ensure that funds held in excess of the authorized petty cash balance are adequately supported, including the recipients of such funds. Any excess not belonging to others should be remitted to the County Treasurer.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss, theft, or misuse of County funds and financial errors being allowed to go undetected more easily.

A similar comment was noted in prior audits.

We recommend the County implement procedures to ensure: 1) funds held in excess of the authorized petty cash balance are adequately supported, including the recipients of such funds; and 2) any excess not belonging to others should be remitted to the County Treasurer.

COUNTY VETERANS' SERVICE OFFICER

Lack of Supporting Documentation

During testing, we noted two checks, totaling \$1,353, were paid to support veterans; however, no aid application forms were completed to verify that the individuals were indeed veterans and in need of the aid. Additionally, the County Veterans' Service Officer was unable to provide any documentation to support the disbursement of \$561 and the purpose thereof.

Good internal controls and sound business practices require procedures to ensure that all disbursements are adequately supported.

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

We recommend the County Veterans' Service Officer implement procedures to ensure that all disbursements are adequately supported.

COUNTY OVERALL

Unclaimed Property

The following table details the County offices that held unclaimed funds for more than three years, failing to remit them to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act (Act):

Office	Fiscal Year Issued	# of Checks	Amount
Fair	2009-2019	290	\$ 2,158
Attorney	2014-2018	10	338
Totals		300	\$ 2,496

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act presumes abandoned any unclaimed intangible personal property held by certain public entities, including political subdivisions, for more than three years. Neb. Rev. Stat. § 69-1310(d) (Cum. Supp. 2022) requires any such abandoned property, as of June 30 each year, to be reported and remitted to the State Treasurer before November 1 annually.

In addition, good internal controls require procedures that provide for an ongoing, detailed review of all County accounts to determine the appropriate action for any unclaimed property contained therein.

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

A similar comment was noted in prior audits.

We recommend the County implement procedures to ensure all intangible personal property held by County offices that has remained unclaimed for more than three years is remitted to the State Treasurer, as required by the Act.

Transfer Issues

During the audit, we noted the County miscoded three transfers, totaling \$100,000, from the Inheritance Fund to the Ambulance Fund as disbursement and receipt activity, respectively. These amounts were adjusted on the financial statements.

Good internal controls and sound accounting practices require procedures to ensure that transactions are recorded properly to provide for the accuracy of accounting records and financial statements.

Without such procedures, there is an increased risk of a material financial statement misstatement.

We recommend the County implement procedures to ensure transactions are recorded properly to provide for the accuracy of accounting records and financial statements.

Segregation of Duties

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

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

This was also noted in prior audits.

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

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

* * * * *

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Dakota Christensen".

Dakota Christensen, CPA, CISA, CFE
Audit Manager