

**AUDIT REPORT
OF
NEMAHA 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 March 26, 2024

NEMAHA COUNTY

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NEMAHA COUNTY
1824 N Street
Auburn, NE 68305

LIST OF COUNTY OFFICIALS
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Mike Hall	Jan. 2027
	Bryan Mellage	Jan. 2025
	Michael Weiss	Jan. 2027
Assessor	Mallory Lempka	Jan. 2027
Attorney	Angelo Ligouri	Jan. 2027
Clerk	Diane Johnson	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Amy Hector	Jan. 2027
Sheriff	Brent Lottman	Jan. 2027
Treasurer	Jana Gerdes	Jan. 2027
Surveyor	Jeff Boden	Appointed
Veterans' Service Officer	Jim Reed	Appointed
Weed Superintendent	Kevin Schlange	Appointed
Emergency Manager	J. Renee Critser	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

NEMAHA COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Nemaha County, Nebraska

Report on the Audit of Financial Statements

Adverse and Unmodified Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nemaha County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Nemaha County, as of June 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

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 Nemaha 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 Adverse and Unmodified 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

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 18-32, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of Nemaha 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 Nemaha County's internal control over financial reporting and compliance.



March 18, 2024

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

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

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,474,960
Investments (Note 1.D)	603,090
TOTAL ASSETS	<u>\$ 5,078,050</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 45,370
911 Emergency Services	175,867
Law Enforcement	955
Preservation of Records	4,082
Road and Bridge Projects	453,204
911 Region	32,831
Miscellaneous Projects	572,259
Unrestricted	<u>3,793,482</u>
TOTAL NET POSITION	<u>\$ 5,078,050</u>

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

NEMAHA 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	\$ (2,513,914)	\$ 324,025	\$ 30,389	\$ (2,159,500)
Public Safety	(2,823,586)	489,611	106,041	(2,227,934)
Public Works	(3,928,853)	2,684	1,765,404	(2,160,765)
Public Assistance	(63,123)	-	311	(62,812)
Culture and Recreation	(17,803)	-	-	(17,803)
Total Governmental Activities	<u>\$ (9,347,279)</u>	<u>\$ 816,320</u>	<u>\$ 1,902,145</u>	<u>(6,628,814)</u>

General Receipts:

Taxes:	
Property	4,034,726
Motor Vehicle	334,126
Inheritance	470,484
Other	127,673
Grants and Contributions Not Restricted to Specific Programs	233,919
Investment Income	79,167
Sale of Capital Assets	174,677
Miscellaneous	76,699
Total General Receipts	<u>5,531,471</u>
Change in Net Position	(1,097,343)
Net Position - Beginning of year	6,175,393
Net Position - End of year	<u>\$ 5,078,050</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Road Bridge Improvement Fund	COVID American Rescue Plan Fund	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 569,778	\$ 450,115	\$ 1,473,223	\$ 557,592	\$ -	\$ 1,424,252	\$ 4,474,960
Investments (Note 1.D)	30,831	-	-	-	572,259	-	603,090
TOTAL ASSETS	<u>\$ 600,609</u>	<u>\$ 450,115</u>	<u>\$ 1,473,223</u>	<u>\$ 557,592</u>	<u>\$ 572,259</u>	<u>\$ 1,424,252</u>	<u>\$ 5,078,050</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	45,370	45,370
911 Emergency Services	-	-	-	-	-	175,867	175,867
Law Enforcement	-	-	-	-	-	955	955
Preservation of Records	-	-	-	-	-	4,082	4,082
Road and Bridge Projects	-	-	-	-	-	453,204	453,204
911 Region	-	-	-	-	-	32,831	32,831
Miscellaneous Projects	-	-	-	-	572,259	-	572,259
Committed to:							
Law Enforcement	-	-	-	-	-	51,951	51,951
Road and Bridge Maintenance	-	450,115	-	557,592	-	-	1,007,707
County Buildings	-	-	-	-	-	63,071	63,071
Equipment Purchases	-	-	-	-	-	550,915	550,915
Future Compensation Benefits	-	-	-	-	-	10,433	10,433
Disaster Recovery	-	-	-	-	-	35,573	35,573
Assigned to:							
Other Purposes	-	-	1,473,223	-	-	-	1,473,223
Unassigned	600,609	-	-	-	-	-	600,609
TOTAL CASH BASIS FUND BALANCES	<u>\$ 600,609</u>	<u>\$ 450,115</u>	<u>\$ 1,473,223</u>	<u>\$ 557,592</u>	<u>\$ 572,259</u>	<u>\$ 1,424,252</u>	<u>\$ 5,078,050</u>

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

NEMAHA 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	Road Bridge Improvement Fund	COVID American Rescue Plan Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS							
Taxes:							
Property	\$ 4,034,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,034,726
Motor Vehicle	334,126	-	-	-	-	-	334,126
Inheritance	-	-	470,484	-	-	-	470,484
Other	35,438	-	-	-	-	92,235	127,673
Investment Income	79,167	-	-	-	-	-	79,167
Intergovernmental	343,286	1,324,930	-	-	-	467,848	2,136,064
Charges for Services	802,172	2,684	-	-	-	11,464	816,320
Miscellaneous	36,695	27,643	-	-	-	12,361	76,699
TOTAL RECEIPTS	<u>5,665,610</u>	<u>1,355,257</u>	<u>470,484</u>	<u>-</u>	<u>-</u>	<u>583,908</u>	<u>8,075,259</u>
DISBURSEMENTS							
General Government	1,910,285	-	289	-	494,738	108,602	2,513,914
Public Safety	2,483,059	-	-	-	190,767	149,760	2,823,586
Public Works	-	2,614,151	-	103,830	-	1,210,872	3,928,853
Public Assistance	63,123	-	-	-	-	-	63,123
Culture and Recreation	-	-	-	-	-	17,803	17,803
TOTAL DISBURSEMENTS	<u>4,456,467</u>	<u>2,614,151</u>	<u>289</u>	<u>103,830</u>	<u>685,505</u>	<u>1,487,037</u>	<u>9,347,279</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,209,143</u>	<u>(1,258,894)</u>	<u>470,195</u>	<u>(103,830)</u>	<u>(685,505)</u>	<u>(903,129)</u>	<u>(1,272,020)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	1,330,244	-	-	-	316,256	1,646,500
Transfers out	(1,435,244)	-	(200,000)	-	-	(11,256)	(1,646,500)
Sale of Capital Assets	-	-	-	-	-	174,677	174,677
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,435,244)</u>	<u>1,330,244</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>479,677</u>	<u>174,677</u>
Net Change in Fund Balances	(226,101)	71,350	270,195	(103,830)	(685,505)	(423,452)	(1,097,343)
CASH BASIS FUND BALANCES - BEGINNING	<u>826,710</u>	<u>378,765</u>	<u>1,203,028</u>	<u>661,422</u>	<u>1,257,764</u>	<u>1,847,704</u>	<u>6,175,393</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 600,609</u>	<u>\$ 450,115</u>	<u>\$1,473,223</u>	<u>\$ 557,592</u>	<u>\$ 572,259</u>	<u>\$1,424,252</u>	<u>\$ 5,078,050</u>

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

NEMAHA 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	\$ 461,397	\$ 17,997,859	\$ 17,845,049	\$ 614,207
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	169,872	1,999,939	1,994,529	175,282
State - Collected by Other Offices	9,485	104,202	104,296	9,391
Schools	129,669	11,877,164	11,782,787	224,046
Educational Service Units	1,194	180,117	178,773	2,538
Technical College	7,483	1,126,324	1,117,955	15,852
Natural Resource Districts	2,357	354,895	352,256	4,996
Fire Districts	1,600	320,005	317,023	4,582
Municipalities	31,971	1,347,971	1,338,781	41,161
Agricultural Society	377	57,328	56,894	811
Drainage Districts	25,993	172,455	135,357	63,091
Others - Collected by County Treasurer	28,607	114,342	131,194	11,755
Others - Collected by Other Offices	52,789	343,117	335,204	60,702
TOTAL LIABILITIES	<u>461,397</u>	<u>17,997,859</u>	<u>17,845,049</u>	<u>614,207</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.

NEMAHA 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 Nemaha County.

A. Reporting Entity

Nemaha 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.

Component Unit. These financial statements present the County (the primary government). The Nemaha County Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

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 \$34,966 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 the Southeast District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 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.

South Region 911 Communication Services (911 Region) – The County has entered into an agreement the governing boards of the Public Safety Answering Points (PSAPs) of the City of Lincoln, City of Beatrice, City of Crete, City of Falls City, Cass County, Clay County, Fillmore County, Jefferson County, Johnson County, Pawnee County, 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 was named the fiscal agent for the 911 Region in 2016, and a separate County fund was created to account for the financial activity. The activity of this fund was included in the financial statements of the County and is included in this report. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

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 and the Hospital. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

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

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

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

Road Bridge Improvement Fund. This fund is used to set aside resources for future road and bridge projects and is primarily funded by transfers from other funds.

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

C. Measurement Focus, Basis of Accounting

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

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

D. Assets and Net Position

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

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

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

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

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

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,284,568 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 \$4,474,960 for County funds and \$614,207 for Fiduciary funds. The bank balances for all funds totaled \$5,103,147. 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.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$603,090 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$.335061/\$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 \$.329806/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

4. Retirement System

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, 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 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, 75 employees contributed \$135,524, and the County contributed \$199,346. Contributions included \$7,878 in cash contributions towards the supplemental law enforcement plan for 16 law enforcement employees. Lastly, the County paid \$667 directly to 9 retired employees for prior service benefits.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management

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

6. Interfund Transfers

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

	Transfers from			
Transfers to	General Fund	Inheritance Fund	Nonmajor Funds	Total
Road Fund	\$ 1,330,244	\$ -	\$ -	\$ 1,330,244
Nonmajor Funds	105,000	200,000	11,256	316,256
Total	<u>\$ 1,435,244</u>	<u>\$ 200,000</u>	<u>\$ 11,256</u>	<u>\$ 1,646,500</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.

NEMAHA COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Long-Term Obligations

Lease-Purchase Agreements

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

	<u>Motor Grader</u>
Balance July 1, 2022	\$ -
Purchases	323,086
Payments	<u>165,773</u>
Balance June 30, 2023	<u>\$ 157,313</u>
Future Payments:	
Year	
2024	\$ 165,774
Total Payments	<u>165,774</u>
Less Interest	<u>8,461</u>
Present Value of Future Minimum Lease Payments	<u>\$ 157,313</u>
Carrying Value of the Related Fixed Asset	<u>\$ 323,075</u>

8. Contingent Liabilities

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

NEMAHA 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	\$ 4,697,023	\$ 4,697,023	\$ 4,404,290	\$ (292,733)
Investment Income	8,040	8,040	79,167	71,127
Intergovernmental	366,343	366,343	343,286	(23,057)
Charges for Services	712,100	712,100	802,172	90,072
Miscellaneous	118,323	118,323	36,695	(81,628)
TOTAL RECEIPTS	5,901,829	5,901,829	5,665,610	(236,219)
DISBURSEMENTS				
General Government:				
County Board	90,386	90,386	85,187	5,199
County Clerk	158,078	158,078	156,106	1,972
County Treasurer	168,560	168,560	168,559	1
County Assessor	184,004	184,004	180,923	3,081
Election Commissioner	24,275	24,275	23,914	361
Floodplain Administrator	13,885	13,885	12,253	1,632
Clerk of the District Court	111,526	112,089	111,526	563
County Court System	5,850	5,850	1,922	3,928
District Judge	64,195	64,195	63,849	346
Building and Grounds	224,523	224,523	92,074	132,449
Agricultural Extension Agent	80,123	80,123	73,728	6,395
Co. Bldg Annex- Multi-Plex Bldg	52,750	52,750	33,176	19,574
Miscellaneous	1,094,369	1,089,725	907,068	182,657
Public Safety				
County Sheriff	1,390,996	1,390,996	1,250,923	140,073
County Attorney	192,763	192,763	170,024	22,739
Communication Center	433,319	433,319	361,940	71,379
County Jail	538,695	538,695	474,741	63,954
Emergency Management	163,164	163,164	160,622	2,542
Child Support	18,700	18,700	18,201	499
Four County Juvenile Services Aid	72,759	72,759	46,608	26,151
Public Assistance				
Veterans' Service Officer	55,658	59,739	55,658	4,081
Institutions	4,000	4,000	2,124	1,876
Relief	5,700	5,700	5,341	359
TOTAL DISBURSEMENTS	5,148,278	5,148,278	4,456,467	691,811
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	753,551	753,551	1,209,143	455,592

(Continued)

NEMAHA 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	-	-	-	-
Transfers out	(1,330,244)	(1,330,244)	(1,435,244)	(105,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,330,244)</u>	<u>(1,330,244)</u>	<u>(1,435,244)</u>	<u>(105,000)</u>
Net Change in Fund Balance	(576,693)	(576,693)	(226,101)	350,592
FUND BALANCE - BEGINNING	<u>826,693</u>	<u>826,693</u>	<u>826,710</u>	<u>17</u>
FUND BALANCE - ENDING	<u><u>\$ 250,000</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 600,609</u></u>	<u><u>\$ 350,609</u></u>
				(Concluded)

NEMAHA 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				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$1,324,930	\$ 224,930
Charges for Services	2,000	2,000	2,684	684
Miscellaneous	6,000	6,000	27,643	21,643
TOTAL RECEIPTS	1,108,000	1,108,000	1,355,257	247,257
DISBURSEMENTS	2,817,009	2,817,009	2,614,151	202,858
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,709,009)	(1,709,009)	(1,258,894)	450,115
OTHER FINANCING SOURCES (USES)				
Transfers in	1,330,244	1,330,244	1,330,244	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,330,244	1,330,244	1,330,244	-
Net Change in Fund Balance	(378,765)	(378,765)	71,350	450,115
FUND BALANCE - BEGINNING	378,765	378,765	378,765	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 450,115	\$ 450,115
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 470,484	\$ 470,484
TOTAL RECEIPTS	-	-	470,484	470,484
DISBURSEMENTS	1,003,028	1,003,028	289	1,002,739
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,003,028)	(1,003,028)	470,195	1,473,223
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(200,000)	(200,000)	(200,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(200,000)	(200,000)	(200,000)	-
Net Change in Fund Balance	(1,203,028)	(1,203,028)	270,195	1,473,223
FUND BALANCE - BEGINNING	1,203,028	1,203,028	1,203,028	-
FUND BALANCE - ENDING	\$ -	\$ -	\$1,473,223	\$ 1,473,223

(Continued)

NEMAHA 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)
<u>ROAD BRIDGE IMPROVEMENT FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	661,422	661,422	103,830	557,592
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(661,422)	(661,422)	(103,830)	557,592
Net Change in Fund Balance	(661,422)	(661,422)	(103,830)	557,592
FUND BALANCE - BEGINNING	661,422	661,422	661,422	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,592</u>	<u>\$ 557,592</u>
 <u>COVID AMERICAN RESCUE PLAN FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	1,257,764	1,257,764	685,505	572,259
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,257,764)	(1,257,764)	(685,505)	572,259
Net Change in Fund Balance	(1,257,764)	(1,257,764)	(685,505)	572,259
FUND BALANCE - BEGINNING	1,257,764	1,257,764	1,257,764	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,259</u>	<u>\$ 572,259</u>
				(Concluded)

NEMAHA 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)
ROAD EQUIPMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(450,000)	(450,000)	(138,768)	311,232
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Sale of Capital Assets	212,950	212,950	174,677	(38,273)
Net Change in Fund Balance	(37,050)	(37,050)	235,909	272,959
Fund Balance - Beginning	37,050	37,050	37,050	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,959</u>	<u>\$ 272,959</u>
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 434,320	\$ 434,320	\$ 440,474	\$ 6,154
Disbursements	(1,353,381)	(1,353,381)	(906,331)	447,050
Net Change in Fund Balance	(919,061)	(919,061)	(465,857)	453,204
Fund Balance - Beginning	919,061	919,061	919,061	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,204</u>	<u>\$ 453,204</u>
VISITORS PROMOTION FUND				
Receipts	\$ 7,500	\$ 7,500	\$ 10,461	\$ 2,961
Disbursements	(24,596)	(24,596)	(7,303)	17,293
Net Change in Fund Balance	(17,096)	(17,096)	3,158	20,254
Fund Balance - Beginning	17,096	17,096	17,096	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,254</u>	<u>\$ 20,254</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 7,500	\$ 7,500	\$ 10,461	\$ 2,961
Disbursements	(32,655)	(32,655)	(10,500)	22,155
Net Change in Fund Balance	(25,155)	(25,155)	(39)	25,116
Fund Balance - Beginning	25,155	25,155	25,155	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,116</u>	<u>\$ 25,116</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 5,159	\$ 159
Disbursements	(9,017)	(9,017)	(5,094)	3,923
Net Change in Fund Balance	(4,017)	(4,017)	65	4,082
Fund Balance - Beginning	4,017	4,017	4,017	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,082</u>	<u>\$ 4,082</u>

(Continued)

NEMAHA 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)
VACATION/SICK LEAVE CLAIM RESERVE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(15,283)	(15,283)	(4,850)	10,433
Net Change in Fund Balance	(15,283)	(15,283)	(4,850)	10,433
Fund Balance - Beginning	15,283	15,283	15,283	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,433</u>	<u>\$ 10,433</u>
JUVENILE DIVERSION PROGRAM FUND				
Receipts	\$ 500	\$ 500	\$ 1,875	\$ 1,375
Disbursements	(34,672)	(34,672)	(555)	34,117
Net Change in Fund Balance	(34,172)	(34,172)	1,320	35,492
Fund Balance - Beginning	34,172	34,172	34,172	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,492</u>	<u>\$ 35,492</u>
DIVERSION PROGRAM STOP FUND				
Receipts	\$ 1,500	\$ 1,500	\$ 950	\$ (550)
Disbursements	(4,496)	(4,496)	(2,046)	2,450
Net Change in Fund Balance	(2,996)	(2,996)	(1,096)	1,900
Fund Balance - Beginning	2,996	2,996	2,996	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ 1,900</u>
FEDERAL DRUG FORFEITURE FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,500)	(10,500)	-	10,500
Net Change in Fund Balance	(500)	(500)	-	500
Fund Balance - Beginning	500	500	500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
CANINE DOG FUND				
Receipts	\$ 7,500	\$ 7,500	\$ -	\$ (7,500)
Disbursements	(7,653)	(7,653)	(106)	7,547
Net Change in Fund Balance	(153)	(153)	(106)	47
Fund Balance - Beginning	153	153	153	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 47</u>

(Continued)

NEMAHA 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)
FEDERAL CRIME GRANT FUND				
Receipts	\$ 3,000	\$ 3,000	\$ 1,350	\$ (1,650)
Disbursements	(3,259)	(3,259)	(1,154)	2,105
Net Change in Fund Balance	(259)	(259)	196	455
Fund Balance - Beginning	259	259	259	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 455</u>
DISASTER FUND				
Receipts	\$ 438,654	\$ 438,654	\$ -	\$ (438,654)
Disbursements	(640,000)	(640,000)	(165,773)	474,227
Net Change in Fund Balance	(201,346)	(201,346)	(165,773)	35,573
Fund Balance - Beginning	201,346	201,346	201,346	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,573</u>	<u>\$ 35,573</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 274,000	\$ 274,000	\$ 22,825	\$ (251,175)
Disbursements	(316,944)	(316,944)	(26,473)	290,471
Transfers in	33,600	33,600	-	(33,600)
Transfers out	-	-	-	-
Net Change in Fund Balance	(9,344)	(9,344)	(3,648)	5,696
Fund Balance - Beginning	9,344	9,344	9,344	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,696</u>	<u>\$ 5,696</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 48,488	\$ 48,488	\$ 48,488	\$ -
Disbursements	(47,501)	(47,501)	(37,232)	10,269
Transfers in	-	-	-	-
Transfers out	(987)	(987)	(11,256)	(10,269)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 WIRELESS SERVICE HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(159,902)	(159,902)	-	159,902
Transfers in	987	987	11,256	10,269
Transfers out	-	-	-	-
Net Change in Fund Balance	(158,915)	(158,915)	11,256	170,171
Fund Balance - Beginning	158,915	158,915	158,915	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,171</u>	<u>\$ 170,171</u>

(Continued)

NEMAHA 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)
LAW ENFORCEMENT OPERATING FUND				
Receipts	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Disbursements	(5,071)	(5,071)	-	5,071
Net Change in Fund Balance	(71)	(71)	-	71
Fund Balance - Beginning	71	71	71	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 71</u>
JAIL COMMISSARY FUND				
Receipts	\$ 5,700	\$ 5,700	\$ 3,480	\$ (2,220)
Disbursements	(20,519)	(20,519)	(3,921)	16,598
Net Change in Fund Balance	(14,819)	(14,819)	(441)	14,378
Fund Balance - Beginning	14,819	14,819	14,882	63
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,441</u>	<u>\$ 14,441</u>
COUNTY BUILDINGS FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(37,772)	(37,772)	(4,701)	33,071
Transfers in	-	-	30,000	30,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(37,772)	(37,772)	25,299	63,071
Fund Balance - Beginning	37,772	37,772	37,772	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,071</u>	<u>\$ 63,071</u>
911 EMERGENCY COMM. STUDY AGREEMENT FUND				
Receipts	\$ 3,500,000	\$ 3,500,000	\$ 26,024	\$ (3,473,976)
Disbursements	(3,491,957)	(3,491,957)	(18,750)	3,473,207
Transfers in	-	-	-	-
Transfers out	(33,600)	(33,600)	-	33,600
Net Change in Fund Balance	(25,557)	(25,557)	7,274	32,831
Fund Balance - Beginning	25,557	25,557	25,557	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,831</u>	<u>\$ 32,831</u>
OTHER CAPITAL PROJECTS FUND				
Receipts	\$ -	\$ -	\$ 12,361	\$ 12,361
Disbursements	(344,075)	(344,075)	(153,480)	190,595
Transfers in	-	-	75,000	75,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(344,075)	(344,075)	(66,119)	277,956
Fund Balance - Beginning	344,075	344,075	344,075	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,956</u>	<u>\$ 277,956</u>

(Concluded)

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

	Road Equipment Fund	Highway Bridge Buyback Fund	Visitors Promotion Fund	Visitors Improvement Fund	Preservation and Modernization Fund
RECEIPTS					
Taxes:					
Other	\$ -	\$ -	\$ 10,461	\$ 10,461	\$ -
Intergovernmental	-	440,474	-	-	-
Charges for Services	-	-	-	-	5,159
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	440,474	10,461	10,461	5,159
DISBURSEMENTS					
General Government	-	-	-	-	5,094
Public Safety	-	-	-	-	-
Public Works	138,768	906,331	-	-	-
Culture and Recreation	-	-	7,303	10,500	-
TOTAL DISBURSEMENTS	138,768	906,331	7,303	10,500	5,094
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(138,768)	(465,857)	3,158	(39)	65
OTHER FINANCING SOURCES (USES)					
Transfers in	200,000	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from Sale of Bonds	174,677	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	374,677	-	-	-	-
Net Change in Fund Balances	235,909	(465,857)	3,158	(39)	65
FUND BALANCES - BEGINNING	37,050	919,061	17,096	25,155	4,017
FUND BALANCES - ENDING	\$ 272,959	\$ 453,204	\$ 20,254	\$ 25,116	\$ 4,082
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	20,254	25,116	-
911 Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	4,082
Road and Bridge Projects	-	453,204	-	-	-
911 Region	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
County Buildings	-	-	-	-	-
Equipment Purchases	272,959	-	-	-	-
Future Compensation Benefits	-	-	-	-	-
Disaster Recovery	-	-	-	-	-
TOTAL FUND BALANCES	\$ 272,959	\$ 453,204	\$ 20,254	\$ 25,116	\$ 4,082

(Continued)

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

	Vacation/Sick Leave Claim Reserve Fund	Juvenile Diversion Program Fund	Diversion Program STOP Fund	Federal Drug Forfeiture Fund	Canine Dog Fund
RECEIPTS					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	1,875	950	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	1,875	950	-	-
DISBURSEMENTS					
General Government	4,850	-	-	-	-
Public Safety	-	555	2,046	-	106
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	4,850	555	2,046	-	106
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,850)	1,320	(1,096)	-	(106)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	(4,850)	1,320	(1,096)	-	(106)
FUND BALANCES - BEGINNING	15,283	34,172	2,996	500	153
FUND BALANCES - ENDING	\$ 10,433	\$ 35,492	\$ 1,900	\$ 500	\$ 47
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	500	-
Preservation of Records	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-
911 Region	-	-	-	-	-
Committed to:					
Law Enforcement	-	35,492	1,900	-	47
County Buildings	-	-	-	-	-
Equipment Purchases	-	-	-	-	-
Future Compensation Benefits	10,433	-	-	-	-
Disaster Recovery	-	-	-	-	-
TOTAL FUND BALANCES	\$ 10,433	\$ 35,492	\$ 1,900	\$ 500	\$ 47

(Continued)

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

For the Year Ended June 30, 2023

	Federal Crime Grant Fund	Disaster Fund	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Law Enforcement Operating Fund
RECEIPTS						
Taxes:						
Other	\$ -	\$ -	\$ 22,825	\$ 48,488	\$ -	\$ -
Intergovernmental	1,350	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	1,350	-	22,825	48,488	-	-
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	1,154	-	26,473	37,232	-	-
Public Works	-	165,773	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,154	165,773	26,473	37,232	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	196	(165,773)	(3,648)	11,256	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	11,256	-
Transfers out	-	-	-	(11,256)	-	-
Proceeds from Sale of Bonds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(11,256)	11,256	-
Net Change in Fund Balances	196	(165,773)	(3,648)	-	11,256	-
FUND BALANCES - BEGINNING	259	201,346	9,344	-	158,915	71
FUND BALANCES - ENDING	\$ 455	\$ 35,573	\$ 5,696	\$ -	\$ 170,171	\$ 71
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	5,696	-	170,171	-
Law Enforcement	455	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-	-
911 Region	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	71
County Buildings	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	-	-
Future Compensation Benefits	-	-	-	-	-	-
Disaster Recovery	-	35,573	-	-	-	-
TOTAL FUND BALANCES	\$ 455	\$ 35,573	\$ 5,696	\$ -	\$ 170,171	\$ 71

(Continued)

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

	Jail Commissary Fund	County Buildings Fund	911 Emergency Comm. Study Agreement Fund	Other Capital Projects Fund	Total Nonmajor Funds
RECEIPTS					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 92,235
Intergovernmental	-	-	26,024	-	467,848
Charges for Services	3,480	-	-	-	11,464
Miscellaneous	-	-	-	12,361	12,361
TOTAL RECEIPTS	3,480	-	26,024	12,361	583,908
DISBURSEMENTS					
General Government	-	4,701	-	93,957	108,602
Public Safety	3,921	-	18,750	59,523	149,760
Public Works	-	-	-	-	1,210,872
Culture and Recreation	-	-	-	-	17,803
TOTAL DISBURSEMENTS	3,921	4,701	18,750	153,480	1,487,037
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(441)	(4,701)	7,274	(141,119)	(903,129)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	30,000	-	75,000	316,256
Transfers out	-	-	-	-	(11,256)
Proceeds from Sale of Bonds	-	-	-	-	174,677
TOTAL OTHER FINANCING SOURCES (USES)	-	30,000	-	75,000	479,677
Net Change in Fund Balances	(441)	25,299	7,274	(66,119)	(423,452)
FUND BALANCES - BEGINNING	14,882	37,772	25,557	344,075	1,847,704
FUND BALANCES - ENDING	\$ 14,441	\$ 63,071	\$ 32,831	\$ 277,956	\$ 1,424,252
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	45,370
911 Emergency Services	-	-	-	-	175,867
Law Enforcement	-	-	-	-	955
Preservation of Records	-	-	-	-	4,082
Road and Bridge Projects	-	-	-	-	453,204
911 Region	-	-	32,831	-	32,831
Committed to:					
Law Enforcement	14,441	-	-	-	51,951
County Buildings	-	63,071	-	-	63,071
Equipment Purchases	-	-	-	277,956	550,915
Future Compensation Benefits	-	-	-	-	10,433
Disaster Recovery	-	-	-	-	35,573
TOTAL FUND BALANCES	\$ 14,441	\$ 63,071	\$ 32,831	\$ 277,956	\$ 1,424,252

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Extension Office	Veterans' Service Officer	Total
BALANCES JULY 1, 2022	\$ 14,810	\$ 49,592	\$ 4,556	\$ 5,920	\$ 29	\$ 2,833	\$ 77,740
RECEIPTS							
Taxes	-	-	2,322	-	-	-	2,322
Intergovernmental	-	-	17,288	-	-	-	17,288
Charges for Services	67,328	13,379	85,601	1,935	-	-	168,243
Miscellaneous	911	-	2,812	-	-	2,500	6,223
State Fees	94,296	9,574	332	-	-	-	104,202
Other Liabilities	-	245,490	97,301	326	-	-	343,117
TOTAL RECEIPTS	162,535	268,443	205,656	2,261	-	2,500	641,395
DISBURSEMENTS							
Payments to County Treasurer	66,930	13,760	103,053	1,945	4	-	185,692
Payments to State Treasurer	94,343	9,621	332	-	-	-	104,296
Petty Cash & Other Payments	911	-	2,736	-	-	967	4,614
Other Liabilities	-	237,329	97,549	326	-	-	335,204
TOTAL DISBURSEMENTS	162,184	260,710	203,670	2,271	4	967	629,806
BALANCES JUNE 30, 2023	\$ 15,161	\$ 57,325	\$ 6,542	\$ 5,910	\$ 25	\$ 4,366	\$ 89,329
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 5,857	\$ 1,112	\$ 3,962	\$ 1,114	\$ -	\$ 4,366	\$ 16,411
Petty Cash	300	-	2,500	-	25	-	2,825
Due to State Treasurer	9,004	387	-	-	-	-	9,391
Due to Others	-	55,826	80	4,796	-	-	60,702
BALANCES JUNE 30, 2023	\$ 15,161	\$ 57,325	\$ 6,542	\$ 5,910	\$ 25	\$ 4,366	\$ 89,329

NEMAHA 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	\$ 15,270,032	\$ 14,956,668	\$ 14,754,218	\$ 15,266,415	\$ 15,610,434
Personal and Specials	635,628	989,643	1,007,850	1,064,907	1,234,529
Total	<u>15,905,660</u>	<u>15,946,311</u>	<u>15,762,068</u>	<u>16,331,322</u>	<u>16,844,963</u>
Corrections					
Additions	1,216	25,851	25,580	38,448	3,956
Deductions	(7,262)	(10,474)	(2,699)	(5,377)	(9,462)
Net Additions/ (Deductions)	<u>(6,046)</u>	<u>15,377</u>	<u>22,881</u>	<u>33,071</u>	<u>(5,506)</u>
Corrected Certified Tax	<u>15,899,614</u>	<u>15,961,688</u>	<u>15,784,949</u>	<u>16,364,393</u>	<u>16,839,457</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	9,873,497	-	-	-	-
June 30, 2020	6,004,425	9,873,258	-	-	-
June 30, 2021	13,199	6,047,504	10,205,773	-	-
June 30, 2022	4,491	9,295	5,539,704	11,148,944	-
June 30, 2023	995	26,356	28,961	5,200,781	11,477,763
Total Net Collections	<u>15,896,607</u>	<u>15,956,413</u>	<u>15,774,438</u>	<u>16,349,725</u>	<u>11,477,763</u>
Total Uncollected Tax	<u>\$ 3,007</u>	<u>\$ 5,275</u>	<u>\$ 10,511</u>	<u>\$ 14,668</u>	<u>\$ 5,361,694</u>
Percentage Uncollected Tax	<u>0.02%</u>	<u>0.03%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>31.84%</u>

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

NEMAHA 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 Expenditure
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51428 Y3 51456 Y3	30,912
Total U.S. Department of Health and Human Services			30,912
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	127-99127-00	153,253
Emergency Management Performance Grants	97.042	22-SR 8740-01	44,280
COVID-19 Emergency Management Performance Grants	97.042	21-GA 8740-06	7,500
Total Emergency Management Performance Grants			51,780
Total U.S. Department of Homeland Security			205,033
DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	Not Applicable	1,046
Total U.S. Department of Justice			1,046
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Highway Safety Cluster			
State and Community Highway Safety	20.600	402-23-27-29 402-23-05-15 4021-23-12-23 402-23-05-56	7,997
National Priority Safety Programs	20.616	405d-22-51-53 405d-22-52-23 405d-23-04-10	11,010
Total Highway Safety Cluster			19,007
Formula Grants for Rural Areas and Tribal Transit Program	20.509	C9910223	311
Total U.S. Department of Transportation			19,318
DEPARTMENT OF THE TREASURY			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable *	685,505
Total U.S. Department of the Treasury			685,505
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 941,814

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

NEMAHA 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 Nemaha 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 Nemaha 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. Nemaha County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

NEMAHA 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
Nemaha 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 Nemaha 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 March 18, 2024. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Nemaha County Hospital, a component unit of Nemaha County.

Report on Internal Control Over Financial Reporting

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

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nemaha 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 Nemaha County in a separate letter dated March 18, 2024.

Nemaha County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings 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.

March 18, 2024



Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska



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

NEMAHA 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
Nemaha County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nemaha County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Nemaha County's major Federal programs for the year ended June 30, 2023. Nemaha County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Nemaha County's basic financial statements do not include the financial data of the Nemaha County Hospital, a component unit of Nemaha County.

In our opinion, Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha 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 Nemaha County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Nemaha 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.

Nemaha County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Nemaha 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 a 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 Finding #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 Nemaha 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. Nemaha 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.

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



Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska

March 18, 2024

NEMAHA 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

NEMAHA 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 and Debarment
<u>Grant Number & Year</u> -	SLFRP1898, 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).

NEMAHA 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 [System for Award Management] 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 all contractors paid with Federal funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition -

Nemaha 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 \$660,361, 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
AHRS CONSTRUCTION INC	\$ 472,715
STRYKER SALES LLC	81,474
SEILER INSTRUMENT & MANUFACTURING	74,288
HAMILTON MEDICAL INC	31,884
TOTAL	\$ 660,361

NEMAHA 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 will implement procedures to ensure when a contractor is paid with federal funds, sam.gov will be utilized to verify the entity has not been suspended or debarred and such procedure will be adequately documented.

Nemaha County Commissioners

Courthouse 1824 N St., Ste 201
Auburn NE 68305-2399

Michael Hall, District #1

Bryan Mellage, District #2

Michael Weiss, District #3

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:

Mike Hall, Bryan Mellage, Michael Weiss, Nemaha County Board

II. Findings Related to Federal Awards

Finding 2023-002: Suspension and Debarment

Program:

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

Corrective Action Planned:

The County will implement procedures to ensure when a contractor is paid with federal funds, sam.gov will be utilized to verify the entity has not been suspended or debarred and such procedure will be adequately documented.

Anticipated Completion Date:

Ongoing

Responsible Party:

Mike Hall, Bryan Mellage, Michael Weiss, Nemaha County Board



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

March 18, 2024

Board of Commissioners
Nemaha County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Nemaha County (County) for the fiscal year ended June 30, 2023, and have issued our report thereon dated March 18, 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 OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

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

COUNTY ATTORNEY

Unknown Trust Balance

As of June 30, 2023, the County Attorney had a trust balance of \$4,796, but he could not identify the recipient(s) of those funds. Although the amount has decreased slightly over the years, this issue has been noted in the prior 13 audit reports.

Neb. Rev. Stat. § 23-1207 (Reissue 2022) provides the following:

(1) It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts, one of which shall be filed by such person with the county clerk.

(2) Whenever any such money is received by the county attorney, he or she shall carefully manage it and may, when the money cannot immediately be paid out to its rightful owner, deposit the money in interest-bearing accounts in insured banking or savings institutions. Any interest accrued from such deposit shall be paid over to the county treasurer to be credited to the county general fund, except that when the funds so deposited belonged to a deceased person whose personal representative has not yet been appointed by a court of competent jurisdiction, then the interest accruing on such money shall be paid to the estate of such person after the appointment of a personal representative and upon order of the court.

(3) Any property other than money which is received by the county attorney shall be held by him or her in safekeeping until claimed by the rightful owner or, if there is a dispute as to the ownership of such property, until ordered by a court of competent jurisdiction to give possession of the property to some person.

(Emphasis added.) Additionally, Neb. Rev. Stat. § 84-1213(1) (Reissue 2014) states the following, as is relevant:

All records made or received by or under the authority of or coming into the custody, control, or possession of state or local agencies in the course of their public duties are the property of the state or local agency concerned

Thus, an elected official receives and assumes responsibility for properly managing any records or other property, including trust balances, held by the office at the time he or she undertakes his or her official duties. It is important, therefore, that the proper documentation be created – through the issuance of duplicate receipts, per 23-1207(1) – and maintained to allow for the proper identification of the beneficiaries for any trust funds held by the County Attorney.

Furthermore, because they have been held for more than three years, the trust funds at issue must be presumed abandoned property under the Uniform Disposition of Unclaimed Property Act (Act), as set out at Neb. Rev. Stat. § 69-1301 et. seq. (Reissue 2018, Cum. Supp. 2022), and remitted to the State Treasurer.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act states the following:

Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2022) provides, in relevant part, the following:

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. Any person holding intangible property presumed abandoned due to be reported with a cumulative value of fifty dollars or less in a single reporting year shall not be required to report the property in that year but shall report the property in any year when the property value or total report value exceeds fifty dollars.

(Emphasis added.) Good internal controls require procedures to ensure that proper documentation is created – through the issuance of duplicate receipts, per § 23-1207(1) – and maintained to allow for the accurate identification of the beneficiaries for all money held in trust by the County Attorney’s office. Those same procedures should ensure also that any such funds presumed abandoned are remitted timely to the State Treasurer, as required by statute.

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

We recommend the implementation of procedures to ensure the following: 1) proper documentation is created – through the issuance of duplicate receipts, per § 23-1207(1) – and maintained to allow for the accurate identification of the beneficiaries for all trust funds held by the County Attorney’s office; and 2) any such money presumed abandoned is remitted timely to the State Treasurer, as required by statute.

COUNTY BOARD

Bidding Procedures

During the audit, we noted the following issues with bidding procedures by the County Board:

- The County did not obtain formal bids for the purchase of gravel for county roads. However, we noted that the County paid \$74,786 to Martin Marietta, on Claim #22080246, in August 2022, for the purchase of gravel. A total of \$882,390 was paid to Martin Marietta during the fiscal year.
- The County purchased a 2022 Dodge Durango from John Jones Auto for \$52,424 in January 2023 on claim #23011295. The County was unable to provide documentation to support that bids were received for this equipment purchase.

Neb. Rev. Stat. § 23-3108 (Reissue 2022) states the following, in relevant part:

(1) Except as provided in section 23-3109, purchases of personal property or services by the county board or purchasing agent shall be made:

(a) Through the competitive sealed bidding process prescribed in section 23-3111 if the estimated value of the purchase is fifty thousand dollars or more;

(b) By securing and recording at least three informal bids, if practicable, if the estimated value of the purchase is equal to or exceeds ten thousand dollars, but is less than fifty thousand dollars . . .

Neb. Rev. Stat. § 39-810(1)(c) (Cum. Supp. 2022) states the following:

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

Good internal controls require procedures to ensure adherence to applicable statutory bidding requirements for all County purchases.

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

We recommend the County implement procedures to ensure adherence to applicable statutory bidding requirements for all County purchases.

Payroll Issues

During our review of payroll claims, we noted the County Board did not have sufficient procedures to ensure payroll claims and leave balances were supported, documented, and in compliance with County Board resolutions, as follows:

- For calendar year 2022, the Deputy County Clerk was paid \$1,101 in excess of the deputy salaries established in a Board-approved resolution. This excess pay appears to be related to her duties as an election clerk; however, this excess pay was not authorized in the County Board resolution.
- One employee's payroll deduction for vision insurance and health insurance was changed effective March 2023; however, the election forms on file were not completed until May 30, 2023. The changes caused a \$28 increase in employee payroll deductions for vision coverage and \$59 increase for health insurance for each pay period.
- Having selected the leave balances of three employees for additional testing, we noted the following two balance errors:
 - One employee of the County Extension Office had compensatory time of 92.50 hours as of February 1, 2023; however, the County's Employee Handbook requires all compensatory time over 40 hours to be used by the employee's anniversary date, which was January 16, or two weeks prior to the date tested.
 - One employee of the County Sheriff, with an anniversary date of December 1, had vacation leave of 230.29 hours as of February 1, 2023; however, the County's Employee Handbook allows annual carryover of only 80 hours and accrual of 120 hours upon the employee's anniversary date; thus, the employee had 30.29 hours over the maximum allowed.

Good internal control and sound accounting practices require procedures to ensure payroll claims, deductions, and leave balances are appropriately supported, documented, and in compliance with County Board resolutions and approved policies.

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

We recommend the County Board implement procedures to ensure all payroll claims, deductions, and leave balances are appropriately supported, documented, and in compliance with County Board resolutions.

* * * * *

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

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

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

Sincerely,



Rachel Wittler, CPA, CFE
Audit Manager