

**AUDIT REPORT
OF
NUCKOLLS 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 April 23, 2024

NUCKOLLS COUNTY

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NUCKOLLS COUNTY
150 S. Main
Nelson, NE 68961

LIST OF COUNTY OFFICIALS
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	David Mussmann Jerry Grove Timothy Zikmund	Jan. 2025 Jan. 2027 Jan. 2027
Assessor	Susan Rogers	Jan. 2027
Attorney	John Hodge	Jan. 2027
Clerk Election Commissioner Register of Deeds	Carrie Miller	Jan. 2027
Clerk of the District Court	Royce Gonzales	Jan. 2027
Sheriff	Brad Baker	Jan. 2027
Treasurer	Tami Sharp	Jan. 2027
Surveyor	Josh Grummet	Appointed
Veterans' Service Officer	Wesley Beguin	Appointed
Weed Superintendent Emergency Manager	Nick Elledge	Appointed
Highway Superintendent	Jeff Wagner	Appointed



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NUCKOLLS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Nuckolls County, Nebraska

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Nuckolls County as of June 30, 2023, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 18-26, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024, on our consideration of Nuckolls 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 Nuckolls County's internal control over financial reporting and compliance.



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

April 22, 2024

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

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	6,642,980
Investments (Note 1.D)		1,759,582
TOTAL ASSETS	\$	8,402,562
NET POSITION		
Restricted for:		
Visitor Promotion	\$	4,690
911 Emergency Services		264,068
Preservation of Records		6,865
Road and Bridge Maintenance		1,145,894
Federal Relief		621,644
Unrestricted		6,359,401
TOTAL NET POSITION	\$	8,402,562

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

NUCKOLLS 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	\$ (1,960,635)	\$ 218,453	\$ 45,852	\$ (1,696,330)
Public Safety	(1,120,147)	38,406	28,119	(1,053,622)
Public Works	(3,566,557)	4,158	2,065,773	(1,496,626)
Public Assistance	(28,357)	-	-	(28,357)
Culture and Recreation	(3,329)	-	-	(3,329)
Total Governmental Activities	<u>\$ (6,679,025)</u>	<u>\$ 261,017</u>	<u>\$ 2,139,744</u>	<u>(4,278,264)</u>

General Receipts:

Taxes:	
Property	3,090,130
Motor Vehicle	235,814
Inheritance	857,942
Other	90,136
Grants and Contributions Not Restricted to Specific Programs	
Investment Income	67,592
Miscellaneous	69,412
Miscellaneous	115,322
Total General Receipts	<u>4,526,348</u>
Change in Net Position	248,084
Net Position - Beginning of year	8,154,478
Net Position - End of year	<u>\$ 8,402,562</u>

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

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Highway Bridge Buyback Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,207,249	\$ 1,534,196	\$ 1,274,645	\$ 1,145,894	\$ 1,480,996	\$ 6,642,980
Investments (Note 1.D)	-	-	1,759,582	-	-	1,759,582
TOTAL ASSETS	<u>\$ 1,207,249</u>	<u>\$ 1,534,196</u>	<u>\$ 3,034,227</u>	<u>\$ 1,145,894</u>	<u>\$ 1,480,996</u>	<u>\$ 8,402,562</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	4,690	4,690
911 Emergency Services	-	-	-	-	264,068	264,068
Preservation of Records	-	-	-	-	6,865	6,865
Road and Bridge Maintenance	-	-	-	1,145,894	-	1,145,894
Federal Relief	-	-	-	-	621,644	621,644
Committed to:						
Law Enforcement	-	-	-	-	2,844	2,844
Road Maintenance	-	1,534,196	-	-	-	1,534,196
Aid and Assistance	-	-	-	-	26,075	26,075
Public Safety	-	-	-	-	48,971	48,971
Health and Dental Insurance Claims	-	-	-	-	477,977	477,977
Noxious Weed Control	-	-	-	-	27,862	27,862
Assigned to:						
Other Purposes	-	-	3,034,227	-	-	3,034,227
Unassigned	1,207,249	-	-	-	-	1,207,249
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,207,249</u>	<u>\$ 1,534,196</u>	<u>\$ 3,034,227</u>	<u>\$ 1,145,894</u>	<u>\$ 1,480,996</u>	<u>\$ 8,402,562</u>

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

NUCKOLLS 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	Highway Bridge Buyback Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes:						
Property	\$3,066,509	\$ -	\$ -	\$ -	\$ 23,621	\$ 3,090,130
Motor Vehicle	235,814	-	-	-	-	235,814
Inheritance	-	-	857,942	-	-	857,942
Other	25,647	-	-	-	64,489	90,136
Investment Income	19,031	-	37,544	-	12,837	69,412
Intergovernmental	53,783	1,753,347	-	312,426	87,780	2,207,336
Charges for Services	250,044	4,158	-	-	6,815	261,017
Miscellaneous	5,930	20,226	77,765	-	11,401	115,322
TOTAL RECEIPTS	3,656,758	1,777,731	973,251	312,426	206,943	6,927,109
DISBURSEMENTS						
General Government	1,502,629	-	173,604	-	284,402	1,960,635
Public Safety	1,020,831	-	-	-	99,316	1,120,147
Public Works	-	3,543,791	-	-	22,766	3,566,557
Public Assistance	27,357	-	-	-	1,000	28,357
Culture and Recreation	-	-	-	-	3,329	3,329
TOTAL DISBURSEMENTS	2,550,817	3,543,791	173,604	-	410,813	6,679,025
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,105,941	(1,766,060)	799,647	312,426	(203,870)	248,084
OTHER FINANCING SOURCES (USES)						
Transfers in	358,719	1,096,811	-	-	83,345	1,538,875
Transfers out	(1,139,924)	(18,233)	(300,000)	-	(80,718)	(1,538,875)
TOTAL OTHER FINANCING SOURCES (USES)	(781,205)	1,078,578	(300,000)	-	2,627	-
Net Change in Fund Balances	324,736	(687,482)	499,647	312,426	(201,243)	248,084
CASH BASIS FUND BALANCES - BEGINNING						
	882,513	2,221,678	2,534,580	833,468	1,682,239	8,154,478
CASH BASIS FUND BALANCES - ENDING						
	\$ 1,207,249	\$ 1,534,196	\$ 3,034,227	\$ 1,145,894	\$ 1,480,996	\$ 8,402,562

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

NUCKOLLS 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	\$ 261,350	\$ 15,227,663	\$ 15,084,404	\$ 404,609
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	118,366	1,560,051	1,563,468	114,949
State - Collected by Other Offices	4,150	68,248	64,690	7,708
Schools	104,069	10,159,605	10,055,132	208,542
Educational Service Units	1,034	172,191	170,493	2,732
Technical College	6,329	1,041,340	1,031,224	16,445
Natural Resource Districts	1,779	403,239	397,776	7,242
Fire Districts	835	193,654	191,943	2,546
Municipalities	15,433	858,132	845,061	28,504
Agricultural Society	430	70,712	70,024	1,118
Cemetery District	3	4,306	4,233	76
Airport Authority	238	13,817	13,441	614
Others - Collected by County Treasurer	144	32,479	32,479	144
Others - Collected by Other Offices	8,540	649,889	644,440	13,989
TOTAL LIABILITIES	<u>261,350</u>	<u>15,227,663</u>	<u>15,084,404</u>	<u>404,609</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.

NUCKOLLS 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 Nuckolls County.

A. Reporting Entity

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

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

Joint Organization.

Behavioral Health Region III – 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 III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

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 \$13,653 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 South Heartland 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).

NUCKOLLS 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.

B. Basis of Presentation

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

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

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

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

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

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

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.

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

D. Assets and Net Position

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,043,161 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.

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 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 \$6,642,980 for County funds and \$404,609 for Fiduciary funds. The bank balances for all funds totaled \$6,975,384. 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 \$1,190,088 in U.S. Government Securities and of \$569,494 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. The U.S. Government Securities were held by the County or its agent in the name of the County.

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.

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes** (Concluded)

The levy set in October 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.268511/\$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 \$.265512/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, Supp. 2023) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation 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, 54 employees contributed \$96,099, and the County contributed \$142,868. Contributions included \$2,558 in cash contributions towards the supplemental law enforcement plan for five law enforcement employees. Lastly, the County paid \$996 directly to 11 retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County 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.

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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	Road Fund	Inheritance Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ -	\$ 300,000	\$ 58,719	\$ 358,719
Road Fund	1,077,299	-	-	19,512	1,096,811
Nonmajor Funds	62,625	18,233	-	2,487	83,345
Total	\$ 1,139,924	\$ 18,233	\$ 300,000	\$ 80,718	\$ 1,538,875

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

In the year ended June 30, 2023, the County made a one-time transfer of \$29,453 from the 911 Wireless Service Fund to the General Fund to reimburse eligible costs originally paid from that fund.

Additionally, the County made several transfers throughout the year related to health and dental insurance. The County transferred \$22,765, \$18,233, \$949, and \$316 from the General Fund, Road Fund, Civil Defense Fund, and Noxious Weed Control Fund, respectively, to the Liability Claim Reserve Fund for the County's portion of health and dental insurance premiums.

NUCKOLLS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

7. **Brodstone Memorial Hospital Bond – Conduit Debt**

To provide for the refinancing of certain promissory notes originally issued to pay the costs of acquiring, constructing, furnishing, and equipping improvements to the facilities of Brodstone Memorial Hospital (Hospital), the County issued revenue bonds on May 22, 2013, in the amount of \$4,000,000, bearing interest at 3.07% and maturing on May 22, 2028. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Hospital. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements. The outstanding debt balance as of April 30, 2023, was \$1,569,408 per the Hospital's audit report. Additional information may be obtained from the Hospital's Administrative Office.

NUCKOLLS 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	\$ 3,294,570	\$ 3,294,570	\$ 3,327,970	\$ 33,400
Investment Income	5,000	5,000	19,031	14,031
Intergovernmental	17,000	17,000	53,783	36,783
Charges for Services	186,033	186,033	250,044	64,011
Miscellaneous	5,000	5,000	5,930	930
TOTAL RECEIPTS	<u>3,507,603</u>	<u>3,507,603</u>	<u>3,656,758</u>	<u>149,155</u>
DISBURSEMENTS				
General Government:				
County Board	113,091	113,091	94,694	18,397
County Clerk	214,087	214,087	186,412	27,675
County Treasurer	277,618	277,618	274,623	2,995
County Assessor	246,041	246,041	230,927	15,114
Election Commissioner	71,331	71,331	53,838	17,493
Clerk of the District Court	90,745	90,745	88,021	2,724
County Court System	8,600	8,600	6,184	2,416
Building and Grounds	197,172	197,172	108,891	88,281
Agricultural Extension Agent	116,249	116,249	110,297	5,952
Miscellaneous	720,217	713,717	348,742	364,975
Public Safety				
County Sheriff	605,767	605,767	501,848	103,919
County Attorney	170,937	170,937	157,477	13,460
County Jail	428,295	428,295	361,506	66,789
Public Assistance				
Veterans' Service Officer	25,462	31,962	27,357	4,605
TOTAL DISBURSEMENTS	<u>3,285,612</u>	<u>3,285,612</u>	<u>2,550,817</u>	<u>734,795</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>221,991</u>	<u>221,991</u>	<u>1,105,941</u>	<u>883,950</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	358,719	358,719	358,719	-
Transfers out	(1,063,223)	(1,063,223)	(1,139,924)	(76,701)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(704,504)</u>	<u>(704,504)</u>	<u>(781,205)</u>	<u>(76,701)</u>
Net Change in Fund Balance	(482,513)	(482,513)	324,736	807,249
FUND BALANCE - BEGINNING	<u>882,513</u>	<u>882,513</u>	<u>882,513</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 1,207,249</u>	<u>\$ 807,249</u>

NUCKOLLS 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	\$ 1,581,756	\$ 1,581,756	\$1,753,347	\$ 171,591
Charges for Services	-	-	4,158	4,158
Miscellaneous	8,000	8,000	20,226	12,226
TOTAL RECEIPTS	1,589,756	1,589,756	1,777,731	187,975
DISBURSEMENTS				
	4,454,309	4,454,309	3,543,791	910,518
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(2,864,553)	(2,864,553)	(1,766,060)	1,098,493
OTHER FINANCING SOURCES (USES)				
Transfers in	1,042,875	1,042,875	1,096,811	53,936
Transfers out	-	-	(18,233)	(18,233)
TOTAL OTHER FINANCING SOURCES (USES)	1,042,875	1,042,875	1,078,578	35,703
Net Change in Fund Balance	(1,821,678)	(1,821,678)	(687,482)	1,134,196
FUND BALANCE - BEGINNING	2,221,678	2,221,678	2,221,678	-
FUND BALANCE - ENDING	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$1,534,196</u>	<u>\$ 1,134,196</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 50,000	\$ 50,000	\$ 857,942	\$ 807,942
Investment Income	5,000	5,000	37,544	32,544
Miscellaneous	-	-	77,765	77,765
TOTAL RECEIPTS	55,000	55,000	973,251	918,251
DISBURSEMENTS				
	2,289,580	2,289,580	173,604	2,115,976
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(2,234,580)	(2,234,580)	799,647	3,034,227
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(300,000)	(300,000)	(300,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(300,000)	(300,000)	(300,000)	-
Net Change in Fund Balance	(2,534,580)	(2,534,580)	499,647	3,034,227
FUND BALANCE - BEGINNING	2,534,580	2,534,580	2,534,580	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,034,227</u>	<u>\$ 3,034,227</u>
HIGHWAY BRIDGE BUYBACK FUND				
RECEIPTS				
Intergovernmental	\$ 302,926	\$ 302,926	\$ 312,426	\$ 9,500
TOTAL RECEIPTS	302,926	302,926	312,426	9,500
DISBURSEMENTS				
	1,136,394	1,136,394	-	1,136,394
Net Change in Fund Balance	(833,468)	(833,468)	312,426	1,145,894
FUND BALANCE - BEGINNING	833,468	833,468	833,468	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,145,894</u>	<u>\$ 1,145,894</u>

NUCKOLLS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SHERIFF EQUIPMENT RESERVE FUND				
Receipts	\$ 840	\$ 840	\$ 840	\$ -
Disbursements	(2,215)	(2,215)	-	2,215
Net Change in Fund Balance	(1,375)	(1,375)	840	2,215
Fund Balance - Beginning	1,375	1,375	1,375	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215</u>	<u>\$ 2,215</u>
CIVIL DEFENSE FUND				
Receipts	\$ -	\$ -	\$ 28,238	\$ 28,238
Disbursements	(87,502)	(87,502)	(65,820)	21,682
Transfers in	40,777	40,777	40,777	-
Transfers out	-	-	(949)	(949)
Net Change in Fund Balance	(46,725)	(46,725)	2,246	48,971
Fund Balance - Beginning	46,725	46,725	46,725	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,971</u>	<u>\$ 48,971</u>
VISITORS' PROMOTION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 5,806	\$ 806
Disbursements	(7,213)	(7,213)	(3,329)	3,884
Net Change in Fund Balance	(2,213)	(2,213)	2,477	4,690
Fund Balance - Beginning	2,213	2,213	2,213	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,690</u>	<u>\$ 4,690</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 3,000	\$ 3,000	\$ 2,825	\$ (175)
Disbursements	(7,040)	(7,040)	-	7,040
Net Change in Fund Balance	(4,040)	(4,040)	2,825	6,865
Fund Balance - Beginning	4,040	4,040	4,040	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,865</u>	<u>\$ 6,865</u>
LIABILITY CLAIM RESERVE FUND				
Receipts	\$ 41,000	\$ 41,000	\$ 18,157	\$ (22,843)
Disbursements	(517,330)	(517,330)	(58,773)	458,557
Transfers in	-	-	42,263	42,263
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(526,330)	(526,330)	(48,353)	477,977
Fund Balance - Beginning	526,330	526,330	526,330	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,977</u>	<u>\$ 477,977</u>
RELIEF MEDICAL FUND				
Receipts	\$ 196	\$ 196	\$ 443	\$ 247
Disbursements	(16,828)	(16,828)	(1,000)	15,828
Net Change in Fund Balance	(16,632)	(16,632)	(557)	16,075
Fund Balance - Beginning	26,632	26,632	26,632	-
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 26,075</u>	<u>\$ 16,075</u>

(Continued)

NUCKOLLS 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)
<u>DIVERSION PROGRAM FUND</u>				
Receipts	\$ 1,500	\$ 1,500	\$ 750	\$ (750)
Disbursements	(4,521)	(4,521)	(3,142)	1,379
Net Change in Fund Balance	(3,021)	(3,021)	(2,392)	629
Fund Balance - Beginning	3,021	3,021	3,021	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629</u>	<u>\$ 629</u>
<u>COVID AMERICAN RESCUE PLAN FUND</u>				
Receipts	\$ 200	\$ 200	\$ 1,250	\$ 1,050
Disbursements	(796,191)	(796,191)	(225,629)	570,562
Net Change in Fund Balance	(795,991)	(795,991)	(224,379)	571,612
Fund Balance - Beginning	795,991	795,991	795,991	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,612</u>	<u>\$ 571,612</u>
<u>911 EMERGENCY SERVICES FUND</u>				
Receipts	\$ 28,900	\$ 28,900	\$ 30,921	\$ 2,021
Disbursements	(270,995)	(270,995)	(15,434)	255,561
Net Change in Fund Balance	(242,095)	(242,095)	15,487	257,582
Fund Balance - Beginning	242,095	242,095	242,095	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,582</u>	<u>\$ 257,582</u>
<u>911 WIRELESS SERVICE FUND</u>				
Receipts	\$ 43,493	\$ 43,493	\$ 43,493	\$ -
Disbursements	(21,406)	(21,406)	(14,920)	6,486
Transfers in	-	-	-	-
Transfers out	(29,453)	(29,453)	(29,453)	-
Net Change in Fund Balance	(7,366)	(7,366)	(880)	6,486
Fund Balance - Beginning	7,366	7,366	7,366	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,486</u>	<u>\$ 6,486</u>
<u>NOXIOUS WEED CONTROL FUND</u>				
Receipts	\$ 26,151	\$ 26,151	\$ 24,188	\$ (1,963)
Disbursements	(52,907)	(52,907)	(22,766)	30,141
Transfers in	305	305	305	-
Transfers out	-	-	(316)	(316)
Net Change in Fund Balance	(26,451)	(26,451)	1,411	27,862
Fund Balance - Beginning	26,451	26,451	26,451	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,862</u>	<u>\$ 27,862</u>
<u>LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND</u>				
Receipts	\$ -	\$ -	\$ 50,032	\$ 50,032
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	50,032	50,032
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,032</u>	<u>\$ 50,032</u>

(Concluded)

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

For the Year Ended June 30, 2023

	Sheriff Equipment Reserve Fund	Civil Defense Fund	Visitors' Promotion Fund	Preservation and Modernization Fund	Liability Claim Reserve Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	5,806	-	-
Investment Income	-	-	-	-	7,041
Intergovernmental	-	28,119	-	-	-
Charges for Services	840	-	-	2,825	-
Miscellaneous	-	119	-	-	11,116
TOTAL RECEIPTS	840	28,238	5,806	2,825	18,157
DISBURSEMENTS					
General Government	-	-	-	-	58,773
Public Safety	-	65,820	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	3,329	-	-
TOTAL DISBURSEMENTS	-	65,820	3,329	-	58,773
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	840	(37,582)	2,477	2,825	(40,616)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	40,777	-	-	42,263
Transfers out	-	(949)	-	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	39,828	-	-	(7,737)
Net Change in Fund Balances	840	2,246	2,477	2,825	(48,353)
FUND BALANCES - BEGINNING	1,375	46,725	2,213	4,040	526,330
FUND BALANCES - ENDING	\$ 2,215	\$ 48,971	\$ 4,690	\$ 6,865	\$ 477,977
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	4,690	-	-
911 Emergency Services	-	-	-	-	-
Preservation of Records	-	-	-	6,865	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	2,215	-	-	-	-
Aid and Assistance	-	-	-	-	-
Public Safety	-	48,971	-	-	-
Health and Dental Insurance Claims	-	-	-	-	477,977
Noxious Weed Control	-	-	-	-	-
TOTAL FUND BALANCES	\$ 2,215	\$ 48,971	\$ 4,690	\$ 6,865	\$ 477,977

(Continued)

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

	Relief Medical Fund	Diversion Program Fund	COVID American Rescue Plan Fund	911 Emergency Services Fund
RECEIPTS				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	46	-	-	15,058
Investment Income	397	-	1,250	3,719
Intergovernmental	-	-	-	9,600
Charges for Services	-	750	-	2,400
Miscellaneous	-	-	-	144
TOTAL RECEIPTS	<u>443</u>	<u>750</u>	<u>1,250</u>	<u>30,921</u>
DISBURSEMENTS				
General Government	-	-	225,629	-
Public Safety	-	3,142	-	15,434
Public Works	-	-	-	-
Public Assistance	1,000	-	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,000</u>	<u>3,142</u>	<u>225,629</u>	<u>15,434</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(557)</u>	<u>(2,392)</u>	<u>(224,379)</u>	<u>15,487</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(557)	(2,392)	(224,379)	15,487
FUND BALANCES - BEGINNING	<u>26,632</u>	<u>3,021</u>	<u>795,991</u>	<u>242,095</u>
FUND BALANCES - ENDING	<u>\$ 26,075</u>	<u>\$ 629</u>	<u>\$ 571,612</u>	<u>\$ 257,582</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	257,582
Preservation of Records	-	-	-	-
Federal Relief	-	-	571,612	-
Committed to:				
Law Enforcement	-	629	-	-
Aid and Assistance	26,075	-	-	-
Public Safety	-	-	-	-
Health and Dental Insurance Claims	-	-	-	-
Noxious Weed Control	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 26,075</u>	<u>\$ 629</u>	<u>\$ 571,612</u>	<u>\$ 257,582</u>

(Continued)

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

	911 Wireless Service Fund	Noxious Weed Control Fund	Local Assistance and Tribal Consistency Fund	Total Nonmajor Funds
RECEIPTS				
Taxes:				
Property	\$ -	\$ 23,621	\$ -	\$ 23,621
Other	43,493	86	-	64,489
Investment Income	-	398	32	12,837
Intergovernmental	-	61	50,000	87,780
Charges for Services	-	-	-	6,815
Miscellaneous	-	22	-	11,401
TOTAL RECEIPTS	<u>43,493</u>	<u>24,188</u>	<u>50,032</u>	<u>206,943</u>
DISBURSEMENTS				
General Government	-	-	-	284,402
Public Safety	14,920	-	-	99,316
Public Works	-	22,766	-	22,766
Public Assistance	-	-	-	1,000
Culture and Recreation	-	-	-	3,329
TOTAL DISBURSEMENTS	<u>14,920</u>	<u>22,766</u>	<u>-</u>	<u>410,813</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>28,573</u>	<u>1,422</u>	<u>50,032</u>	<u>(203,870)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	305	-	83,345
Transfers out	(29,453)	(316)	-	(80,718)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,453)</u>	<u>(11)</u>	<u>-</u>	<u>2,627</u>
Net Change in Fund Balances	(880)	1,411	50,032	(201,243)
FUND BALANCES - BEGINNING	<u>7,366</u>	<u>26,451</u>	<u>-</u>	<u>1,682,239</u>
FUND BALANCES - ENDING	<u>\$ 6,486</u>	<u>\$ 27,862</u>	<u>\$ 50,032</u>	<u>\$ 1,480,996</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	4,690
911 Emergency Services	6,486	-	-	264,068
Preservation of Records	-	-	-	6,865
Federal Relief	-	-	50,032	621,644
Committed to:				
Law Enforcement	-	-	-	2,844
Aid and Assistance	-	-	-	26,075
Public Safety	-	-	-	48,971
Health and Dental Insurance Claims	-	-	-	477,977
Noxious Weed Control	-	27,862	-	27,862
TOTAL FUND BALANCES	<u>\$ 6,486</u>	<u>\$ 27,862</u>	<u>\$ 50,032</u>	<u>\$ 1,480,996</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Total
BALANCES JULY 1, 2022	\$ 5,762	\$ 9,365	\$ 1,748	\$ 803	\$ -	\$ 17,678
RECEIPTS						
Charges for Services	37,680	3,924	12,178	860	1,010	55,652
Miscellaneous	-	-	-	-	19,026	19,026
State Fees	63,714	4,534	-	-	-	68,248
Other Liabilities	-	644,843	3,993	1,053	-	649,889
TOTAL RECEIPTS	<u>101,394</u>	<u>653,301</u>	<u>16,171</u>	<u>1,913</u>	<u>20,036</u>	<u>792,815</u>
DISBURSEMENTS						
Payments to County Treasurer	36,427	3,881	12,383	860	20,036	73,587
Payments to State Treasurer	59,466	5,224	-	-	-	64,690
Other Liabilities	-	639,445	3,942	1,053	-	644,440
TOTAL DISBURSEMENTS	<u>95,893</u>	<u>648,550</u>	<u>16,325</u>	<u>1,913</u>	<u>20,036</u>	<u>782,717</u>
BALANCES JUNE 30, 2023	<u>\$ 11,263</u>	<u>\$ 14,116</u>	<u>\$ 1,594</u>	<u>\$ 803</u>	<u>\$ -</u>	<u>\$ 27,776</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 3,867	\$ 681	\$ 1,011	\$ -	\$ -	\$ 5,559
Petty Cash	-	-	520	-	-	520
Due to State Treasurer	7,396	312	-	-	-	7,708
Due to Others	-	13,123	63	803	-	13,989
BALANCES JUNE 30, 2023	<u>\$ 11,263</u>	<u>\$ 14,116</u>	<u>\$ 1,594</u>	<u>\$ 803</u>	<u>\$ -</u>	<u>\$ 27,776</u>

NUCKOLLS 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	\$ 13,041,503	\$ 12,752,366	\$ 12,307,058	\$ 12,343,706	\$ 12,527,734
Personal and Specials	1,088,169	1,149,905	1,242,248	1,305,643	1,347,169
Total	14,129,672	13,902,271	13,549,306	13,649,349	13,874,903
Corrections					
Additions	694	277	-	-	-
Deductions	(5,528)	(2,902)	(867)	(2,788)	(693)
Net Additions/ (Deductions)	(4,834)	(2,625)	(867)	(2,788)	(693)
Corrected Certified Tax	14,124,838	13,899,646	13,548,439	13,646,561	13,874,210
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	9,117,951	-	-	-	-
June 30, 2020	4,990,992	9,103,153	-	-	-
June 30, 2021	9,994	4,786,024	9,276,645	-	-
June 30, 2022	1,481	4,460	4,261,461	9,282,328	-
June 30, 2023	834	1,616	4,285	4,355,538	9,482,888
Total Net Collections	14,121,252	13,895,253	13,542,391	13,637,866	9,482,888
Total Uncollected Tax	\$ 3,586	\$ 4,393	\$ 6,048	\$ 8,695	\$ 4,391,322
Percentage Uncollected Tax	0.03%	0.03%	0.04%	0.06%	31.65%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NUCKOLLS 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
Nuckolls 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 Nuckolls 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 April 22, 2024. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nuckolls 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 Nuckolls County in a separate letter dated April 22, 2024.

Nuckolls County’s Response to Findings

Nuckolls County declined to respond to the finding described above.

Purpose of this Report

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



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

April 22, 2024



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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April 22, 2024

Board of Commissioners
Nuckolls County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Nuckolls County (County) for the fiscal year ended June 30, 2023, and have issued our report thereon dated April 22, 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 TREASURER

In Lieu Distribution Errors

During our audit, we noted that the County Treasurer's distribution of 5% Gross In-Lieu taxes was not calculated correctly due to the incorrect levy rate being used for the County Noxious Weed Control Fund in the distribution for the Village of Nora. Further, the Village of Lawrence's bond fund levy was excluded from the calculation, resulting in multiple over- and underpayments, as summarized in the table below:

Fund Number	Fund/Subdivision	Over/(Under) Payment
8730	Lawrence Bond	\$ (2,919)
6105	South Central Nebraska Unified School District 5 - General	2,072
100	County General Fund	728
6305	South Central Nebraska Unified School District 5 - Building	65
5400	County Noxious Weed Control Fund	29
8630	Lawrence	20
3405	South Central Nebraska Unified School District 5 - School Qualified	9
8670	Nora	(4)
	Net	\$ -

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states the following:

All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.

Good internal controls require procedures to ensure that 5% Gross In-Lieu taxes distributions are calculated correctly and paid in accordance with State statute.

Without such procedures, there is an increased risk of political subdivisions failing to receive the appropriate amount of funding, as well as non-compliance with State statute.

We recommend the County Treasurer correct the erroneous 5% Gross In-Lieu distributions. Additionally, we recommend the County Treasurer implement procedures to ensure future distributions are calculated correctly and paid to the appropriate entities.

Fines Remitted to County General Fund

During the fiscal year 2023, fines collected by the District Court, totaling \$1,000, were paid to the County Treasurer and were recorded in the County General Fund rather than the Fines and Licenses Fund. As a result, these fines were not paid to the school districts, as required by State statute.

Neb. Rev. Stat. § 29-2708 (Reissue 2016) says, in relevant part, the following:

All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, section 5, Constitution of Nebraska . . .

Neb. Rev. Stat. § 79-1037 (Reissue 2014) states the following:

(1) Each county treasurer shall add (a) all money received by the county treasurer of his or her county on account of fines and licenses, (b) the proceeds from the sale of schoolhouses, sites, or other property of a school district, and (c) all unexpended balances of proceeds of taxes levied by a district when the district has been taken by the United States for any defense, flood control, irrigation, or war project.

(2) The sum total referred to in subsection (1) of this section shall be distributed to the several districts of the county pro rata according to the enumeration of those children who are five through eighteen years of age for which the district is obligated to report on the census last returned by the districts.

Good internal controls require procedures to ensure that fines are remitted to the Fines and Licenses Fund, for subsequent remittance to the County School Funds. Those same procedures should ensure also that errors are identified and corrected in a timely manner.

Without such procedures, there is an increased risk of not only fines being remitted to the wrong fund, preventing them from being subsequently remitted to the proper County School Funds, but also noncompliance with State statute.

We recommend the County implement procedures to ensure that fines are remitted to the Fines and Licenses Fund, for subsequent remittance to the County School Funds.

COUNTY BOARD

Unauthorized Petty Cash

During the audit, we noted the County Clerk balanced a second imprest account to \$10,000 as of June 30, 2023. The County Board approved on November 21, 2022, to open a second imprest account for health insurance premiums. On December 19, 2022, the County Board approved a \$10,000 claim for this second imprest account. However, the meeting minutes for November 21, 2022, and December 19, 2022, were not clear that this account would maintain a petty cash balance, nor did they set the authorized petty cash balance. Further, the budget message in the County's 2023-2024 budget document does not list this second imprest account as having an authorized petty cash balance.

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

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

Good internal controls and sound accounting practices require procedures to ensure that petty cash balances are authorized by the County Board and noted in the budget message.

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

We recommend the County Board implement procedures to ensure petty cash balances are authorized by the County Board and noted in the budget message.

County Board Meeting Publications

During the audit, we noted the following issues with the County Board’s required publications, as described below:

- For eight of nine regular County Board meetings tested, publication of a “brief statement of the proceedings thereof” was not made within 10 business days, as required by State statute. Instead, as shown by the table below, those publications ranged from 12 to 25 business days after the close of each County Board meeting:

Meeting Date	Date Published	# of Working Days
7/18/2022	8/4/2022	13
10/3/2022	10/20/2022	12
12/5/2022	12/22/2022	13
1/5/2023	1/26/2023	14
4/17/2023	5/4/2023	12
10/2/2023	10/20/2023	13
12/18/2023	1/25/2024	25
1/8/2024	1/25/2024	12

- We noted also that the County Board meeting minutes published during the fiscal year did not include the aggregate amount of all payroll claims approved by the County Board, as required by State statute.

Neb. Rev. Stat. § 23-122 (Reissue 2022) states, in relevant part, the following:

The county board of all counties having a population of less than one hundred fifty thousand inhabitants shall cause to be published, within ten working days after the close of each annual, regular, or special meeting of the board, a brief statement of the proceedings thereof which shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item, in one newspaper of general circulation published in the county and also its proceedings upon the equalization of the assessment roll.

(Emphasis added.) Additionally, a good internal control plan requires procedures to ensure compliance with all statutory publication requirements pertaining to County Board meetings.

Without such procedures, there is an increased risk of not only the County failing to comply with State statute but also the public being denied timely notification of transactions approved by, as well as other activities pertinent to, the County Board.

A similar finding was included in prior audit reports.

We recommend the County Board implement procedures to ensure compliance with all statutory publication requirements pertaining to County Board meetings.

Lack of Documentation

During the audit, we noted that the County lacked adequate documentation to support the claims detailed in the table below:

Vendor	Description	Amount	Issue
Nuckolls County CASA	Grant	\$ 2,250	No receipts or invoices on file to support how funds were used
Liability Claim Reserve Fund	Employer HRA	1,973	Rate contributed per employee not on file
Casey’s Business Card	Fuel	1,649	No breakdown of fuel purchases with claim documentation
Candy Cane Lane	Grant	1,500	No receipts or invoices on file to support how funds were used
Employee	Mileage	135	Lack of travel log to support mileage
Maru Sushi Korean Grill	Dinner	30	No itemized receipt on file
Quill Corp.	Bookend	19	No receipt or invoice on file
Quill Corp.	Office Supplies	8	Claim paid was more than invoices in claim documentation
Total		\$ 7,564	

It should be noted that we inquired about the \$1,649 in fuel charges made on the Casey’s business card, as shown above. The County was able to provide a breakdown of each individual fuel purchase after our inquiry; however, this report was not included with the claim documentation that was reviewed by the County Board.

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) states the following:

An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

A good internal control plan and sound business practices requires procedures to ensure: 1) any grant of public funds is supported by adequate documentation showing that funds were spent appropriately; 2) reimbursement payments for employee mileage are supported by travel logs; 3) all expenditures are supported by appropriate documentation, including itemized receipts for purchases made with the County’s purchasing cards; and 4) adequate documentation is maintained to support contributions made to County reserve funds.

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

A similar finding was included in the prior year’s audit.

We recommend the County Board implement procedures to ensure: 1) any grant of public funds is supported by adequate documentation showing that funds were spent appropriately; 2) reimbursement payments for employee mileage are supported by travel logs; 3) all expenditures are supported by appropriate documentation, including itemized receipts for purchases made with the County’s purchasing cards; and 4) adequate documentation is maintained to support contributions made to County reserve funds.

Potentially Disallowed Purchase

During testing, we noted the County made a potentially disallowed purchase. On April 17, 2023, the County Board approved claim #23040083 to Main Street Floral, totaling \$88, to purchase flowers for a former employee's funeral. Such a purchase does not appear allowable per State law.

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 to 13-2204 (Reissue 2022), specifies various expenditures, aside from those otherwise authorized by law, that constitute allowable uses of public funds by designated political subdivisions. The provisions of the Act are made applicable to counties, among numerous other public entities, by both subsections (2) and (3) of Neb. Rev. Stat. § 13-2202.

Neb. Rev. Stat. § 13-2203 (Reissue 2022) of the Act enumerates the miscellaneous expenditures permitted by governing bodies of local governments. Purchases of flowers – whether for funerals, memorials, or other personal occasions – are not found among that select statutory list of permissible expenditures. As a result, such disbursements must be considered disallowed by law.

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

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

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

Response – No.

Good internal control requires procedures to ensure that all purchases made by the County comply with provisions of the Act.

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

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

COUNTY CLERK

Clerk Reconciliation

During our audit, we noted that the County Clerk's office was not performing adequate monthly reconciliations of its bank account. Consequently, as of June 30, 2023, we noted the following:

- There was an unexplained cash long of \$100 between the book and bank balances, which is the same long noted in the prior audit. As of audit fieldwork in mid-March 2024, however, this long had not been remitted to the County Treasurer.
- Recording errors, totaling \$16, that occurred on November 23, 2020, and May 10, 2021, were noted in the prior audit but had not been resolved as of June 30, 2023. As a result, there is an overage in the account of the same amount.

Neb. Rev. Stat. § 33-130 (Reissue 2016) states the following:

Each county clerk or register of deeds shall, not later than the fifteenth day of the month following the calendar month in which fees are received, pay over to the county treasurer all fees received and take the receipt of the county treasurer therefor. Except as provided by section 25-2712, all fees received by the county treasurer pursuant to this section shall be credited to the general fund of the county.

Sound accounting practices and good internal controls require procedures to ensure that office records are accurate and reconcile, at least monthly, with bank activity. Such reconciliation procedures should include both accounting for all receipts and the timely identification and resolution of any variances noted.

Without such procedures, the County's bank records are susceptible to errors and omissions, which increases the risk of loss, theft, or misuse of public funds.

A similar finding was included in prior audit reports.

We recommend the County Clerk implement procedures to ensure complete and accurate bank reconciliations are performed on, at least, a monthly basis.

COUNTY ATTORNEY

Unknown Trust Balance

During the audit, we noted that the County Attorney's office was maintaining a trust fund balance of \$803 in its bank account as of June 30, 2023; however, the County Attorney could not identify the proper recipient(s) of \$516 of that amount. Further, the County Attorney was holding \$287 owed to a vendor in fiscal year 2019; however, the balance had not been paid to the individual or remitted to the State Treasurer as unclaimed property as of June 30, 2023.

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2018, Cum. Supp. 2022). 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 the following, in relevant part:

(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 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. . . .

Sound accounting practices and good internal controls require procedures to ensure that the County Attorney can identify the proper recipient(s) of all trust funds held in the office's bank account, and such funds are paid out in a timely manner.

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

A similar finding was included in prior audit reports.

We recommend the County Attorney implement procedures for reviewing monies held in trust in order to identify the proper recipient(s) thereof and, upon such identification, remit such trust balances to the appropriate individual(s) in a timely manner. If an unknown balance continues to exist, we recommend the County Attorney remit it to the State Treasurer as abandoned property.

COUNTY SHERIFF

Accounting Procedures

During our audit, we noted that a monthly asset-to-liability reconciliation was not performed for the County Sheriff's fee bank account, resulting in an unknown cash short of \$54.

The table below summarizes the cash short as of June 30, 2023:

Assets as of June 30, 2023	
Reconciled Bank Balance	\$ 468
Cash-on-Hand	672
Receivables	400
Total Assets	\$ 1,540
Liabilities As of June 30, 2023	
Due to County	\$ 1,011
Due to Others	63
Petty Cash	520
Total Liabilities	\$ 1,594
Cash Short	\$ (54)

Good internal controls and sound accounting practices require procedures to ensure that office assets (cash on hand, reconciled bank balances, and accounts receivable) agree with office liabilities (fees on hand, trust accounts, and accounts payable), and any variances are resolved timely.

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

We recommend the County Sheriff implement procedures to ensure an accurate asset-to-liability reconciliation is performed monthly, and any variances are resolved timely. Such procedures should include the maintenance of proper documentation to support correct balances.

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.

* * * * *

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. The County declined to respond.

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

Sincerely,

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

Dakota Christensen, CPA, CISA, CFE
Audit Manager