

**AUDIT REPORT  
OF  
OTOE COUNTY**

**JULY 1, 2013 THROUGH JUNE 30, 2014**

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

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

**Issued on August 29, 2014**

# OTOE COUNTY

## TABLE OF CONTENTS

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds	9
Notes to Financial Statements	10 - 19
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Major Funds	22
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	23 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	27 - 30
Schedule of Office Activities	31
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	32
<b>Government Auditing Standards Section</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33 - 34

OTOE COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2014

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Carol Crook	Board of Commissioners	Jan. 2015
Richard Freshman		Jan. 2015
Ron Hauptman		Jan. 2015
Steven Lade		Jan. 2017
Timothy Nelsen		Jan. 2017
Therese Gruber	Assessor	Jan. 2015
David Partsch	Attorney	Jan. 2015
Janene Bennett	Clerk Election Commissioner	Jan. 2015
Janet Reed	Register of Deeds	Jan. 2015
Janis Riege	Clerk of the District Court	Jan. 2015
James Gress	Sheriff	Jan. 2015
Nickola Kreifels	Treasurer	Jan. 2015
Michael Ziskey	Public Defender	Jan. 2015
David Schmitz	Surveyor	Jan. 2015
Bill Hessler	Veterans' Service Officer	Appointed
Gregg Goebel	Emergency Manager	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  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

OTOE COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Otoe County, Nebraska

#### **Report on the Financial Statements**

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Otoe County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes 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 Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

In our opinion, the 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 aggregate remaining fund information of Otoe County as of June 30, 2014, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, Pages 20 - 32, 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. Such 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.

## **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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2014, on our consideration of Otoe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Otoe County's internal control over financial reporting and compliance.

August 22, 2014



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

OTOE COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2014

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,525,794
Investments (Note 1.D)	5,137
<b>TOTAL ASSETS</b>	<b>\$ 5,530,931</b>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 4,971
911 Emergency Services	299,359
Drug Education	2,643
Law Enforcement	23,934
Bridge/Road Projects	221,231
Preservation of Records	16,713
Unrestricted	4,962,080
<b>TOTAL NET POSITION</b>	<b>\$ 5,530,931</b>

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

OTOE COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2014

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
<b>Governmental Activities:</b>				
General Government	\$ (3,316,674)	\$ 547,073	\$ 139,336	\$ (2,630,265)
Public Safety	(2,169,443)	51,500	105,614	(2,012,329)
Public Works	(5,122,300)	2,935	2,826,523	(2,292,842)
Health and Sanitation	(57,068)	-	-	(57,068)
Public Assistance	(134,077)	-	-	(134,077)
Culture and Recreation	(92,067)	-	-	(92,067)
Debt Payments	(411,287)	-	-	(411,287)
<b>Total Governmental Activities</b>	<b><u>\$ (11,302,916)</u></b>	<b><u>\$ 601,508</u></b>	<b><u>\$ 3,071,473</u></b>	<b><u>(7,629,935)</u></b>

General Receipts:

Property Taxes	7,326,280
Grants and Contributions Not Restricted to Specific Programs	635,085
Investment Income	15,953
Licenses and Permits	65,873
Sale of Property	390,010
Miscellaneous	101,919
<b>Total General Receipts</b>	<b><u>8,535,120</u></b>
Increase in Net Position	905,185
Net Position - Beginning of year	4,625,746
<b>Net Position - End of year</b>	<b><u>\$ 5,530,931</u></b>

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



OTOE COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents (Note 1.D)	\$ 1,670,863	\$ 74,293	\$ 2,618,679	\$ 1,161,959	\$ 5,525,794
Investments (Note 1.D)	-	-	5,137	-	5,137
<b>TOTAL ASSETS</b>	<u>\$ 1,670,863</u>	<u>\$ 74,293</u>	<u>\$ 2,623,816</u>	<u>\$ 1,161,959</u>	<u>\$ 5,530,931</u>
 <b>FUND BALANCES</b>					
Restricted for:					
Visitor Promotion	-	-	-	4,971	4,971
911 Emergency Services	-	-	-	299,359	299,359
Drug Education	-	-	-	2,643	2,643
Law Enforcement	-	-	-	23,934	23,934
Bridge/Road Projects	-	-	-	221,231	221,231
Preservation of Records	-	-	-	16,713	16,713
Committed to:					
Law Enforcement	-	-	-	4,422	4,422
Road Maintenance	-	74,293	-	-	74,293
Landfill Closures	-	-	-	196,602	196,602
County Buildings	-	-	-	324,598	324,598
Special Projects	-	-	-	67,486	67,486
Assigned to:					
Other Purposes	-	-	2,623,816	-	2,623,816
Unassigned	1,670,863	-	-	-	1,670,863
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 1,670,863</u>	<u>\$ 74,293</u>	<u>\$ 2,623,816</u>	<u>\$ 1,161,959</u>	<u>\$ 5,530,931</u>

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

**OTOE COUNTY**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2014

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ 6,253,616	\$ 3,048	\$ 868,365	\$ 201,251	\$ 7,326,280
Licenses and Permits	64,448	1,425	-	-	65,873
Interest	15,832	-	-	121	15,953
Intergovernmental	871,506	2,504,803	-	330,249	3,706,558
Charges for Services	582,003	2,935	-	16,570	601,508
Miscellaneous	10,760	49,426	-	431,743	491,929
<b>TOTAL RECEIPTS</b>	<u>7,798,165</u>	<u>2,561,637</u>	<u>868,365</u>	<u>979,934</u>	<u>12,208,101</u>
<b>DISBURSEMENTS</b>					
General Government	2,916,178	-	288,533	111,963	3,316,674
Public Safety	2,038,567	-	-	130,876	2,169,443
Public Works	40,671	4,959,040	-	122,589	5,122,300
Health and Sanitation	57,068	-	-	-	57,068
Public Assistance	134,077	-	-	-	134,077
Culture and Recreation	5,155	-	-	86,912	92,067
Debt Service:					
Principal Payments	-	280,000	-	-	280,000
Interest and Fiscal Charges	-	131,287	-	-	131,287
<b>TOTAL DISBURSEMENTS</b>	<u>5,191,716</u>	<u>5,370,327</u>	<u>288,533</u>	<u>452,340</u>	<u>11,302,916</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,606,449</u>	<u>(2,808,690)</u>	<u>579,832</u>	<u>527,594</u>	<u>905,185</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	14,579	2,624,864	-	43,229	2,682,672
Transfers out	(2,468,664)	-	(156,200)	(57,808)	(2,682,672)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,454,085)</u>	<u>2,624,864</u>	<u>(156,200)</u>	<u>(14,579)</u>	<u>-</u>
Net Change in Fund Balances	152,364	(183,826)	423,632	513,015	905,185
<b>CASH BASIS FUND BALANCES - BEGINNING</b>					
	<u>1,518,499</u>	<u>258,119</u>	<u>2,200,184</u>	<u>648,944</u>	<u>4,625,746</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>					
	<u>\$ 1,670,863</u>	<u>\$ 74,293</u>	<u>\$ 2,623,816</u>	<u>\$ 1,161,959</u>	<u>\$ 5,530,931</u>

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

**OTOE COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND**  
**LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
 June 30, 2014

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,472,874
 <b>LIABILITIES</b>	
Due to other governments	
State	272,727
Schools	1,073,934
Educational Service Units	2,712
Technical College	11,908
Natural Resource Districts	7,701
Fire Districts	3,015
Municipalities	57,305
Agricultural Society	1,434
Sanitary and Improvement Districts	22,730
Hospital	939
Others	1,018,469
<b>TOTAL LIABILITIES</b>	<b>2,472,874</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2014

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

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

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$56,029 toward the operation of the Region during fiscal year 2014. 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.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with 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 2009, Cum. Supp. 2012).

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 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2012). 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 non-exchange transactions.

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: 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

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

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

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

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

The County designates fund balances as:

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

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

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

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

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when warrants are 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 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 2009) and generally include U.S. Government obligations, certificates of deposit, and time deposits 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.

OTOE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$568,851 of restricted net position, of which \$544,917 is restricted by enabling legislation.

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

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



OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

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

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

**2. Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$5,525,794 for County funds and \$2,472,874 for Fiduciary funds. The bank balances for all funds totaled \$7,948,577. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2014, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$5,137 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

**3. Property Taxes**

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

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

OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**3. Property Taxes (Concluded)**

The levy set in October 2013, for the 2013 taxes, which will be materially collected in May and September 2014, was set at \$.322744/\$100 of assessed valuation. The levy set in October 2012, for the 2012 taxes, which were materially collected in May and September 2013, was set at \$.336285/\$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 (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 2012, Supp. 2013) 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. Prior service benefits are paid directly by the County to the retired employee.

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

OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**4. Retirement System** (Concluded)

For the year ended June 30, 2014, 108 employees contributed \$173,963, and the County contributed \$256,833. Contributions included \$8,082 in cash contributions towards the supplemental law enforcement plan for 15 law enforcement employees. Lastly, the County paid \$1,812 directly to 16 retired employees for prior service benefits.

**5. Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures. There was no significant reduction of insurance coverage from the prior year, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2014.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2014, consisted of the following:

<b>Transfers to</b>	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 2,468,664	\$ 156,200	\$ -	\$ 2,624,864
General Fund	-	-	14,579	14,579
Nonmajor Funds	-	-	43,229	43,229
Total	\$ 2,468,664	\$ 156,200	\$ 57,808	\$ 2,682,672

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.

(Continued on Next Page)

OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**7. Capital Leases Payable**

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

	Kenworth Tractor - NACO Lease	Kenworth Dump Truck and Plow - NACO Lease	Caterpillar Motor Grader - NACO Lease	Total
Balance July 1, 2013	\$ 33,457	\$ 71,901	\$ 83,503	\$ 188,861
Purchases	-	-	-	-
Payments	16,516	29,331	25,333	71,180
Balance June 30, 2014	<u>\$ 16,941</u>	<u>\$ 42,570</u>	<u>\$ 58,170</u>	<u>\$ 117,681</u>

Future Payments:

Year				Total
2015	\$ 17,176	\$ 30,502	\$ 26,232	\$ 73,910
2016	-	12,709	26,232	38,941
2017	-	-	6,558	6,558
2018	-	-	-	-
2019	-	-	-	-
2020-2024	-	-	-	-
Total Payments	<u>17,176</u>	<u>43,211</u>	<u>59,022</u>	<u>119,409</u>
Less Interest	<u>235</u>	<u>641</u>	<u>852</u>	<u>1,728</u>
Present Value of Future Minimum Lease Payments	<u>\$ 16,941</u>	<u>\$ 42,570</u>	<u>\$ 58,170</u>	<u>\$ 117,681</u>
Carrying Value of the Related Fixed Asset	<u>\$ 80,152</u>	<u>\$ 139,684</u>	<u>\$ 124,599</u>	<u>\$ 344,435</u>

**8. Landfill Postclosure Care Costs**

The County owns a solid waste disposal area that discontinued operations in 1993. The County must adhere to certain closure and postclosure care requirements under legislation, including monitoring the groundwater conditions and general site maintenance. The County maintains a Landfill Fund to account for these disbursements. The Landfill Fund balance at June 30, 2014, was \$196,602. The County anticipates the Landfill Fund to have sufficient funds to cover future expenses of the disposal site.

OTOE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Concluded)

**9. Long-Term Debt**

The County issued Highway bonds in July 2009 in the amount of \$2,535,000 for the purpose of paying the costs associated with road projects in the County. The bond payable balance, as of June 30, 2014, was \$1,815,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 155,000	\$ 72,220	\$ 227,220
2016	160,000	67,415	227,415
2017	165,000	62,055	227,055
2018	170,000	56,115	226,115
2019	175,000	49,655	224,655
2020-2024	990,000	133,595	1,123,595
<b>Total Payments</b>	<u><u>\$ 1,815,000</u></u>	<u><u>\$ 441,055</u></u>	<u><u>\$ 2,256,055</u></u>

The County issued highway bonds in October 2011 in the amount of \$2,550,000 for the purpose of paying the costs associated with road projects in the County. The bond payable balance, as of June 30, 2014, was \$2,290,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds, although the County intends to use future highway allocation resources to pay off the bonds.

Future Payments:

<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 130,000	\$ 68,953	\$ 198,953
2016	135,000	67,133	202,133
2017	135,000	64,703	199,703
2018	140,000	61,867	201,867
2019	145,000	58,542	203,542
2020-2024	790,000	226,703	1,016,703
2025-2026	815,000	44,495	859,495
<b>Total Payments</b>	<u><u>\$ 2,290,000</u></u>	<u><u>\$ 592,396</u></u>	<u><u>\$ 2,882,396</u></u>

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 6,332,928	\$ 6,332,928	\$ 6,253,616	\$ (79,312)
Licenses and Permits	71,300	71,300	64,448	(6,852)
Interest	15,000	15,000	15,832	832
Intergovernmental	606,450	606,450	871,506	265,056
Charges for Services	515,200	515,200	582,003	66,803
Miscellaneous	190,900	190,900	10,760	(180,140)
TOTAL RECEIPTS	7,731,778	7,731,778	7,798,165	66,387
<b>DISBURSEMENTS</b>				
General Government:				
County Board	106,550	106,550	105,238	1,312
County Clerk	95,710	95,710	95,202	508
County Treasurer	202,292	202,292	201,207	1,085
Register of Deeds	111,199	111,199	110,240	959
County Assessor	269,560	269,560	200,615	68,945
Election Commissioner	81,275	81,275	61,089	20,186
Planning Commission	51,034	51,034	44,198	6,836
Data Processing Department	153,368	153,368	150,737	2,631
Clerk of the District Court	101,300	101,300	100,925	375
County Judge	14,760	14,760	10,004	4,756
Public Defender	140,978	140,978	139,778	1,200
Coroner	22,700	22,700	18,620	4,080
Child Support	96,103	96,103	49,289	46,814
Building and Grounds	161,100	161,100	155,903	5,197
Agricultural Extension Agent	95,729	95,729	95,710	19
Miscellaneous	1,563,600	1,563,600	1,377,423	186,177
Public Safety				
County Sheriff	993,632	993,632	950,522	43,110
County Attorney	206,055	206,055	199,398	6,657
Juvenile Diversion Program	73,632	73,632	55,077	18,555
County Jail	681,200	681,200	647,423	33,777
Nuclear Accident - Emergency Prepared	42,133	42,133	38,815	3,318
Civil Defense	119,594	119,594	78,370	41,224
Emergency Equipment	310,000	310,000	2,515	307,485
Miscellaneous	89,500	89,500	66,447	23,053
Public Works				
County Surveyor	49,377	49,377	40,671	8,706
Public Health				
Miscellaneous	58,045	58,045	57,068	977

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DISBURSEMENTS (Continued)</b>				
Public Assistance				
County Relief	38,000	38,000	6,872	31,128
Veterans' Aid	12,350	12,350	7,638	4,712
Veterans' Service Officer	68,432	68,432	55,616	12,816
Welfare Ass't Administration Office	47,500	47,500	46,262	1,238
Miscellaneous	19,680	19,680	17,689	1,991
Culture and Recreation				
County Museum	5,225	5,225	5,155	70
<b>TOTAL DISBURSEMENTS</b>	<u>6,081,613</u>	<u>6,081,613</u>	<u>5,191,716</u>	<u>889,897</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,650,165</u>	<u>1,650,165</u>	<u>2,606,449</u>	<u>956,284</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	14,579	14,579
Transfers out	(2,468,664)	(2,468,664)	(2,468,664)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,468,664)</u>	<u>(2,468,664)</u>	<u>(2,454,085)</u>	<u>14,579</u>
Net Change in Fund Balance	(818,499)	(818,499)	152,364	970,863
<b>FUND BALANCE - BEGINNING</b>	<u>1,518,499</u>	<u>1,518,499</u>	<u>1,518,499</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 1,670,863</u>	<u>\$ 970,863</u>

(Concluded)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 3,048	\$ 3,048
Licenses and Permits	500	500	1,425	925
Intergovernmental	2,762,000	2,762,000	2,504,803	(257,197)
Charges for Services	-	-	2,935	2,935
Miscellaneous	6,000	6,000	49,426	43,426
<b>TOTAL RECEIPTS</b>	<b>2,768,500</b>	<b>2,768,500</b>	<b>2,561,637</b>	<b>(206,863)</b>
<b>DISBURSEMENTS</b>	<b>5,495,283</b>	<b>5,495,283</b>	<b>5,370,327</b>	<b>124,956</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,726,783)</b>	<b>(2,726,783)</b>	<b>(2,808,690)</b>	<b>(81,907)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,468,664	2,468,664	2,624,864	156,200
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,468,664</b>	<b>2,468,664</b>	<b>2,624,864</b>	<b>156,200</b>
Net Change in Fund Balance	(258,119)	(258,119)	(183,826)	74,293
FUND BALANCE - BEGINNING	258,119	258,119	258,119	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,293</b>	<b>\$ 74,293</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 500,001	\$ 500,001	\$ 868,365	\$ 368,364
Miscellaneous	15,000	15,000	-	(15,000)
<b>TOTAL RECEIPTS</b>	<b>515,001</b>	<b>515,001</b>	<b>868,365</b>	<b>353,364</b>
<b>DISBURSEMENTS</b>	<b>2,715,185</b>	<b>2,715,185</b>	<b>288,533</b>	<b>2,426,652</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,200,184)</b>	<b>(2,200,184)</b>	<b>579,832</b>	<b>2,780,016</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(156,200)	(156,200)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(156,200)</b>	<b>(156,200)</b>
Net Change in Fund Balance	(2,200,184)	(2,200,184)	423,632	2,623,816
FUND BALANCE - BEGINNING	2,200,184	2,200,184	2,200,184	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,623,816</b>	<b>\$ 2,623,816</b>



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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BRIDGE BUYBACK PROGRAM FUND</b>				
RECEIPTS	\$ 1,000,000	\$ 1,000,000	\$ 321,999	\$ (678,001)
DISBURSEMENTS	500,000	500,000	100,768	399,232
Net Change in Fund Balance	500,000	500,000	221,231	(278,769)
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 221,231</u>	<u>\$ (278,769)</u>
<b>VISITOR PROMOTION FUND</b>				
RECEIPTS	\$ 95,173	\$ 95,173	\$ 87,056	\$ (8,117)
DISBURSEMENTS	100,000	100,000	86,912	13,088
Net Change in Fund Balance	(4,827)	(4,827)	144	4,971
FUND BALANCE - BEGINNING	4,827	4,827	4,827	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,971</u>	<u>\$ 4,971</u>
<b>PRESERVATION &amp; MODERNIZATION FUND</b>				
RECEIPTS	\$ 10,000	\$ 10,000	\$ 11,570	\$ 1,570
DISBURSEMENTS	15,143	15,143	-	15,143
Net Change in Fund Balance	(5,143)	(5,143)	11,570	16,713
FUND BALANCE - BEGINNING	5,143	5,143	5,143	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,713</u>	<u>\$ 16,713</u>
<b>DIVERSION FUND</b>				
RECEIPTS	\$ 15,596	\$ 15,596	\$ 8,250	\$ (7,346)
DISBURSEMENTS	16,500	16,500	7,928	8,572
Net Change in Fund Balance	(904)	(904)	322	1,226
FUND BALANCE - BEGINNING	904	904	904	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 1,226</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>DRUG LAW ENFORCEMENT FUND</u></b>				
RECEIPTS	\$ 45,402	\$ 45,402	\$ 7,471	\$ (37,931)
DISBURSEMENTS	50,000	50,000	9,426	40,574
Net Change in Fund Balance	(4,598)	(4,598)	(1,955)	2,643
FUND BALANCE - BEGINNING	4,598	4,598	4,598	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,643</u>	<u>\$ 2,643</u>
<b><u>FEDERAL DRUG LAW ENFORCEMENT FUND</u></b>				
RECEIPTS	\$ 188,266	\$ 188,266	\$ -	\$ (188,266)
DISBURSEMENTS	200,000	200,000	-	200,000
Net Change in Fund Balance	(11,734)	(11,734)	-	11,734
FUND BALANCE - BEGINNING	11,734	11,734	11,734	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,734</u>	<u>\$ 11,734</u>
<b><u>LOCAL GRANTS - SHERIFF FUND</u></b>				
RECEIPTS	\$ 189,932	\$ 189,932	\$ 7,252	\$ (182,680)
DISBURSEMENTS	200,000	200,000	14,124	185,876
Net Change in Fund Balance	(10,068)	(10,068)	(6,872)	3,196
FUND BALANCE - BEGINNING	10,068	10,068	10,068	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,196</u>	<u>\$ 3,196</u>
<b><u>HOMELAND SECURITY GRANT FUND</u></b>				
RECEIPTS	\$ 151,149	\$ 151,149	\$ -	\$ (151,149)
DISBURSEMENTS	200,000	200,000	40,942	159,058
Net Change in Fund Balance	(48,851)	(48,851)	(40,942)	7,909
FUND BALANCE - BEGINNING	48,851	48,851	48,851	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,909</u>	<u>\$ 7,909</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL GRANT SHERIFF FUND</b>				
RECEIPTS	\$ 95,709	\$ 95,709	\$ -	\$ (95,709)
DISBURSEMENTS	100,000	100,000	-	100,000
Net Change in Fund Balance	(4,291)	(4,291)	-	4,291
FUND BALANCE - BEGINNING	4,291	4,291	4,291	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,291</u>	<u>\$ 4,291</u>
<b>KENO LOTTERY FUND</b>				
RECEIPTS	\$ 15,001	\$ 15,001	\$ 12,131	\$ (2,870)
DISBURSEMENTS	73,282	73,282	2,926	70,356
Net Change in Fund Balance	(58,281)	(58,281)	9,205	67,486
FUND BALANCE - BEGINNING	58,281	58,281	58,281	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,486</u>	<u>\$ 67,486</u>
<b>911 WIRELESS FUND</b>				
RECEIPTS	\$ 57,000	\$ 57,000	\$ 51,011	\$ (5,989)
DISBURSEMENTS	55,947	55,947	-	55,947
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(42,700)	(42,700)	(57,808)	(15,108)
TOTAL OTHER FINANCING SOURCES (USES)	(42,700)	(42,700)	(57,808)	(15,108)
Net Change in Fund Balance	(41,647)	(41,647)	(6,797)	34,850
FUND BALANCE - BEGINNING	41,647	41,647	41,647	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,850</u>	<u>\$ 34,850</u>

(Continued)

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

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>911 WIRELESS HOLDING FUND</b>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	93,013	93,013	-	93,013
OTHER FINANCING SOURCES (USES)				
Transfers in	42,700	42,700	43,229	529
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	42,700	42,700	43,229	529
Net Change in Fund Balance	(50,313)	(50,313)	43,229	93,542
FUND BALANCE - BEGINNING	50,313	50,313	50,313	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 93,542	\$ 93,542
<b>BUILDING MAINTENANCE FUND</b>				
RECEIPTS	\$ 390,001	\$ 390,001	\$ 410,085	\$ 20,084
DISBURSEMENTS	413,551	413,551	109,037	304,514
Net Change in Fund Balance	(23,550)	(23,550)	301,048	324,598
FUND BALANCE - BEGINNING	23,550	23,550	23,550	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 324,598	\$ 324,598
<b>LANDFILL FUND</b>				
RECEIPTS	\$ -	\$ -	\$ 249	\$ 249
DISBURSEMENTS	218,174	218,174	21,821	196,353
Net Change in Fund Balance	(218,174)	(218,174)	(21,572)	196,602
FUND BALANCE - BEGINNING	218,174	218,174	218,174	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 196,602	\$ 196,602
<b>911 SURCHARGE FUND</b>				
RECEIPTS	\$ 65,000	\$ 65,000	\$ 62,860	\$ (2,140)
DISBURSEMENTS	231,563	231,563	58,456	173,107
Net Change in Fund Balance	(166,563)	(166,563)	4,404	170,967
FUND BALANCE - BEGINNING	166,563	166,563	166,563	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 170,967	\$ 170,967

**OTOE COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	Highway Bridge Buyback Program Fund	Visitor Promotion Fund	Preservation & Modernization Fund	Diversion Fund
<b>RECEIPTS</b>				
Property Taxes	\$ -	\$ 87,056	\$ -	\$ -
Interest	-	-	-	-
Intergovernmental	321,999	-	-	8,250
Charges for Services	-	-	11,570	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>321,999</u>	<u>87,056</u>	<u>11,570</u>	<u>8,250</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	-
Public Safety	-	-	-	7,928
Public Works	100,768	-	-	-
Culture and Recreation	-	86,912	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>100,768</u>	<u>86,912</u>	<u>-</u>	<u>7,928</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>221,231</u>	<u>144</u>	<u>11,570</u>	<u>322</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	221,231	144	11,570	322
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>4,827</u>	<u>5,143</u>	<u>904</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 221,231</u>	<u>\$ 4,971</u>	<u>\$ 16,713</u>	<u>\$ 1,226</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	4,971	-	-
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Bridge/Road Projects	221,231	-	-	-
Preservation of Records	-	-	16,713	-
Committed to:				
Law Enforcement	-	-	-	1,226
Landfill Closures	-	-	-	-
County Buildings	-	-	-	-
Special Projects	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 221,231</u>	<u>\$ 4,971</u>	<u>\$ 16,713</u>	<u>\$ 1,226</u>

(Continued)

**OTOE COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2014

	Drug Law Enforcement Fund	Federal Drug Law Enforcement Fund	Local Grants - Sheriff Fund	Homeland Security Grant Fund
<b>RECEIPTS</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Interest	4	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	7,467	-	7,252	-
<b>TOTAL RECEIPTS</b>	<u>7,471</u>	<u>-</u>	<u>7,252</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	-
Public Safety	9,426	-	14,124	40,942
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>9,426</u>	<u>-</u>	<u>14,124</u>	<u>40,942</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(1,955)</u>	<u>-</u>	<u>(6,872)</u>	<u>(40,942)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,955)	-	(6,872)	(40,942)
<b>FUND BALANCES - BEGINNING</b>	<u>4,598</u>	<u>11,734</u>	<u>10,068</u>	<u>48,851</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,643</u>	<u>\$ 11,734</u>	<u>\$ 3,196</u>	<u>\$ 7,909</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	-	-
Drug Education	2,643	-	-	-
Law Enforcement	-	11,734	-	7,909
Bridge/Road Projects	-	-	-	-
Preservation of Records	-	-	-	-
Committed to:				
Law Enforcement	-	-	3,196	-
Landfill Closures	-	-	-	-
County Buildings	-	-	-	-
Special Projects	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,643</u>	<u>\$ 11,734</u>	<u>\$ 3,196</u>	<u>\$ 7,909</u>

(Continued)

**OTOE COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 For the Year Ended June 30, 2014

	Federal Grant Sheriff Fund	Keno Lottery Fund	911 Wireless Fund	911 Wireless Holding Fund
<b>RECEIPTS</b>				
Property Taxes	\$ -	\$ -	\$ 51,011	\$ -
Interest	-	117	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	12,014	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>12,131</u>	<u>51,011</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
General Government	-	2,926	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>2,926</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>9,205</u>	<u>51,011</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	43,229
Transfers out	-	-	(57,808)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(57,808)</u>	<u>43,229</u>
Net Change in Fund Balances	-	9,205	(6,797)	43,229
<b>FUND BALANCES - BEGINNING</b>	<u>4,291</u>	<u>58,281</u>	<u>41,647</u>	<u>50,313</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,291</u>	<u>\$ 67,486</u>	<u>\$ 34,850</u>	<u>\$ 93,542</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	-	34,850	93,542
Drug Education	-	-	-	-
Law Enforcement	4,291	-	-	-
Bridge/Road Projects	-	-	-	-
Preservation of Records	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Landfill Closures	-	-	-	-
County Buildings	-	-	-	-
Special Projects	-	67,486	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 4,291</u>	<u>\$ 67,486</u>	<u>\$ 34,850</u>	<u>\$ 93,542</u>

(Continued)

**OTOE COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	Building Maintenance Fund	Landfill Fund	911 Surcharge Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>				
Property Taxes	\$ 75	\$ 249	\$ 62,860	\$ 201,251
Interest	-	-	-	121
Intergovernmental	-	-	-	330,249
Charges for Services	5,000	-	-	16,570
Miscellaneous	405,010	-	-	431,743
<b>TOTAL RECEIPTS</b>	<u>410,085</u>	<u>249</u>	<u>62,860</u>	<u>979,934</u>
<b>DISBURSEMENTS</b>				
General Government	109,037	-	-	111,963
Public Safety	-	-	58,456	130,876
Public Works	-	21,821	-	122,589
Culture and Recreation	-	-	-	86,912
<b>TOTAL DISBURSEMENTS</b>	<u>109,037</u>	<u>21,821</u>	<u>58,456</u>	<u>452,340</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>301,048</u>	<u>(21,572)</u>	<u>4,404</u>	<u>527,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	43,229
Transfers out	-	-	-	(57,808)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,579)</u>
Net Change in Fund Balances	301,048	(21,572)	4,404	513,015
<b>FUND BALANCES - BEGINNING</b>	<u>23,550</u>	<u>218,174</u>	<u>166,563</u>	<u>648,944</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 324,598</u>	<u>\$ 196,602</u>	<u>\$ 170,967</u>	<u>\$ 1,161,959</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	4,971
911 Emergency Services	-	-	170,967	299,359
Drug Education	-	-	-	2,643
Law Enforcement	-	-	-	23,934
Bridge/Road Projects	-	-	-	221,231
Preservation of Records	-	-	-	16,713
Committed to:				
Law Enforcement	-	-	-	4,422
Landfill Closures	-	196,602	-	196,602
County Buildings	324,598	-	-	324,598
Special Projects	-	-	-	67,486
<b>TOTAL FUND BALANCES</b>	<u>\$ 324,598</u>	<u>\$ 196,602</u>	<u>\$ 170,967</u>	<u>\$ 1,161,959</u>

(Concluded)



**OTOE COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2014

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Child Support Enforcement	County Keno	Emergency Manager	Total
BALANCES JULY 1, 2013	\$ 714	\$ 22,491	\$ 155,690	\$ 8,170	\$ 2,474	\$ 300	\$ 6,390	\$ 275	\$ 196,504
<b>RECEIPTS</b>									
Licenses and Permits	1,665	-	-	945	-	-	-	-	2,610
Charges for Services	2,618	119,883	31,034	43,095	1,560	-	-	-	198,190
Miscellaneous	2,808	69	-	-	479	-	9,019	443	12,818
State Fees	87	141,056	21,004	-	-	-	2,631	-	164,778
Other Liabilities	-	-	646,699	17,825	24,192	1,633	119,901	-	810,250
<b>TOTAL RECEIPTS</b>	<b>7,178</b>	<b>261,008</b>	<b>698,737</b>	<b>61,865</b>	<b>26,231</b>	<b>1,633</b>	<b>131,551</b>	<b>443</b>	<b>1,188,646</b>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	4,429	112,129	30,984	44,115	2,163	-	9,308	-	203,128
Payments to State Treasurer	90	110,663	20,862	-	-	-	2,706	-	134,321
Other Liabilities	2,308	69	748,520	17,561	25,499	1,625	118,632	443	914,657
<b>TOTAL DISBURSEMENTS</b>	<b>6,827</b>	<b>222,861</b>	<b>800,366</b>	<b>61,676</b>	<b>27,662</b>	<b>1,625</b>	<b>130,646</b>	<b>443</b>	<b>1,252,106</b>
BALANCES JUNE 30, 2014	<u>\$ 1,065</u>	<u>\$ 60,638</u>	<u>\$ 54,061</u>	<u>\$ 8,359</u>	<u>\$ 1,043</u>	<u>\$ 308</u>	<u>\$ 7,295</u>	<u>\$ 275</u>	<u>\$ 133,044</u>
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 65	\$ 19,306	\$ 1,345	\$ 6,901	\$ -	\$ -	\$ 403	\$ -	\$ 28,020
Petty Cash	1,000	50	100	1,000	500	308	-	275	3,233
Due to State Treasurer	-	41,282	1,583	-	-	-	105	-	42,970
Due to Others	-	-	51,033	458	543	-	6,787	-	58,821
BALANCES JUNE 30, 2014	<u>\$ 1,065</u>	<u>\$ 60,638</u>	<u>\$ 54,061</u>	<u>\$ 8,359</u>	<u>\$ 1,043</u>	<u>\$ 308</u>	<u>\$ 7,295</u>	<u>\$ 275</u>	<u>\$ 133,044</u>

**OTOE COUNTY**  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
 June 30, 2014

Item	2009	2010	2011	2012	2013
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 22,076,572	\$ 22,956,444	\$ 24,897,595	\$ 26,850,086	\$ 28,748,781
Personal and Specials	1,898,067	2,092,967	2,056,157	2,212,648	2,303,383
<b>Total</b>	<b>23,974,639</b>	<b>25,049,411</b>	<b>26,953,752</b>	<b>29,062,734</b>	<b>31,052,164</b>
<b>Corrections</b>					
Additions	14,790	14,024	11,997	10,551	10,781
Deductions	(25,127)	(26,996)	(16,762)	(10,454)	(4,003)
Net Additions/ (Deductions)	(10,337)	(12,972)	(4,765)	97	6,778
<b>Corrected Certified Tax</b>	<b>23,964,302</b>	<b>25,036,439</b>	<b>26,948,987</b>	<b>29,062,831</b>	<b>31,058,942</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2010	14,181,136	-	-	-	-
June 30, 2011	9,756,431	15,109,973	-	-	-
June 30, 2012	6,935	9,890,948	16,535,584	-	-
June 30, 2013	8,228	16,610	10,374,964	18,113,102	-
June 30, 2014	5,839	7,783	24,028	10,929,958	19,760,814
<b>Total Net Collections</b>	<b>23,958,569</b>	<b>25,025,314</b>	<b>26,934,576</b>	<b>29,043,060</b>	<b>19,760,814</b>
<b>Total Uncollected Tax</b>	<b>\$ 5,733</b>	<b>\$ 11,125</b>	<b>\$ 14,411</b>	<b>\$ 19,771</b>	<b>\$ 11,298,128</b>
<b>Percentage Uncollected Tax</b>	<b>0.02%</b>	<b>0.04%</b>	<b>0.05%</b>	<b>0.07%</b>	<b>36.38%</b>



## 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  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

### OTOE COUNTY

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

Board of Commissioners  
Otoe County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Otoe County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Otoe County's basic financial statements, and have issued our report thereon dated August 22, 2014. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Otoe County's internal control over financial reporting (internal control) to determine the 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 Otoe County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

- 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. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Otoe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 management of Otoe County in a separate letter dated August 22, 2014.

### **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 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.

August 22, 2014

  
Deann Haeffner, CPA  
Assistant Deputy Auditor  
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  
www.auditors.nebraska.gov

August 22, 2014

Board of Commissioners  
Otoe County, Nebraska

Dear Commissioners :

We have audited the basic financial statements of Otoe County (County) for the fiscal year ended June 30, 2014, and have issued our report thereon dated August 22, 2014. 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 areas, as follows:

### **COUNTY OVERALL**

#### **Segregation of Duties**

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.

We noted 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. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. 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 SHERIFF

### Accounting Procedures

The County Sheriff does not have procedures in place to timely follow up on or accurately account for accounts receivable. The County Sheriff was unable to provide an accurate listing of accounts receivable and payable at June 30, 2014, causing an unknown variance of \$101 in assets compared to liabilities. We also noted the listing contained 59 accounts receivable balances, totaling \$1,421, which were outstanding for over a year.

Sound accounting practice and good internal control require procedures be in place to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

When all monies received are not appropriately accounted for and there is a failure to determine asset to liability balancing variances, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff maintain adequate records at all times to support all balances and follow up on old accounts receivable.

\* \* \* \* \*

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.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor