

**AUDIT REPORT
OF
GARFIELD COUNTY**

JULY 1, 2017, THROUGH JUNE 30, 2018

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the Auditor of Public Accounts.**

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Issued on September 6, 2018

GARFIELD COUNTY

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GARFIELD COUNTY
250 S. 8th
Burwell, NE 68823

LIST OF COUNTY OFFICIALS
At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Lee Jeffres	Jan. 2019
	Scott Krause	Jan. 2019
	Diana Hurlburt	Jan. 2021
Assessor	Linda Molesworth	Jan. 2019
Attorney	Dale Crandall	Jan. 2019
Clerk	Keri Koenigsberg	Jan. 2019
Election Commissioner		
Register of Deeds		
Clerk of the District Court		
Sheriff	Larry Donner	Jan. 2019
Emergency Manager		
Treasurer	Linda Thoene	Jan. 2019
Veterans' Service Officer	Timothy Rowse	Appointed
Weed Superintendent	Jimmy Petersen	Appointed
Highway Superintendent	Gary Kinney	Appointed
Planning and Zoning	Sheri Goodrich	Appointed
Surveyor	Steven Rasmussen	Appointed



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GARFIELD COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Garfield 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 Garfield County, as of and for the year ended June 30, 2018, 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 Garfield County as of June 30, 2018, 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.

Emphasis of Matters – 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.

Report on Supplementary Information

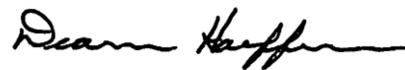
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes 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 19-29, are the responsibility of management and were derived from, and relate 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2018, on our consideration of Garfield 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* in considering Garfield County's internal control over financial reporting and compliance.

August 14, 2018



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

GARFIELD COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 1,265,896
TOTAL ASSETS	<u><u>\$ 1,265,896</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 32,739
Library	14,432
Preservation of Records	1,433
Road Maintenance	92,024
Child Support Enforcement	69,930
Unrestricted	1,055,338
TOTAL NET POSITION	<u><u>\$ 1,265,896</u></u>

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

GARFIELD COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2018

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	\$ (970,744)	\$ 87,153	\$ 22,263	\$ (861,328)
Public Safety	(221,605)	2,886	4,416	(214,303)
Public Works	(680,922)	1,500	400,691	(278,731)
Public Assistance	(12,998)	-	-	(12,998)
Culture and Recreation	(83,003)	474	200	(82,329)
Total Governmental Activities	\$ (1,969,272)	\$ 92,013	\$ 427,570	(1,449,689)

General Receipts:

Property Taxes	1,424,150
Grants and Contributions Not Restricted to Specific Programs	146,616
Investment Income	1,399
Licenses and Permits	9,354
Miscellaneous	17,033
Total General Receipts	1,598,552
 Increase in Net Position	 148,863
Net Position - Beginning of year	1,117,033
Net Position - End of year	\$ 1,265,896

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

GARFIELD COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 13,815	\$ 196,387	\$ 841,509	\$ 214,185	\$ 1,265,896
TOTAL ASSETS	\$ 13,815	\$ 196,387	\$ 841,509	\$ 214,185	\$ 1,265,896
 FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	32,739	32,739
Library	-	-	-	14,432	14,432
Preservation of Records	-	-	-	1,433	1,433
Road Maintenance	-	-	-	92,024	92,024
Child Support Enforcement	-	-	-	69,930	69,930
Committed to:					
Law Enforcement	-	-	-	2,520	2,520
Road Maintenance	-	196,387	-	-	196,387
Planning and Zoning	-	-	-	1,107	1,107
Assigned to:					
Other Purposes	-	-	841,509	-	841,509
Unassigned	13,815	-	-	-	13,815
TOTAL CASH BASIS FUND BALANCES	\$ 13,815	\$ 196,387	\$ 841,509	\$ 214,185	\$ 1,265,896

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

GARFIELD COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$ 1,186,094	\$ -	\$ 166,605	\$ 71,451	\$ 1,424,150
Licenses and Permits	8,344	-	-	1,010	9,354
Investment Income	1,399	-	-	-	1,399
Intergovernmental	141,676	362,076	-	70,434	574,186
Charges for Services	88,110	1,500	-	2,403	92,013
Miscellaneous	10,315	123	-	6,595	17,033
TOTAL RECEIPTS	<u>1,435,938</u>	<u>363,699</u>	<u>166,605</u>	<u>151,893</u>	<u>2,118,135</u>
DISBURSEMENTS					
General Government	958,050	-	-	12,694	970,744
Public Safety	217,189	-	-	4,416	221,605
Public Works	55,120	625,802	-	-	680,922
Public Assistance	12,998	-	-	-	12,998
Culture and Recreation	-	-	-	83,003	83,003
TOTAL DISBURSEMENTS	<u>1,243,357</u>	<u>625,802</u>	<u>-</u>	<u>100,113</u>	<u>1,969,272</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>192,581</u>	<u>(262,103)</u>	<u>166,605</u>	<u>51,780</u>	<u>148,863</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	80,000	317,000	-	8,300	405,300
Transfers out	(325,300)	-	(80,000)	-	(405,300)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(245,300)</u>	<u>317,000</u>	<u>(80,000)</u>	<u>8,300</u>	<u>-</u>
Net Change in Fund Balances	(52,719)	54,897	86,605	60,080	148,863
CASH BASIS FUND BALANCES - BEGINNING					
	<u>66,534</u>	<u>141,490</u>	<u>754,904</u>	<u>154,105</u>	<u>1,117,033</u>
CASH BASIS FUND BALANCES - ENDING					
	<u>\$ 13,815</u>	<u>\$ 196,387</u>	<u>\$ 841,509</u>	<u>\$ 214,185</u>	<u>\$ 1,265,896</u>

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

GARFIELD COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 154,087
 LIABILITIES	
Due to other governments	
State	29,976
Schools	94,339
Educational Service Units	1,480
Technical College	10,636
Natural Resource Districts	3,519
Fire Districts	2,121
Municipalities	8,738
Agricultural Society	1,102
Others	2,176
TOTAL LIABILITIES	154,087
TOTAL NET ASSETS	\$ -

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

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Garfield 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 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 \$5,134 toward the operation of the Region during fiscal year 2018. 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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with the Loup Basin Public 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. 2016, Supp. 2017).

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 2018. 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. 2017). Financial information for the Department is available in that report.

Emergency 911 Region – The County has entered into an agreement with surrounding counties to provide emergency 911 services. The agreement was established under the authority of the Interlocal Cooperation Act and is known as Region 26 Council (Region 26). Member counties include: Blaine, Loup, Garfield, Greeley, Sherman, Thomas, Valley, and Wheeler in central Nebraska. The City of Ord was added to the agreement effective July 1, 2018.

The governing board of Region 26 includes a representative from the participating county boards. Each county contributes to the financial support of Region 26 based on formulas developed by the governing board. The County contributed \$60,524 during fiscal year 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

B. Basis of Presentation

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

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

The County reports the following major governmental funds:

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

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

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

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 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.

GARFIELD 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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$210,558 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. 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.

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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$1,265,896 for County funds and \$154,087 for Fiduciary funds. The bank balances for all funds totaled \$1,425,416. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, were either entirely insured or collateralized with securities held by the County's agent 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.

The levy set in October 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.275467/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.266694/\$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, Cum. Supp. 2016, Supp. 2017) and may be amended through legislative action.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2018, 27 employees contributed \$31,675, and the County contributed \$47,056. Contributions included \$910 in cash contributions towards the supplemental law enforcement plan for two law enforcement employees.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 94 counties and local governments throughout Nebraska.

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

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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

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

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2018, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Inheritance Fund	
General Fund	\$ -	\$ 80,000	\$ 80,000
Road Fund	317,000	-	317,000
Nonmajor Funds	8,300	-	8,300
Total	\$ 325,300	\$ 80,000	\$ 405,300

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.

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:

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Capital Leases Payable (Concluded)

	Road Equipment	Sheriff Vehicle	Total
Balance July 1, 2017	\$ 279,759	\$ 6,339	\$ 286,098
Purchases	-	-	-
Payments	43,951	4,211	48,162
Balance June 30, 2018	<u>\$ 235,808</u>	<u>\$ 2,128</u>	<u>\$ 237,936</u>
Future Payments:			
Year			
2019	\$ 38,821	\$ 2,144	\$ 40,965
2020	52,164	-	52,164
2021	27,071	-	27,071
2022	27,071	-	27,071
2023	27,072	-	27,072
2024-2028	94,750	-	94,750
Total Payments	<u>266,949</u>	<u>2,144</u>	<u>269,093</u>
Less Interest	31,141	16	31,157
Present Value of Future Minimum Lease Payments	<u>\$ 235,808</u>	<u>\$ 2,128</u>	<u>\$ 237,936</u>
Carrying Value of the Related Fixed Asset	<u>\$ 419,320</u>	<u>\$ 24,358</u>	<u>\$ 443,678</u>

8. Contingent Liabilities

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

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 1,303,551	\$ 1,303,551	\$ 1,186,094	\$ (117,457)
Licenses and Permits	7,960	7,960	8,344	384
Interest	500	500	1,399	899
Intergovernmental	28,527	28,527	141,676	113,149
Charges for Services	110,156	110,156	88,110	(22,046)
Miscellaneous	19,400	19,400	10,315	(9,085)
TOTAL RECEIPTS	<u>1,470,094</u>	<u>1,470,094</u>	<u>1,435,938</u>	<u>(34,156)</u>
DISBURSEMENTS				
General Government:				
County Board	40,476	40,476	38,383	2,093
County Clerk	105,550	105,550	86,856	18,694
County Treasurer	96,050	96,050	92,173	3,877
County Assessor	140,250	140,250	122,294	17,956
Election Commissioner	15,050	15,050	8,797	6,253
Clerk of the District Court	35,250	35,250	8,448	26,802
County Court System	12,522	12,522	6,088	6,434
Building and Grounds	117,300	117,300	64,742	52,558
Reappraisal	22,000	22,000	21,825	175
Agricultural Extension Agent	29,300	29,300	29,254	46
Miscellaneous	605,080	605,080	479,190	125,890
Public Safety				
County Sheriff	149,235	149,235	127,715	21,520
County Attorney	84,061	84,061	78,473	5,588
County Jail	49,000	49,000	11,001	37,999
Public Works				
Noxious Weed Control	86,645	86,645	55,120	31,525
Public Assistance				
Veterans' Service Officer	13,890	13,890	12,998	892
TOTAL DISBURSEMENTS	<u>1,601,659</u>	<u>1,601,659</u>	<u>1,243,357</u>	<u>358,302</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	<u>(131,565)</u>	<u>(131,565)</u>	<u>192,581</u>	<u>324,146</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	830,000	830,000	80,000	(750,000)
Transfers out	(729,500)	(729,500)	(325,300)	404,200
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,500</u>	<u>100,500</u>	<u>(245,300)</u>	<u>(345,800)</u>
Net Change in Fund Balance	(31,065)	(31,065)	(52,719)	(21,654)
FUND BALANCE - BEGINNING	<u>66,534</u>	<u>66,534</u>	<u>66,534</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 35,469</u>	<u>\$ 35,469</u>	<u>\$ 13,815</u>	<u>\$ (21,654)</u>

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 356,525	\$ 356,525	\$ 362,076	\$ 5,551
Charges for Services	2,400	2,400	1,500	(900)
Miscellaneous	36,300	36,300	123	(36,177)
TOTAL RECEIPTS	<u>395,225</u>	<u>395,225</u>	<u>363,699</u>	<u>(31,526)</u>
DISBURSEMENTS	<u>1,074,881</u>	<u>1,074,881</u>	<u>625,802</u>	<u>449,079</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(679,656)</u>	<u>(679,656)</u>	<u>(262,103)</u>	<u>417,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	680,000	680,000	317,000	(363,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>680,000</u>	<u>680,000</u>	<u>317,000</u>	<u>(363,000)</u>
Net Change in Fund Balance	344	344	54,897	54,553
FUND BALANCE - BEGINNING	141,490	141,490	141,490	-
FUND BALANCE - ENDING	<u>\$ 141,834</u>	<u>\$ 141,834</u>	<u>\$ 196,387</u>	<u>\$ 54,553</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 87,096	\$ 87,096	\$ 166,605	\$ 79,509
TOTAL RECEIPTS	<u>87,096</u>	<u>87,096</u>	<u>166,605</u>	<u>79,509</u>
DISBURSEMENTS	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>75,096</u>	<u>75,096</u>	<u>166,605</u>	<u>91,509</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(830,000)	(830,000)	(80,000)	750,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(830,000)</u>	<u>(830,000)</u>	<u>(80,000)</u>	<u>750,000</u>
Net Change in Fund Balance	(754,904)	(754,904)	86,605	841,509
FUND BALANCE - BEGINNING	754,904	754,904	754,904	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,509</u>	<u>\$ 841,509</u>

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY STREET BUYBACK FUND				
Receipts	\$ 32,382	\$ 32,382	\$ 32,382	\$ -
Disbursements	(64,369)	(64,369)	-	64,369
Net Change in Fund Balance	(31,987)	(31,987)	32,382	64,369
Fund Balance - Beginning	31,987	31,987	31,987	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,369</u>	<u>\$ 64,369</u>
HIGHWAY BRIDGE BUYBACK FUND				
Receipts	\$ 6,233	\$ 6,233	\$ 6,233	\$ -
Disbursements	(27,655)	(27,655)	-	27,655
Net Change in Fund Balance	(21,422)	(21,422)	6,233	27,655
Fund Balance - Beginning	21,422	21,422	21,422	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,655</u>	<u>\$ 27,655</u>
GEOGRAPHICAL INFORMATION SYSTEM FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20,000)	(20,000)	-	20,000
Transfers in	20,000	20,000	-	(20,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PLANNING & ZONING FUND				
Receipts	\$ 800	\$ 800	\$ 1,010	\$ 210
Disbursements	(27,580)	(27,580)	(8,785)	18,795
Transfers in	26,500	26,500	8,300	(18,200)
Transfers out	-	-	-	-
Net Change in Fund Balance	(280)	(280)	525	805
Fund Balance - Beginning	582	582	582	-
Fund Balance - Ending	<u>\$ 302</u>	<u>\$ 302</u>	<u>\$ 1,107</u>	<u>\$ 805</u>
CHILD SUPPORT ENFORCEMENT INCENTIVE FUND				
Receipts	\$ 30,000	\$ 30,000	\$ 22,263	\$ (7,737)
Disbursements	(77,667)	(77,667)	-	77,667
Net Change in Fund Balance	(47,667)	(47,667)	22,263	69,930
Fund Balance - Beginning	47,667	47,667	47,667	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,930</u>	<u>\$ 69,930</u>

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITOR'S PROMOTION FUND				
Receipts	\$ 11,000	\$ 11,000	\$ 17,374	\$ 6,374
Disbursements	(34,320)	(34,320)	(21,772)	12,548
Net Change in Fund Balance	(23,320)	(23,320)	(4,398)	18,922
Fund Balance - Beginning	24,545	24,545	24,545	-
Fund Balance - Ending	<u>\$ 1,225</u>	<u>\$ 1,225</u>	<u>\$ 20,147</u>	<u>\$ 18,922</u>
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 11,000	\$ 11,000	\$ 11,441	\$ 441
Disbursements	(18,150)	(18,150)	(8,026)	10,124
Net Change in Fund Balance	(7,150)	(7,150)	3,415	10,565
Fund Balance - Beginning	9,177	9,177	9,177	-
Fund Balance - Ending	<u>\$ 2,027</u>	<u>\$ 2,027</u>	<u>\$ 12,592</u>	<u>\$ 10,565</u>
PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 1,625	\$ 1,625	\$ 1,529	\$ (96)
Disbursements	(5,438)	(5,438)	(3,909)	1,529
Net Change in Fund Balance	(3,813)	(3,813)	(2,380)	1,433
Fund Balance - Beginning	3,813	3,813	3,813	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,433</u>	<u>\$ 1,433</u>
LIBRARY FUND				
Receipts	\$ 50,701	\$ 50,701	\$ 53,983	\$ 3,282
Disbursements	(54,475)	(54,475)	(50,605)	3,870
Net Change in Fund Balance	(3,774)	(3,774)	3,378	7,152
Fund Balance - Beginning	10,774	10,774	10,774	-
Fund Balance - Ending	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 14,152</u>	<u>\$ 7,152</u>
LIBRARY MEMORIAL FUND				
Receipts	\$ 3,000	\$ 3,000	\$ 662	\$ (2,338)
Disbursements	(3,270)	(3,270)	(900)	2,370
Net Change in Fund Balance	(270)	(270)	(238)	32
Fund Balance - Beginning	270	270	270	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</u>

(Continued)

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LIBRARY GRANT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ 200	\$ (49,800)
Disbursements	(51,748)	(51,748)	(1,700)	50,048
Net Change in Fund Balance	(1,748)	(1,748)	(1,500)	248
Fund Balance - Beginning	1,748	1,748	1,748	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 248</u>
STOP PROGRAM FUND				
Receipts	\$ 2,880	\$ 2,880	\$ 400	\$ (2,480)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(2,120)	(2,120)	400	2,520
Fund Balance - Beginning	2,120	2,120	2,120	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,520</u>	<u>\$ 2,520</u>
DRUG LAW ENFORCEMENT GRANT FUND				
Receipts	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Disbursements	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LAW ENFORCEMENT GRANTS FUND				
Receipts	\$ 5,500	\$ 5,500	\$ -	\$ (5,500)
Disbursements	(5,500)	(5,500)	-	5,500
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MISCELLANEOUS GRANTS FUND				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

GARFIELD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE SERVICES AID FUND				
Receipts	\$ 30,000	\$ 30,000	\$ 4,416	\$ (25,584)
Disbursements	(30,000)	(30,000)	(4,416)	25,584
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
COUNTY VISITOR'S BUREAU GRANT FUND				
Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
HANDICAPPED ACCESSIBILITY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,000)	(3,000)	-	3,000
Transfers in	3,000	3,000	-	(3,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

(Concluded)

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

For the Year Ended June 30, 2018

	Highway Street Buyback Fund	Highway Bridge Buyback Fund	Planning & Zoning Fund	Child Support Enforcement Incentive Fund	Visitor's Promotion Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 11,441
Licenses and Permits	-	-	1,010	-	-
Intergovernmental	32,382	6,233	-	22,263	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	5,933
TOTAL RECEIPTS	<u>32,382</u>	<u>6,233</u>	<u>1,010</u>	<u>22,263</u>	<u>17,374</u>
DISBURSEMENTS					
General Government	-	-	8,785	-	-
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	-	21,772
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>8,785</u>	<u>-</u>	<u>21,772</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>32,382</u>	<u>6,233</u>	<u>(7,775)</u>	<u>22,263</u>	<u>(4,398)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	8,300	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	32,382	6,233	525	22,263	(4,398)
FUND BALANCES - BEGINNING	<u>31,987</u>	<u>21,422</u>	<u>582</u>	<u>47,667</u>	<u>24,545</u>
FUND BALANCES - ENDING	<u>\$ 64,369</u>	<u>\$ 27,655</u>	<u>\$ 1,107</u>	<u>\$ 69,930</u>	<u>\$ 20,147</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	20,147
Library	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road Maintenance	64,369	27,655	-	-	-
Child Support Enforcement	-	-	-	69,930	-
Committed to:					
Law Enforcement	-	-	-	-	-
Planning and Zoning	-	-	1,107	-	-
TOTAL FUND BALANCES	<u>\$ 64,369</u>	<u>\$ 27,655</u>	<u>\$ 1,107</u>	<u>\$ 69,930</u>	<u>\$ 20,147</u>

(Continued)

GARFIELD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Visitor's Improvement Fund	Preservation & Modernization Fund	Library Fund	Library Memorial Fund
RECEIPTS				
Property Taxes	\$ 11,441	\$ -	\$ 48,569	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	4,940	-
Charges for Services	-	1,529	474	-
Miscellaneous	-	-	-	662
TOTAL RECEIPTS	<u>11,441</u>	<u>1,529</u>	<u>53,983</u>	<u>662</u>
DISBURSEMENTS				
General Government	-	3,909	-	-
Public Safety	-	-	-	-
Culture and Recreation	8,026	-	50,605	900
TOTAL DISBURSEMENTS	<u>8,026</u>	<u>3,909</u>	<u>50,605</u>	<u>900</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,415</u>	<u>(2,380)</u>	<u>3,378</u>	<u>(238)</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	3,415	(2,380)	3,378	(238)
FUND BALANCES - BEGINNING	<u>9,177</u>	<u>3,813</u>	<u>10,774</u>	<u>270</u>
FUND BALANCES - ENDING	<u>\$ 12,592</u>	<u>\$ 1,433</u>	<u>\$ 14,152</u>	<u>\$ 32</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	12,592	-	-	-
Library	-	-	14,152	32
Preservation of Records	-	1,433	-	-
Road Maintenance	-	-	-	-
Child Support Enforcement	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Planning and Zoning	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 12,592</u>	<u>\$ 1,433</u>	<u>\$ 14,152</u>	<u>\$ 32</u>

(Continued)

GARFIELD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Library Grant Fund	STOP Program Fund	Juvenile Services Aid Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ 71,451
Licenses and Permits	-	-	-	1,010
Intergovernmental	200	-	4,416	70,434
Charges for Services	-	400	-	2,403
Miscellaneous	-	-	-	6,595
TOTAL RECEIPTS	<u>200</u>	<u>400</u>	<u>4,416</u>	<u>151,893</u>
DISBURSEMENTS				
General Government	-	-	-	12,694
Public Safety	-	-	4,416	4,416
Culture and Recreation	1,700	-	-	83,003
TOTAL DISBURSEMENTS	<u>1,700</u>	<u>-</u>	<u>4,416</u>	<u>100,113</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,500)</u>	<u>400</u>	<u>-</u>	<u>51,780</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	8,300
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,300</u>
Net Change in Fund Balances	(1,500)	400	-	60,080
FUND BALANCES - BEGINNING	<u>1,748</u>	<u>2,120</u>	<u>-</u>	<u>154,105</u>
FUND BALANCES - ENDING	<u>\$ 248</u>	<u>\$ 2,520</u>	<u>\$ -</u>	<u>\$ 214,185</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	32,739
Library	248	-	-	14,432
Preservation of Records	-	-	-	1,433
Road Maintenance	-	-	-	92,024
Child Support Enforcement	-	-	-	69,930
Committed to:				
Law Enforcement	-	2,520	-	2,520
Planning and Zoning	-	-	-	1,107
TOTAL FUND BALANCES	<u>\$ 248</u>	<u>\$ 2,520</u>	<u>\$ -</u>	<u>\$ 214,185</u>

(Concluded)

GARFIELD COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2018

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Library	Veterans' Service Officer	County Assessor	County Treasurer	Total
BALANCES JULY 1, 2017	\$ 1,613	\$ 6,149	\$ 2,273	\$ 10	\$ 262	\$ 3,144	\$ 50	\$ -	\$ 13,501
RECEIPTS									
Property Taxes	-	-	-	-	-	-	-	-	-
Licenses and Permits	400	-	225	-	-	-	-	-	625
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	26,569	890	1,817	110	327	-	-	-	29,713
Miscellaneous	151	-	-	-	849	-	57	202	1,259
State Fees	42,047	1,077	-	-	-	-	-	-	43,124
Other Liabilities	371	186,541	3,752	665	-	-	-	-	191,329
TOTAL RECEIPTS	69,538	188,508	5,794	775	1,176	-	57	202	266,050
DISBURSEMENTS									
Payments to County Treasurer	25,033	930	1,709	120	1,336	-	-	-	29,128
Payments to State Treasurer	37,884	1,175	-	-	-	-	-	-	39,059
Other Liabilities	195	183,151	4,055	665	24	701	57	152	189,000
TOTAL DISBURSEMENTS	63,112	185,256	5,764	785	1,360	701	57	152	257,187
BALANCES JUNE 30, 2018	<u>\$ 8,039</u>	<u>\$ 9,401</u>	<u>\$ 2,303</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 2,443</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 22,364</u>
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 2,886	\$ 10	\$ 1,576	\$ -	\$ 28	\$ 2,443	\$ -	\$ -	\$ 6,943
Petty Cash	50	-	-	-	50	-	50	50	200
Due to State Treasurer	4,732	-	-	-	-	-	-	-	4,732
Due to Others	371	9,391	727	-	-	-	-	-	10,489
BALANCES JUNE 30, 2018	<u>\$ 8,039</u>	<u>\$ 9,401</u>	<u>\$ 2,303</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 2,443</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 22,364</u>

GARFIELD COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2018

Item	2013	2014	2015	2016	2017
Tax Certified by Assessor					
Real Estate	\$ 3,997,234	\$ 4,374,466	\$ 4,874,280	\$ 5,132,898	\$ 5,479,627
Personal and Specials	245,566	260,023	225,074	210,868	203,156
Total	4,242,800	4,634,489	5,099,354	5,343,766	5,682,783
Corrections					
Additions	5,778	2,839	2,824	6,360	2,737
Deductions	(1,735)	(1,132)	(6,010)	(3,510)	(6,277)
Net Additions/ (Deductions)	4,043	1,707	(3,186)	2,850	(3,540)
Corrected Certified Tax	4,246,843	4,636,196	5,096,168	5,346,616	5,679,243
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2014	2,571,200	-	-	-	-
June 30, 2015	1,672,448	2,833,314	-	-	-
June 30, 2016	1,684	1,797,155	3,099,223	-	-
June 30, 2017	258	5,051	1,995,845	3,246,336	-
June 30, 2018	-	59	532	2,097,244	3,516,072
Total Net Collections	4,245,590	4,635,579	5,095,600	5,343,580	3,516,072
Total Uncollected Tax	\$ 1,253	\$ 617	\$ 568	\$ 3,036	\$ 2,163,171
Percentage Uncollected Tax	0.03%	0.01%	0.01%	0.06%	38.09%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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GARFIELD 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
Garfield 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 Garfield County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Garfield County's basic financial statements, and have issued our report thereon dated August 14, 2018. 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 Garfield 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 Garfield 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. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

County's Response: At this time it is not feasible for additional employees.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Garfield 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 the management of Garfield County in a separate letter dated August 14, 2018.

Garfield County's Response to Findings

Garfield County's response to the findings identified in our audit is described above. Garfield County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

August 14, 2018



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 14, 2018

Board of Commissioners
Garfield County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Garfield County (County) for the fiscal year ended June 30, 2018, and have issued our report thereon dated August 14, 2018. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

COUNTY OVERALL

Segregation of Duties

We noted 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. This was also noted in prior audits.

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 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's Response: At this time it is not feasible for additional employees.

Board Filings

The following items were not reported to the County Board, as required by State statute:

- The County Treasurer did not submit changes in pledged collateral.
- The County Sheriff did not present the report on distress warrants.

Neb. Rev. Stat. § 77-2318.01 (Reissue 2009) states the following:

The county treasurer may deposit in any bank, capital stock financial institution, or qualifying mutual financial institution of the county in which he or she is treasurer in excess of the amounts authorized in section 77-2318 when (1) the depository secures the deposits by giving security as provided in the Public Funds Deposit Security Act and (2) the same is approved by a formal resolution of the county board.

Neb. Rev. Stat. § 77-1719.01 (Reissue 2009) states the following:

On or before August 1 of each year, the sheriff shall report to the county board showing the total amount collected on current distress warrants and the amount remaining uncollected.

We recommend the County Treasurer and County Sheriff implement procedures to ensure all reports are filed with the County Board in compliance with State statute.

County's Response: The Treasurer and Sheriff will implement changes to ensure that all reports are filed with the County Board.

COUNTY BOARD

Claim Supporting Documentation

In reviewing claims, we noted the following:

- The County paid for a portion of the County Attorney's rent, utilities, and office supplies, totaling \$1,236, for fiscal year 2018. The County does not have a written agreement in place to support the percentage or amount to be paid by the County for these items.
- One claim, totaling \$288, for a part-time deputy of the County Sheriff, contained no documentation, such as time sheets or a contract, to support the amounts paid to this individual.
- One claim, totaling \$8,400, for the purchase of a vehicle, contained no supporting documentation, such as a purchase agreement. Support for this item was subsequently provided; however, it does not appear this support was given to the County Board.
- One claim, totaling \$1,250, for prisoner boarding, was selected for testing; however, the County does not have a written agreement in place to support the rate to be paid by the County.

Sound accounting practices and good internal controls require procedures to ensure documentation is on file to provide adequate support for all claims, and this documentation is made available for the County Board's review prior to approval of the claims.

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

We recommend the County Board implement procedures to ensure all claims are properly supported by documentation that is available for review prior to approval of payment.

County's Response: A policy was adopted on August 14, 2018 between Garfield County and County Attorney. County Sheriff is now utilizing time sheets for part-time deputies.

Payroll Paid in Advance

For four of five employees tested, we noted that employees were paid in advance of hours worked. Per County policy, "Pay day for all County employees will be the second to the last working day of the month." As the majority of the County employees are recording hours worked on a monthly basis, this policy results in the employees receiving their paycheck two working days before the hours are actually worked.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, "All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor . . . have been furnished or performed"

Further, good internal controls and sound business practices require procedures to ensure paychecks are issued after work has been performed.

When employees are paid before hours have been worked, there is an increased risk of loss, theft, or misuse of County funds.

We recommend the County implement procedures to ensure all employees are paid only for work that has already been performed.

County's Response: The County is in the process of updating Employee Handbook, starting January 1, 2019 the payroll dates will be changed to the first of the following month.

Leave Balances

Excess Balances Carried

During the audit, three of five employees tested were carrying leave balances in excess of those permitted by County Board policies. The following table displays the balances held by the employees tested.

Employee	Leave Type	Maximum Hours Allowed	Balance Held	Variance
Deputy Assessor	Vacation Hours	40.00	56.54	16.54
Weed Superintendent	Vacation Hours	40.00	109.60	69.60
Weed Superintendent	Compensatory Time	40.00	81.27	41.27
Road Employee #1	Compensatory Time	40.00	43.39	3.39

The Garfield County Employee Handbook (Handbook) states, in relevant part, “Employees may not accumulate and carry over more than 40 hours of accrued vacation leave from one calendar year to another, or accumulate more than 120 hours of accrued vacation.” Further, the Employee Handbook notes, “Upon proper authorization, up to **forty (40)** hours of compensatory time may be accumulated by employees not involved in law enforcement.”

Leave Earned

During the audit, we noted that leave balances were accrued on an inconsistent basis, as follows:

- For two of five employees tested, vacation and sick leave for the entire calendar year was accrued in January.
- For two of three employees tested, compensatory time was accrued at a rate of 1.5 hours per 1 hour worked.

The Handbook states, in relevant part, “Full-time employees will accrue sick pay benefits at a rate of **eight (8) hours/one (1)** working day for each 160 hours worked, not including overtime hours, one for each month of service after completing **six (6)** months of service.”

Additionally, the Handbook provides, in relevant part, the following:

For all permanent employees, the amount of vacation accrued during each pay period (measured in hours) is calculated by multiplying the number of paid hours recorded for the period (excluding overtime, but including all forms of paid leave) by the appropriate multiplier. The multiplier is based on the number of calendar years of service measured from the employment anniversary date

Further as noted above, the Handbook states that compensatory time may be accumulated up to 40 hours. The Handbook goes on to state, “Time accumulated over the above noted amount shall be paid for at time and one-half rates.”

Other Issues

For two road employees tested, we noted no lunch break was taken; therefore, the employees were paid for the entire day, including the required lunch period.

The Handbook states, in relevant part, “Employees are normally given one-hour unpaid lunch periods. At the department head’s discretion, employees may be given a **one-half (1/2)** hour unpaid lunch period and two (2) fifteen-minute unpaid break periods during each work day.”

We also noted the County Board is not informed of the leave balances held by the employees.

Good internal controls and sound accounting practices require procedures for periodically reporting employee vacation, sick, and compensatory leave balances to the County Board for review. In addition to helping prevent abuse of leave, this would raise the County’s awareness of large payouts that might be pending. Without such procedures, there is an increased risk of loss or misuse of County funds.

We recommend the County Board implement procedures for obtaining and reviewing employee leave balances, ensuring that such leave is both granted in amounts specified by the Handbook and properly accrued.

County’s Response: The County is in the process of updating Employee Handbook, County Board will periodically review leave balances.

Duplicate Payment

We noted two instances of the County having paid the same invoice twice. During fieldwork, the vendor was contacted, and a credit was applied to the account.

- Claim 18050064 and 18060052 both paid a vendor \$44.
- Claim 17060122 and 17090104 both paid a vendor \$15.

Good internal controls require procedures for an adequate review of all claims prior to approval to ensure the claims are correct and not duplicate payments. Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County Board implement procedures for an adequate review of all claims prior to approval to ensure the claims are correct and not duplicate payments.

County's Response: The Board will adequately review claims prior to approval to prevent duplicate payments.

Sales and Lodging Tax Paid

During our audit, we tested claim number 18030082, dated March 27, 2018, for which sales and lodging tax, totaling \$187, was paid by the County.

Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2016) states, in relevant part, the following:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including . . . any county

We recommend the County implement procedure to ensure sales or lodging taxes are not paid on any of its official transactions.

County's Response: The Board will adequately review claims prior to approval to prevent the payment of sales or lodging tax.

COUNTY CLERK OF THE DISTRICT COURT

Trust Balances

We noted the Clerk of the District Court did not adequately review the Case Balance Report to ensure the trust case balances reflected therein were proper, and appropriate action was taken timely. Two balances held, totaling \$75 each, were not paid out to the appropriate party, as mandated by the court in December 2008 and January 2016.

Good internal control and sound business practices require procedures for ensuring that the Case Balance Report is reviewed on an ongoing, timely basis to determine what action, if any, should be taken to resolve the trust balances reflected therein.

Without such procedures, there is an increased risk of errors, omissions, and/or irregularities not being detected and resolved in a timely manner. A similar issue was noted in prior audits.

We strongly recommend the District Court implement procedures for a detailed review of the monthly financial reports, including the Case Balance Report, and resolve any unattached and/or unusual balances in a complete, accurate, and timely manner.

County's Response: The balances on the cases have been taken care of and the Clerk is in contact with the Courts on how to proceed with the outstanding balances.

Review of Overdue Case Balance Report

We noted the Clerk of the District Court did not adequately review the Overdue Case Balance Report to ensure the balances reflected therein were proper, and any action needed was taken timely. Eight of 10 case balances tested, totaling \$4,257, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances.

- For three case balances, totaling \$106, documentation was available in the case that indicated the funds were already received; therefore, these case balances should have been previously non-monetary receipted.
- Five case balances, totaling \$4,151, included old, outstanding balances. The table below summarizes the balances due by the year the case was filed.

Year Case Filed	Last Case Action	Amount Overdue
2000	July 2001	\$ 456.00
2004	July 2010	\$ 630.00
2011	July 2016	\$ 720.00
2014	August 2016	\$ 2,210.00
2015	November 2016	\$ 135.00
		\$ 4,151.00

Good internal control and sound business practices require procedures for an ongoing, timely review of the Overdue Case Balance Report to determine what action, if any, should be taken to collect and/or resolve the balances reflected therein.

Without such procedures, there is an increased risk of errors, omissions, and/or irregularities not being detected and resolved in a timely manner.

We recommend the District Court implement procedures for an ongoing, timely review of the Overdue Case Balance Report to determine what action, if any, should be taken to collect and/or resolve the balances reflected therein.

COUNTY LIBRARY

Inadequate Records

During the previous audit, the County Library's petty cash fund contained an excess of \$212. Disbursement records support \$148 being disbursed to the County Treasurer and \$28 remaining on hand at June 30, 2018, leaving the disbursement of \$36 unaccounted for.

Good internal controls and sound accounting practices require complete and adequate records to support the receipt and disbursement of money. Without such records, there is an increased risk for the loss, theft, or misuse of County funds.

We recommend the County Library implement procedures to ensure complete and adequate records are maintained to support the receipt and disbursement of funds.

County's Response: The County Library will maintain adequate records to support petty cash fund.

COUNTY SHERIFF

Balancing Procedures

During our audit, we noted the following issues with the County Sheriff's balancing procedures:

- A monthly asset-to-liability reconciliation was not performed, resulting in an unknown long amount of \$988. The Sheriff was unable to identify the rightful owner of these funds.
- Receipts for vehicle inspection and service fees collected in August 2017 and April 2018, totaling \$45, were not remitted to the County Treasurer.
- The checkbook balance was not reconciled to the bank balance on a monthly basis, resulting in an unknown variance of \$366.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) provides the following:

The sheriff shall, on the first Tuesday in January, April, July, and October of each year, make a report to the county board showing (a) the different items of fees, except mileage, collected or earned, from whom, at what time, and for what service, (b) the total amount of the fees collected or earned by the officer since the last report, and (c) the amount collected or earned for the current year. He or she shall pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.

Additionally, sound accounting practices and a good internal control plan require procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Those same procedures should include the timely identification and resolution of all variances noted.

Without such procedures, there is an increased risk of errors going undetected more easily, resulting in the possible loss, theft, or misuse of County funds. Furthermore, when fees collected are not remitted to the County Treasurer, the County Sheriff is not in compliance with State statute.

We recommend the County Sheriff implement procedures to ensure office assets agree to office liabilities on at least a monthly basis, and all variances are identified and resolved in a timely manner. We further recommend all fees collected be remitted to the County Treasurer in accordance with State statutes.

County's Response: The Sheriff will continue to work on reconciling and remitting collected fees.

* * * * *

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