

**AUDIT REPORT
OF
JEFFERSON COUNTY**

JULY 1, 2017, THROUGH JUNE 30, 2018

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the Auditor of Public Accounts.**

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Issued on November 5, 2018

JEFFERSON COUNTY

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JEFFERSON COUNTY

411 4th Street
Fairbury, NE 68352

LIST OF COUNTY OFFICIALS

At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Michael Dux	Jan. 2019
	Gale Pohlmann	Jan. 2021
	Mark Schoenrock	Jan. 2019
Assessor	Mary Banahan	Jan. 2019
Attorney	Jeffrey Goltz	Jan. 2019
Clerk	M. Cynthia Newman	Jan. 2019
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Shawna Taylor	Jan. 2019
Sheriff	Nels Sorensen	Jan. 2019
Treasurer	Leroy Bast	Jan. 2019
Veterans' Service Officer	Kenneth Dodge	Appointed
Weed Superintendent	John McKee	Appointed
Planning and Zoning		
Emergency Manager		



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JEFFERSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson 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 Jefferson 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 Jefferson 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.

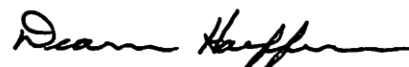
Report on Supplementary Information

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 20-37, 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 October 23, 2018, on our consideration of Jefferson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Jefferson County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

October 23, 2018

JEFFERSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2018

		Governmental Activities
<hr/>		
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	4,438,379
Investments (Note 1.D)		546,262
TOTAL ASSETS	\$	4,984,641
<hr/> <hr/>		
NET POSITION		
Restricted for:		
Visitor Promotion	\$	24,098
911 Emergency Services		107,642
Drug Education		39
Public Safety		201,778
Preservation of Records		15,863
Debt Service		124,701
Road/Bridge Projects		500,937
Community Development		216,232
Unrestricted		3,793,351
TOTAL NET POSITION	\$	4,984,641
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The notes to the financial statements are an integral part of this statement.

JEFFERSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 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	\$ (2,525,788)	\$ 362,737	\$ 63,885	\$ (2,099,166)
Public Safety	(2,853,083)	393,356	132,004	(2,327,723)
Public Works	(4,291,385)	120	1,429,728	(2,861,537)
Health and Sanitation	(90)	-	-	(90)
Public Assistance	(63,689)	-	-	(63,689)
Culture and Recreation	(138,085)	-	-	(138,085)
Debt Payments	(966,261)	-	-	(966,261)
Capital Outlay	(2,921,334)	-	-	(2,921,334)
Total Governmental Activities	<u>\$ (13,759,715)</u>	<u>\$ 756,213</u>	<u>\$ 1,625,617</u>	<u>(11,377,885)</u>

General Receipts:

Property Taxes	6,180,844
Grants and Contributions Not Restricted to Specific Programs	1,165,645
Investment Income	59,746
Licenses and Permits	34,188
Miscellaneous	140,882
Total General Receipts	<u>7,581,305</u>
Increase in Net Position	(3,796,580)
Net Position - Beginning of year	8,781,221
Net Position - End of year	<u>\$ 4,984,641</u>

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

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Highway Bond - PWF Road Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 89,566	\$ 518,052	\$ 986,879	\$ 189,548	\$ 2,654,334	\$ 4,438,379
Investments (Note 1.D)	-	-	546,262	-	-	546,262
TOTAL ASSETS	<u>\$ 89,566</u>	<u>\$ 518,052</u>	<u>\$ 1,533,141</u>	<u>\$ 189,548</u>	<u>\$ 2,654,334</u>	<u>\$ 4,984,641</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	24,098	24,098
911 Emergency Services	-	-	-	-	107,642	107,642
Drug Education	-	-	-	-	39	39
Public Safety	-	-	-	-	201,778	201,778
Preservation of Records	-	-	-	-	15,863	15,863
Debt Service	-	-	-	-	124,701	124,701
Road/Bridge Projects	-	-	-	189,548	311,389	500,937
Community Development	-	-	-	-	216,232	216,232
Committed to:						
Public Safety	-	-	-	-	557,662	557,662
Road Maintenance	-	518,052	-	-	463,898	981,950
County Buildings	-	-	-	-	363,100	363,100
Equipment	-	-	-	-	46,777	46,777
Culture & Recreation	-	-	-	-	221,155	221,155
Assigned to:						
Other Purposes	-	-	1,533,141	-	-	1,533,141
Unassigned	89,566	-	-	-	-	89,566
TOTAL CASH BASIS FUND BALANCES	<u>\$ 89,566</u>	<u>\$ 518,052</u>	<u>\$ 1,533,141</u>	<u>\$ 189,548</u>	<u>\$ 2,654,334</u>	<u>\$ 4,984,641</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Highway Bond - PWF Road Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$4,977,619	\$ -	\$ 184,341	\$ 505,722	\$ 513,162	\$ 6,180,844
Licenses and Permits	30,388	3,800	-	-	-	34,188
Investment Income	59,746	-	-	-	-	59,746
Intergovernmental	742,460	1,429,759	-	56,568	562,475	2,791,262
Charges for Services	423,559	120	-	-	332,534	756,213
Miscellaneous	33,800	52,254	-	-	54,828	140,882
TOTAL RECEIPTS	6,267,572	1,485,933	184,341	562,290	1,462,999	9,963,135
DISBURSEMENTS						
General Government	2,293,488	-	102,977	-	129,323	2,525,788
Public Safety	1,269,864	-	-	-	1,583,219	2,853,083
Public Works	105,922	3,549,277	-	-	636,186	4,291,385
Health and Sanitation	90	-	-	-	-	90
Public Assistance	63,689	-	-	-	-	63,689
Culture and Recreation	-	-	-	-	138,085	138,085
Debt Service:						
Principal Payments	-	-	-	335,000	370,000	705,000
Interest and Fiscal Charges	-	-	-	189,304	71,957	261,261
Capital Outlay	-	-	-	2,921,334	-	2,921,334
TOTAL DISBURSEMENTS	3,733,053	3,549,277	102,977	3,445,638	2,928,770	13,759,715
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,534,519	(2,063,344)	81,364	(2,883,348)	(1,465,771)	(3,796,580)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,400,000	2,788,492	195,891	80,000	1,794,911	6,259,294
Transfers out	(3,574,791)	(759,505)	(1,515,000)	(80,000)	(329,998)	(6,259,294)
TOTAL OTHER FINANCING SOURCES (USES)	(2,174,791)	2,028,987	(1,319,109)	-	1,464,913	-
Net Change in Fund Balances	359,728	(34,357)	(1,237,745)	(2,883,348)	(858)	(3,796,580)
CASH BASIS FUND BALANCES - BEGINNING	(270,162)	552,409	2,770,886	3,072,896	2,655,192	8,781,221
CASH BASIS FUND BALANCES - ENDING	\$ 89,566	\$ 518,052	\$ 1,533,141	\$ 189,548	\$ 2,654,334	\$ 4,984,641

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 348,719
 LIABILITIES	
Due to other governments	
State	139,983
Schools	125,799
Educational Service Units	1,806
Technical College	10,269
Natural Resource Districts	2,380
Fire Districts	5,024
Municipalities	38,488
Historical Society	24,815
Others	155
TOTAL LIABILITIES	348,719
 TOTAL NET ASSETS	 \$ -

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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 \$30,256 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.

Health Department – The County has entered into an agreement with Public Health Solutions (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2016, Supp. 2017).

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Southeast Region 911 Communication Services (911 Region) – The County has entered into an agreement with the governing boards of Public Safety Answering Points (PSAPs) of the City of Lincoln, City of Beatrice, City of Crete, City of Falls City, Cass County, Nuckolls County, Otoe County, Seward County, Thayer County, and York County to fund the planning, creation, and implementation of a 911 emergency call system for the southeast region of the State of Nebraska.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2018. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

B. Basis of Presentation

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

The statement of 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.

JEFFERSON 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.

Highway Bond – PWF Road Fund. This fund is used to account for bond proceeds to be used for the purpose of paying the costs of improving and/or repaving certain highways and roads of the County, as well as related improvements within the County and certain issuance costs. The receipts generated from taxes in this fund will be used for the purpose of the payment of general long-term debt principal, interest, and related costs.

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.

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

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

C. Measurement Focus, Basis of Accounting

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,191,290 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.

JEFFERSON 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 \$4,438,379 for County funds and \$348,719 for Fiduciary funds. The bank balances for all funds totaled \$4,758,724. 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.

The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$546,262 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes (Concluded)

The levy set in October 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.291898/\$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 \$.282763/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. Retirement System

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2016, Supp. 2017) and may be amended through legislative action.

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

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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

For the year ended June 30, 2018, 94 employees contributed \$148,887, and the County contributed \$220,667. Contributions included \$5,324 in cash contributions towards the supplemental law enforcement plan for 15 law enforcement employees. Lastly, the County paid \$144 directly to one retired employee for prior service benefits.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 91 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.

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	Road Fund	Inheritance Fund	Highway Bond – PWF Road Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -	\$ 1,400,000
Road Fund	2,788,492	-	-	-	-	2,788,492
Inheritance Fund	25,000	-	-	80,000	90,891	195,891
Highway Bond – PWF Road Fund	-	-	80,000	-	-	80,000
Nonmajor Funds	761,299	759,505	35,000	-	239,107	1,794,911
Total	\$ 3,574,791	\$ 759,505	\$ 1,515,000	\$ 80,000	\$ 329,998	\$ 6,259,294

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers** (Concluded)

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

In the year ended June 30, 2018, the County made a one-time transfer of \$364,505 from the Road Fund to the Highway Bond Fund to insure adequate funds were available for a bond payment. Additionally, the County made a one-time transfer of \$395,000 from the Road Fund to the Road Bridge Escrow Fund to set aside funds for future road projects in the County. A transfer of \$80,000 from the Highway Bond – PWF Road Fund to the Inheritance fund was made to repay a previous transfer from the Inheritance Fund. Transfers of \$20,000 from Non-Major Funds to the Computer IT Fund and \$45,607 to the Law Enforcement Building Fund were also made to reimburse costs originally paid out of those funds.

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:

	John Deere Road Equipment	Caterpillar Road Equipment	Total
Balance July 1, 2017	\$ 297,704	\$ 288,514	\$ 586,218
Purchases	168,500	-	168,500
Payments	187,167	74,154	261,321
Balance June 30, 2018	<u>\$ 279,037</u>	<u>\$ 214,360</u>	<u>\$ 493,397</u>
Future Payments:			
Year			
2019	\$ 129,827	\$ 86,730	\$ 216,557
2020	56,313	86,731	143,044
2021	36,783	50,783	87,566
2022	36,784	-	36,784
2023	36,783	-	36,783
2024-2028	-	-	-
Total Payments	<u>296,490</u>	<u>224,244</u>	<u>520,734</u>
Less Interest	<u>17,453</u>	<u>9,884</u>	<u>27,337</u>
Present Value of Future Minimum Lease Payments	<u>\$ 279,037</u>	<u>\$ 214,360</u>	<u>\$ 493,397</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,107,103</u>	<u>\$ 410,811</u>	<u>\$ 1,517,914</u>

The John Deere Road Equipment column includes five motor graders and one crawler loader. The Caterpillar Road Equipment column includes one wheel loader and two motor graders.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. **Interfund Loans**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Inheritance Fund	Ambulance Equipment Fund	\$ 78,675
Inheritance Fund	Law Enforcement Building Fund	\$ 54,950

The County experienced a cash flow problem in its Ambulance Fund in 2015, and a promissory note was created authorizing a loan of \$104,900. The County’s intent is for the loan to be repaid to the Inheritance Fund over four years, with interest to accrue at the rate of 2% per annum. The first payment on this note was completed in July 2017.

In fiscal year 2017, the County experienced a cash flow problem in its Law Enforcement Building Fund; a promissory note from the Inheritance Fund, totaling \$82,425, was created to allow for the purchase of computer equipment. The County’s intent is for the loan is to be repaid to the Inheritance Fund over three years, with interest to accrue at the rate of 2% per annum. The first payment on this note was completed in May 2018.

9. **Long-Term Debt**

Highway Allocation Bond

The County issued bonds on June 23, 2016, in the amount of \$4,030,000 for the purpose of refinancing the Series 2011 Highway Allocation Bonds. The bond payable balance, as of June 30, 2018, was \$3,415,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 305,000	\$ 56,512	\$ 361,512
2020	315,000	53,463	368,463
2021	315,000	49,997	364,997
2022	320,000	46,218	366,218
2023	325,000	39,817	364,817
2024-2028	1,710,000	119,335	1,829,335
2029	125,000	3,000	128,000
Total Payments	<u>\$ 3,415,000</u>	<u>\$ 368,342</u>	<u>\$ 3,783,342</u>

Highway Bond – PWF Road Bond

The County issued bonds on December 16, 2015, in the amount of \$8,000,000 for the purpose of paying the costs of improving and/or repaving certain highways and roads of the County. The bond payable balance, as of June 30, 2018, was \$7,325,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Long-Term Debt (Concluded)

Future Payments:

Year	Principal	Interest	Total
2019	\$ 340,000	\$ 185,442	\$ 525,442
2020	345,000	181,416	526,416
2021	345,000	176,673	521,673
2022	350,000	171,023	521,023
2023	360,000	164,450	524,450
2024-2028	1,910,000	695,050	2,605,050
2029-2033	2,190,000	417,385	2,607,385
2034-2036	1,485,000	75,015	1,560,015
Total Payments	<u>\$ 7,325,000</u>	<u>\$ 2,066,454</u>	<u>\$ 9,391,454</u>

Limited Tax Refunding Bond

The County issued bonds on June 5, 2015, in the amount of \$815,000 for the purpose of paying the costs of refinancing Tax Obligation Bonds, Series 2010. The bond payable balance, as of June 30, 2018, was \$600,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2019	\$ 70,000	\$ 11,210	\$ 81,210
2020	70,000	10,300	80,300
2021	70,000	9,250	79,250
2022	75,000	7,994	82,994
2023	75,000	6,531	81,531
2024-2026	240,000	8,860	248,860
Total Payments	<u>\$ 600,000</u>	<u>\$ 54,145</u>	<u>\$ 654,145</u>

JEFFERSON 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	\$ 5,438,194	\$ 5,438,194	\$4,977,619	\$ (460,575)
Licenses and Permits	28,350	28,350	30,388	2,038
Interest	46,100	46,100	59,746	13,646
Intergovernmental	151,142	151,142	742,460	591,318
Charges for Services	345,200	345,200	423,559	78,359
Miscellaneous	400	400	33,800	33,400
TOTAL RECEIPTS	<u>6,009,386</u>	<u>6,009,386</u>	<u>6,267,572</u>	<u>258,186</u>
DISBURSEMENTS				
General Government:				
County Board	81,627	82,064	82,064	-
County Clerk	127,570	127,570	124,424	3,146
County Treasurer	183,303	183,303	175,098	8,205
Register of Deeds	38,175	38,175	35,428	2,747
County Assessor	226,739	226,739	176,430	50,309
Election Commissioner	28,862	28,862	16,484	12,378
Building and Zoning	47,647	47,647	43,913	3,734
Clerk of the District Court	107,172	107,172	103,299	3,873
County Court System	11,860	11,860	9,955	1,905
Building and Grounds	120,802	129,478	129,478	-
Agricultural Extension Agent	64,650	64,650	56,382	8,268
Employment Security	26,163	26,163	-	26,163
Miscellaneous	1,535,708	1,526,483	1,340,533	185,950
Public Safety				
County Sheriff	764,786	764,786	671,674	93,112
County Attorney	131,880	131,880	119,223	12,657
County Jail	614,100	614,100	314,116	299,984
Emergency Management	152,524	152,524	140,187	12,337
Child Support Enforcement	27,500	27,500	24,664	2,836
Public Works				
County Surveyor	37,000	37,112	37,112	-
Noxious Weed Control	89,551	89,551	68,810	20,741
Public Health				
Institutional	17,000	17,000	90	16,910
Public Assistance				
Veterans' Aid	19,000	19,000	9,500	9,500
Veterans' Service Officer	57,795	57,795	51,289	6,506
Medical Relief	73,000	73,000	2,900	70,100
TOTAL DISBURSEMENTS	<u>4,584,414</u>	<u>4,584,414</u>	<u>3,733,053</u>	<u>851,361</u>

(Continued)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,424,972</u>	<u>1,424,972</u>	<u>2,534,519</u>	<u>1,109,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,659,916	2,659,916	1,400,000	(1,259,916)
Transfers out	<u>(3,332,158)</u>	<u>(3,332,158)</u>	<u>(3,574,791)</u>	<u>(242,633)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(672,242)</u>	<u>(672,242)</u>	<u>(2,174,791)</u>	<u>(1,502,549)</u>
Net Change in Fund Balance	752,730	752,730	359,728	(393,002)
FUND BALANCE - BEGINNING	<u>(270,683)</u>	<u>(270,683)</u>	<u>(270,162)</u>	<u>521</u>
FUND BALANCE - ENDING	<u>\$ 482,047</u>	<u>\$ 482,047</u>	<u>\$ 89,566</u>	<u>\$ (392,481)</u>

(Concluded)

JEFFERSON 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				
Licenses and Permits	\$ 8,000	\$ 8,000	\$ 3,800	\$ (4,200)
Intergovernmental	1,396,076	1,396,076	1,429,759	33,683
Charges for Services	120	120	120	-
Miscellaneous	25,000	25,000	52,254	27,254
TOTAL RECEIPTS	1,429,196	1,429,196	1,485,933	56,737
DISBURSEMENTS	4,123,333	4,123,333	3,549,277	574,056
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,694,137)	(2,694,137)	(2,063,344)	630,793
OTHER FINANCING SOURCES (USES)				
Transfers in	2,873,631	2,873,631	2,788,492	(85,139)
Transfers out	(364,505)	(364,505)	(759,505)	(395,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,509,126	2,509,126	2,028,987	(480,139)
Net Change in Fund Balance	(185,011)	(185,011)	(34,357)	150,654
FUND BALANCE - BEGINNING	552,409	552,409	552,409	-
FUND BALANCE - ENDING	\$ 367,398	\$ 367,398	\$ 518,052	\$ 150,654
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 100,000	\$ 100,000	\$ 184,341	\$ 84,341
Miscellaneous	400,000	400,000	-	(400,000)
TOTAL RECEIPTS	500,000	500,000	184,341	(315,659)
DISBURSEMENTS	679,280	679,280	102,977	576,303
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(179,280)	(179,280)	81,364	260,644
OTHER FINANCING SOURCES (USES)				
Transfers in	68,310	68,310	195,891	127,581
Transfers out	(2,659,916)	(2,659,916)	(1,515,000)	1,144,916
TOTAL OTHER FINANCING SOURCES (USES)	(2,591,606)	(2,591,606)	(1,319,109)	1,272,497
Net Change in Fund Balance	(2,770,886)	(2,770,886)	(1,237,745)	1,533,141
FUND BALANCE - BEGINNING	2,770,886	2,770,886	2,770,886	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,533,141	\$ 1,533,141

(Continued)

JEFFERSON 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)
<u>HIGHWAY BOND - PWF ROAD FUND</u>				
RECEIPTS				
Taxes	\$ 550,000	\$ 550,000	\$ 505,722	\$ (44,278)
Intergovernmental	4,000	4,000	56,568	52,568
TOTAL RECEIPTS	554,000	554,000	562,290	8,290
DISBURSEMENTS	3,626,896	3,626,896	3,445,638	181,258
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,072,896)	(3,072,896)	(2,883,348)	189,548
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	80,000	80,000
Transfers out	-	-	(80,000)	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(3,072,896)	(3,072,896)	(2,883,348)	189,548
FUND BALANCE - BEGINNING	3,072,896	3,072,896	3,072,896	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 189,548	\$ 189,548

(Concluded)

JEFFERSON 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 PROGRAM				
FUND				
Receipts	\$ 116,823	\$ 116,823	\$ 116,823	\$ -
Disbursements	(442,232)	(442,232)	(427,372)	14,860
Net Change in Fund Balance	(325,409)	(325,409)	(310,549)	14,860
Fund Balance - Beginning	325,409	325,409	325,409	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,860</u>	<u>\$ 14,860</u>
HIGHWAY BRIDGE BUYBACK PROGRAM				
FUND				
Receipts	\$ 163,217	\$ 163,217	\$ 163,217	\$ -
Disbursements	(499,643)	(499,643)	(203,114)	296,529
Net Change in Fund Balance	(336,426)	(336,426)	(39,897)	296,529
Fund Balance - Beginning	336,426	336,426	336,426	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,529</u>	<u>\$ 296,529</u>
ROAD BRIDGE ESCROW FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(74,598)	(74,598)	(5,700)	68,898
Transfers in	-	-	395,000	395,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(74,598)	(74,598)	389,300	463,898
Fund Balance - Beginning	74,598	74,598	74,598	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,898</u>	<u>\$ 463,898</u>
EQUIPMENT RESERVE FUND				
Receipts	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Disbursements	(17,596)	(17,596)	-	17,596
Net Change in Fund Balance	(2,596)	(2,596)	-	2,596
Fund Balance - Beginning	2,596	2,596	2,596	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,596</u>	<u>\$ 2,596</u>
COMMUNICATION EQUIPMENT FUND				
Receipts	\$ -	\$ -	\$ 7,500	\$ 7,500
Disbursements	(32,460)	(32,460)	(13,340)	19,120
Transfers in	7,500	7,500	7,500	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(24,960)	(24,960)	1,660	26,620
Fund Balance - Beginning	24,960	24,960	24,960	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,620</u>	<u>\$ 26,620</u>

(Continued)

JEFFERSON 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)
COMPUTER IT FUND				
Receipts	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Disbursements	(85,101)	(85,101)	(78,501)	6,600
Transfers in	64,932	64,932	92,932	28,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(2,169)	(2,169)	14,431	16,600
Fund Balance - Beginning	2,169	2,169	2,169	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,600</u>	<u>\$ 16,600</u>
EQUIPMENT VEHICLE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(80,000)	(80,000)	(79,039)	961
Transfers in	58,095	58,095	58,095	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(21,905)	(21,905)	(20,944)	961
Fund Balance - Beginning	21,905	21,905	21,905	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961</u>	<u>\$ 961</u>
FAIR FUND				
Receipts	\$ 14,000	\$ 14,000	\$ 12,126	\$ (1,874)
Disbursements	(123,000)	(123,000)	(103,578)	19,422
Transfers in	155,000	155,000	148,000	(7,000)
Transfers out	(50,000)	(50,000)	(48,000)	2,000
Net Change in Fund Balance	(4,000)	(4,000)	8,548	12,548
Fund Balance - Beginning	12,122	12,122	12,122	-
Fund Balance - Ending	<u>\$ 8,122</u>	<u>\$ 8,122</u>	<u>\$ 20,670</u>	<u>\$ 12,548</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 4,851	\$ (149)
Disbursements	(16,340)	(16,340)	(328)	16,012
Net Change in Fund Balance	(11,340)	(11,340)	4,523	15,863
Fund Balance - Beginning	11,340	11,340	11,340	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,863</u>	<u>\$ 15,863</u>
ATTORNEY GRANT FUND				
Receipts	\$ 771	\$ 771	\$ 1,100	\$ 329
Disbursements	(3,200)	(3,200)	-	3,200
Net Change in Fund Balance	(2,429)	(2,429)	1,100	3,529
Fund Balance - Beginning	2,429	2,429	2,429	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,529</u>	<u>\$ 3,529</u>

JEFFERSON 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)
DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 24,961	\$ 24,961	\$ -	\$ (24,961)
Disbursements	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(39)	(39)	-	39
Fund Balance - Beginning	39	39	39	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
INTOXILYZER FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 1,962	\$ (2,038)
Disbursements	(4,990)	(4,990)	(442)	4,548
Net Change in Fund Balance	(990)	(990)	1,520	2,510
Fund Balance - Beginning	990	990	990	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,510</u>	<u>\$ 2,510</u>
SHERIFF GRANT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ 4,249	\$ (45,751)
Disbursements	(59,600)	(59,600)	(12,053)	47,547
Net Change in Fund Balance	(9,600)	(9,600)	(7,804)	1,796
Fund Balance - Beginning	9,600	9,600	9,600	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,796</u>	<u>\$ 1,796</u>
CANINE FUND				
Receipts	\$ 3,000	\$ 3,000	\$ 100	\$ (2,900)
Disbursements	(10,131)	(10,131)	(4,281)	5,850
Net Change in Fund Balance	(7,131)	(7,131)	(4,181)	2,950
Fund Balance - Beginning	7,131	7,131	7,131	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,950</u>	<u>\$ 2,950</u>
COMMUNITY DEVELOPMENT GRANT FUND				
Receipts	\$ 16,978	\$ 16,978	\$ 15,383	\$ (1,595)
Disbursements	(217,867)	(217,867)	(40)	217,827
Net Change in Fund Balance	(200,889)	(200,889)	15,343	216,232
Fund Balance - Beginning	200,889	200,889	200,889	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,232</u>	<u>\$ 216,232</u>

(Continued)

JEFFERSON 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)
911 EMERGENCY FUND				
Receipts	\$ 35,000	\$ 35,000	\$ 34,170	\$ (830)
Disbursements	(77,456)	(77,456)	(51,097)	26,359
Transfers in	-	-	-	-
Transfers out	-	-	(8,000)	(8,000)
Net Change in Fund Balance	(42,456)	(42,456)	(24,927)	17,529
Fund Balance - Beginning	42,456	42,456	42,456	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,529</u>	<u>\$ 17,529</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 48,000	\$ 48,000	\$ 48,081	\$ 81
Disbursements	(150,817)	(150,817)	(47,815)	103,002
Transfers in	-	-	-	-
Transfers out	-	-	(12,970)	(12,970)
Net Change in Fund Balance	(102,817)	(102,817)	(12,704)	90,113
Fund Balance - Beginning	102,817	102,817	102,817	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,113</u>	<u>\$ 90,113</u>
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 106,200	\$ 106,200	\$ 114,877	\$ 8,677
Disbursements	(521,883)	(521,883)	(78,654)	443,229
Net Change in Fund Balance	(415,683)	(415,683)	36,223	451,906
Fund Balance - Beginning	415,683	415,683	415,683	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,906</u>	<u>\$ 451,906</u>
LAW ENFORCEMENT BUILDING FUND				
Receipts	\$ 564,619	\$ 564,619	\$ 112,799	\$ (451,820)
Disbursements	(611,505)	(611,505)	(474,923)	136,582
Transfers in	-	-	365,379	365,379
Transfers out	(82,500)	(82,500)	(119,081)	(36,581)
Net Change in Fund Balance	(129,386)	(129,386)	(115,826)	13,560
Fund Balance - Beginning	129,386	129,386	129,386	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,560</u>	<u>\$ 13,560</u>

(Continued)

JEFFERSON 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)
LAW ENFORCEMENT BUILDING BOND FUND				
Receipts	\$ 18,000	\$ 18,000	\$ 15,577	\$ (2,423)
Disbursements	(203,250)	(203,250)	(77,452)	125,798
Transfers in	68,000	68,000	68,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(117,250)	(117,250)	6,125	123,375
Fund Balance - Beginning	117,250	117,250	117,250	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,375</u>	<u>\$ 123,375</u>
HIGHWAY BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(365,831)	(365,831)	(364,505)	1,326
Transfers in	364,505	364,505	364,505	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,326)	(1,326)	-	1,326
Fund Balance - Beginning	1,326	1,326	1,326	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 1,326</u>
NATURAL DISASTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(196,453)	(196,453)	-	196,453
Net Change in Fund Balance	(196,453)	(196,453)	-	196,453
Fund Balance - Beginning	196,453	196,453	196,453	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,453</u>	<u>\$ 196,453</u>
FAIR BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(203,492)	(203,492)	(8,007)	195,485
Transfers in	80,000	80,000	78,000	(2,000)
Transfers out	(50,000)	(50,000)	(43,000)	7,000
Net Change in Fund Balance	(173,492)	(173,492)	26,993	200,485
Fund Balance - Beginning	173,492	173,492	173,492	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,485</u>	<u>\$ 200,485</u>

(Continued)

JEFFERSON 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)
COUNTY BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(249,096)	(249,096)	(50,454)	198,642
Transfers in	20,000	20,000	20,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(229,096)	(229,096)	(30,454)	198,642
Fund Balance - Beginning	229,096	229,096	229,096	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,642</u>	<u>\$ 198,642</u>
LAW ENFORCEMENT ADDITION REMODEL FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(249,636)	(249,636)	(85,177)	164,459
Transfers in	162,500	162,500	162,500	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(87,136)	(87,136)	77,323	164,459
Fund Balance - Beginning	87,136	87,136	87,135	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,458</u>	<u>\$ 164,459</u>
VISITOR PROMOTION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 25,411	\$ 5,411
Disbursements	(45,187)	(45,187)	(26,500)	18,687
Net Change in Fund Balance	(25,187)	(25,187)	(1,089)	24,098
Fund Balance - Beginning	25,187	25,187	25,187	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,098</u>	<u>\$ 24,098</u>
AMBULANCE SERVICE FUND				
Receipts	\$ 792,812	\$ 792,812	\$ 784,773	\$ (8,039)
Disbursements	(802,846)	(802,846)	(736,398)	66,448
Transfers in	-	-	35,000	35,000
Transfers out	(43,310)	(43,310)	(98,947)	(55,637)
Net Change in Fund Balance	(53,344)	(53,344)	(15,572)	37,772
Fund Balance - Beginning	92,746	92,746	92,746	-
Fund Balance - Ending	<u>\$ 39,402</u>	<u>\$ 39,402</u>	<u>\$ 77,174</u>	<u>\$ 37,772</u>
AMBULANCE EQUIPMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(9,562)	(9,562)	-	9,562
Net Change in Fund Balance	(9,562)	(9,562)	-	9,562
Fund Balance - Beginning	9,562	9,562	9,562	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,562</u>	<u>\$ 9,562</u>

JEFFERSON 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 Program Fund	Highway Bridge Buyback Program Fund	Road Bridge Escrow Fund	Equipment Reserve Fund	Communication Equipment Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	116,823	163,217	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	7,500
TOTAL RECEIPTS	<u>116,823</u>	<u>163,217</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	13,340
Public Works	427,372	203,114	5,700	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>427,372</u>	<u>203,114</u>	<u>5,700</u>	<u>-</u>	<u>13,340</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(310,549)</u>	<u>(39,897)</u>	<u>(5,700)</u>	<u>-</u>	<u>(5,840)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	395,000	-	7,500
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>395,000</u>	<u>-</u>	<u>7,500</u>
Net Change in Fund Balances	(310,549)	(39,897)	389,300	-	1,660
FUND BALANCES - BEGINNING	<u>325,409</u>	<u>336,426</u>	<u>74,598</u>	<u>2,596</u>	<u>24,960</u>
FUND BALANCES - ENDING	<u>\$ 14,860</u>	<u>\$ 296,529</u>	<u>\$ 463,898</u>	<u>\$ 2,596</u>	<u>\$ 26,620</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Public Safety	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road/Bridge Projects	14,860	296,529	-	-	-
Community Development	-	-	-	-	-
Committed to:					
Public Safety	-	-	-	-	-
Road Maintenance	-	-	463,898	-	-
County Buildings	-	-	-	-	-
Equipment	-	-	-	2,596	26,620
Culture & Recreation	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 14,860</u>	<u>\$ 296,529</u>	<u>\$ 463,898</u>	<u>\$ 2,596</u>	<u>\$ 26,620</u>

(Continued)

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

	Computer IT Fund	Equipment Vehicle Fund	Fair Fund	Preservation and Modernization Fund	Attorney Grant Fund	Drug Law Enforcement Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2	-	-	-
Charges for Services	-	-	-	4,851	1,100	-
Miscellaneous	-	-	12,124	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>12,126</u>	<u>4,851</u>	<u>1,100</u>	<u>-</u>
DISBURSEMENTS						
General Government	78,501	-	-	328	-	-
Public Safety	-	79,039	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	103,578	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>78,501</u>	<u>79,039</u>	<u>103,578</u>	<u>328</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(78,501)</u>	<u>(79,039)</u>	<u>(91,452)</u>	<u>4,523</u>	<u>1,100</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	92,932	58,095	148,000	-	-	-
Transfers out	-	-	(48,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>92,932</u>	<u>58,095</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	14,431	(20,944)	8,548	4,523	1,100	-
FUND BALANCES - BEGINNING	<u>2,169</u>	<u>21,905</u>	<u>12,122</u>	<u>11,340</u>	<u>2,429</u>	<u>39</u>
FUND BALANCES - ENDING	<u>\$ 16,600</u>	<u>\$ 961</u>	<u>\$20,670</u>	<u>\$ 15,863</u>	<u>\$ 3,529</u>	<u>\$ 39</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	39
Public Safety	-	-	-	-	3,529	-
Preservation of Records	-	-	-	15,863	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	16,600	961	-	-	-	-
Culture & Recreation	-	-	20,670	-	-	-
TOTAL FUND BALANCES	<u>\$ 16,600</u>	<u>\$ 961</u>	<u>\$20,670</u>	<u>\$ 15,863</u>	<u>\$ 3,529</u>	<u>\$ 39</u>

(Continued)

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

	Intoxilyzer Fund	Sheriff Grant Fund	Canine Fund	Community Development Grant Fund	911 Emergency Fund	911 Wireless Service Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 34,170	\$ 48,081
Intergovernmental	-	4,249	-	-	-	-
Charges for Services	1,962	-	-	-	-	-
Miscellaneous	-	-	100	15,383	-	-
TOTAL RECEIPTS	<u>1,962</u>	<u>4,249</u>	<u>100</u>	<u>15,383</u>	<u>34,170</u>	<u>48,081</u>
DISBURSEMENTS						
General Government	-	-	-	40	-	-
Public Safety	442	12,053	4,281	-	51,097	47,815
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>442</u>	<u>12,053</u>	<u>4,281</u>	<u>40</u>	<u>51,097</u>	<u>47,815</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,520</u>	<u>(7,804)</u>	<u>(4,181)</u>	<u>15,343</u>	<u>(16,927)</u>	<u>266</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(8,000)	(12,970)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(12,970)</u>
Net Change in Fund Balances	1,520	(7,804)	(4,181)	15,343	(24,927)	(12,704)
FUND BALANCES - BEGINNING	<u>990</u>	<u>9,600</u>	<u>7,131</u>	<u>200,889</u>	<u>42,456</u>	<u>102,817</u>
FUND BALANCES - ENDING	<u>\$ 2,510</u>	<u>\$ 1,796</u>	<u>\$ 2,950</u>	<u>\$ 216,232</u>	<u>\$ 17,529</u>	<u>\$ 90,113</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	17,529	90,113
Drug Education	-	-	-	-	-	-
Public Safety	-	1,796	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	-	216,232	-	-
Committed to:						
Public Safety	2,510	-	2,950	-	-	-
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,510</u>	<u>\$ 1,796</u>	<u>\$ 2,950</u>	<u>\$ 216,232</u>	<u>\$ 17,529</u>	<u>\$ 90,113</u>

(Continued)

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

	Emergency Management Fund	Law Enforcement Building Fund	Law Enforcement Building Bond Fund	Highway Bond Fund	Natural Disaster Fund	Fair Building Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	110,677	112,695	15,577	-	-	-
Charges for Services	4,200	-	-	-	-	-
Miscellaneous	-	104	-	-	-	-
TOTAL RECEIPTS	<u>114,877</u>	<u>112,799</u>	<u>15,577</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	78,654	474,923	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	8,007
Debt Service:						
Principal Payments	-	-	65,000	305,000	-	-
Interest and Fiscal Charges	-	-	12,452	59,505	-	-
TOTAL DISBURSEMENTS	<u>78,654</u>	<u>474,923</u>	<u>77,452</u>	<u>364,505</u>	<u>-</u>	<u>8,007</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>36,223</u>	<u>(362,124)</u>	<u>(61,875)</u>	<u>(364,505)</u>	<u>-</u>	<u>(8,007)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	365,379	68,000	364,505	-	78,000
Transfers out	-	(119,081)	-	-	-	(43,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>246,298</u>	<u>68,000</u>	<u>364,505</u>	<u>-</u>	<u>35,000</u>
Net Change in Fund Balances	36,223	(115,826)	6,125	-	-	26,993
FUND BALANCES - BEGINNING	<u>415,683</u>	<u>129,386</u>	<u>117,250</u>	<u>1,326</u>	<u>196,453</u>	<u>173,492</u>
FUND BALANCES - ENDING	<u>\$ 451,906</u>	<u>\$ 13,560</u>	<u>\$ 123,375</u>	<u>\$ 1,326</u>	<u>\$ 196,453</u>	<u>\$ 200,485</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Public Safety	-	-	-	-	196,453	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	123,375	1,326	-	-
Road/Bridge Projects	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Committed to:						
Public Safety	451,906	13,560	-	-	-	-
Road Maintenance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	200,485
TOTAL FUND BALANCES	<u>\$ 451,906</u>	<u>\$ 13,560</u>	<u>\$ 123,375</u>	<u>\$ 1,326</u>	<u>\$ 196,453</u>	<u>\$ 200,485</u>

(Continued)

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

	County Building Fund	Law Enforcement Addition Remodel Fund	Visitor Promotion Fund	Ambulance Service Fund	Ambulance Equipment Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ 20,272	\$ 410,639	\$ -	\$ 513,162
Intergovernmental	-	-	-	39,235	-	562,475
Charges for Services	-	-	-	320,421	-	332,534
Miscellaneous	-	-	5,139	14,478	-	54,828
TOTAL RECEIPTS	-	-	25,411	784,773	-	1,462,999
DISBURSEMENTS						
General Government	50,454	-	-	-	-	129,323
Public Safety	-	85,177	-	736,398	-	1,583,219
Public Works	-	-	-	-	-	636,186
Culture and Recreation	-	-	26,500	-	-	138,085
Debt Service:						
Principal Payments	-	-	-	-	-	370,000
Interest and Fiscal Charges	-	-	-	-	-	71,957
TOTAL DISBURSEMENTS	50,454	85,177	26,500	736,398	-	2,928,770
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(50,454)	(85,177)	(1,089)	48,375	-	(1,465,771)
OTHER FINANCING SOURCES (USES)						
Transfers in	20,000	162,500	-	35,000	-	1,794,911
Transfers out	-	-	-	(98,947)	-	(329,998)
TOTAL OTHER FINANCING SOURCES (USES)	20,000	162,500	-	(63,947)	-	1,464,913
Net Change in Fund Balances	(30,454)	77,323	(1,089)	(15,572)	-	(858)
FUND BALANCES - BEGINNING	229,096	87,135	25,187	92,746	9,562	2,655,192
FUND BALANCES - ENDING	\$ 198,642	\$ 164,458	\$ 24,098	\$ 77,174	\$ 9,562	\$ 2,654,334
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	24,098	-	-	24,098
911 Emergency Services	-	-	-	-	-	107,642
Drug Education	-	-	-	-	-	39
Public Safety	-	-	-	-	-	201,778
Preservation of Records	-	-	-	-	-	15,863
Debt Service	-	-	-	-	-	124,701
Road/Bridge Projects	-	-	-	-	-	311,389
Community Development	-	-	-	-	-	216,232
Committed to:						
Public Safety	-	-	-	77,174	9,562	557,662
Road Maintenance	-	-	-	-	-	463,898
County Buildings	198,642	164,458	-	-	-	363,100
Equipment	-	-	-	-	-	46,777
Culture & Recreation	-	-	-	-	-	221,155
TOTAL FUND BALANCES	\$ 198,642	\$ 164,458	\$ 24,098	\$ 77,174	\$ 9,562	\$ 2,654,334

(Concluded)

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

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2017	\$ 194	\$ 16,509	\$ 32,198	\$ 12,727	\$ 3,451	\$ 7,818	\$ 500
RECEIPTS							
Property Taxes	-	-	-	10,169	-	-	-
Licenses and Permits	1,000	-	-	645	-	-	3,800
Intergovernmental	-	-	-	4,249	-	-	-
Charges for Services	7,296	45,131	18,318	53,704	1,780	37,248	-
Miscellaneous	-	-	-	4,944	265	2,485	47,039
State Fees	540	32,551	19,265	486	-	-	783
Other Liabilities	-	-	773,228	98,458	11,494	-	-
TOTAL RECEIPTS	8,836	77,682	810,811	172,655	13,539	39,733	51,622
DISBURSEMENTS							
Payments to County Treasurer	8,100	46,306	18,116	66,260	1,405	43,733	50,801
Payments to State Treasurer	385	39,555	18,120	501	-	-	783
Other Liabilities	-	-	775,734	99,119	12,295	-	38
TOTAL DISBURSEMENTS	8,485	85,861	811,970	165,880	13,700	43,733	51,622
BALANCES JUNE 30, 2018	<u>\$ 545</u>	<u>\$ 8,330</u>	<u>\$ 31,039</u>	<u>\$ 19,502</u>	<u>\$ 3,290</u>	<u>\$ 3,818</u>	<u>\$ 500</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 381	\$ 4,942	\$ 1,456	\$ 16,403	\$ 375	\$ 3,768	\$ -
Petty Cash	-	-	100	2,700	1,000	50	500
Due to State Treasurer	164	3,388	1,314	21	-	-	-
Due to Others	-	-	28,169	378	1,915	-	-
BALANCES JUNE 30, 2018	<u>\$ 545</u>	<u>\$ 8,330</u>	<u>\$ 31,039</u>	<u>\$ 19,502</u>	<u>\$ 3,290</u>	<u>\$ 3,818</u>	<u>\$ 500</u>

(Continued)

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

	Veterans' Service Officer	County Fair	County Ambulance	County Planning and Zoning	County Board	County Emergency Manager	County Assessor	Total
BALANCES JULY 1, 2017	\$ 9,116	\$ 4,085	\$ 138,374	\$ -	\$ 18,762	\$ -	\$ 27	\$ 243,761
RECEIPTS								
Property Taxes	-	-	-	-	-	-	-	10,169
Licenses and Permits	-	-	-	2,025	-	-	-	7,470
Intergovernmental	-	-	-	-	-	-	-	4,249
Charges for Services	-	-	378,776	-	-	-	-	542,253
Miscellaneous	9,671	27,048	1,615	-	25,124	49,163	42	167,396
State Fees	-	-	-	-	-	-	-	53,625
Other Liabilities	-	-	-	-	-	-	-	883,180
TOTAL RECEIPTS	<u>9,671</u>	<u>27,048</u>	<u>380,391</u>	<u>2,025</u>	<u>25,124</u>	<u>49,163</u>	<u>42</u>	<u>1,668,342</u>
DISBURSEMENTS								
Payments to County Treasurer	-	12,124	332,890	2,025	-	49,065	42	630,867
Payments to State Treasurer	-	-	-	-	-	-	-	59,344
Other Liabilities	14,850	17,892	560	-	23,778	-	-	944,266
TOTAL DISBURSEMENTS	<u>14,850</u>	<u>30,016</u>	<u>333,450</u>	<u>2,025</u>	<u>23,778</u>	<u>49,065</u>	<u>42</u>	<u>1,634,477</u>
BALANCES JUNE 30, 2018	<u>\$ 3,937</u>	<u>\$ 1,117</u>	<u>\$ 185,315</u>	<u>\$ -</u>	<u>\$ 20,108</u>	<u>\$ 98</u>	<u>\$ 27</u>	<u>\$ 277,626</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 3,937	\$ 1,117	\$ 184,815	\$ -	\$ 16,877	\$ 98	\$ 2	\$ 234,171
Petty Cash	-	-	500	-	500	-	25	5,375
Due to State Treasurer	-	-	-	-	-	-	-	4,887
Due to Others	-	-	-	-	2,731	-	-	33,193
BALANCES JUNE 30, 2018	<u>\$ 3,937</u>	<u>\$ 1,117</u>	<u>\$ 185,315</u>	<u>\$ -</u>	<u>\$ 20,108</u>	<u>\$ 98</u>	<u>\$ 27</u>	<u>\$ 277,626</u>

(Concluded)

JEFFERSON 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	\$ 16,168,240	\$ 17,260,577	\$ 18,714,758	\$ 20,300,165	\$ 20,755,385
Personal and Specials	4,172,947	4,336,494	4,363,407	4,031,839	4,201,297
Total	20,341,187	21,597,071	23,078,165	24,332,004	24,956,682
Corrections					
Additions	21,641	20,057	11,604	19,879	12,258
Deductions	(23,972)	(27,568)	(19,397)	(38,667)	(3,881)
Net Additions/ (Deductions)	(2,331)	(7,511)	(7,793)	(18,788)	8,377
Corrected Certified Tax	20,338,856	21,589,560	23,070,372	24,313,216	24,965,059
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2014	12,482,562	-	-	-	-
June 30, 2015	7,791,314	13,135,113	-	-	-
June 30, 2016	26,956	8,394,078	14,084,431	-	-
June 30, 2017	9,116	16,148	8,919,828	14,823,724	-
June 30, 2018	5,642	15,255	30,355	9,433,622	15,034,871
Total Net Collections	20,315,590	21,560,594	23,034,614	24,257,346	15,034,871
Total Uncollected Tax	\$ 23,266	\$ 28,966	\$ 35,758	\$ 55,870	\$ 9,930,188
Percentage Uncollected Tax	0.11%	0.13%	0.15%	0.23%	39.78%

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



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

Board of Commissioners
Jefferson County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated October 23, 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 Jefferson 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 Jefferson 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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

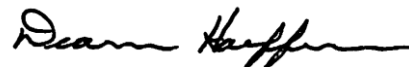
We also noted certain matters that we reported to the management of Jefferson County in a separate letter dated October 23, 2018.

Jefferson County’s Response to Findings

Jefferson County declined to respond to the finding described above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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

October 23, 2018



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 23, 2018

Board of Commissioners
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2018, and have issued our report thereon dated October 23, 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

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. 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.

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.

Unclaimed Property

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

- The County Fair maintained 155 checks from 2009 through 2013, totaling \$1,032, which were still held at the time of audit fieldwork.
- The County Sheriff maintained 36 checks from 2006 through 2013, totaling \$662, which were still held at the time of audit fieldwork.
- The County Attorney maintained two checks from 2014, totaling \$134, which were still held at the time of audit fieldwork.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009), which is found in the Act, presumes abandoned any intangible personal property held by public entities or political subdivisions that remains unclaimed for more than three years. Neb. Rev. Stat. § 69-1310(d) (Reissue 2009) requires any such abandoned property, as of June 30 each year, to be reported and remitted to the State Treasurer before November 1 annually.

In addition, good internal controls require the County to have procedures in place that provide an ongoing, detailed review of all accounts to determine appropriate follow-up action. This was also noted in prior audits.

We recommend all personal property held by County offices that remains unclaimed for more than three years be remitted to the State Treasurer in accordance with the Act.

Insufficient Pledged Collateral

During our audit, we noted County deposits at two local banks were not fully insured by the Federal Deposit Insurance Corporation (FDIC) or additional pledged securities:

- The County did not maintain or review monthly pledged collateral reports for the Imprest bank account. Based on the known pledged collateral amount, the County Board's Imprest bank account was uncollateralized, in amounts ranging between \$37,044 and \$1,063,706, for 16 days.
- The County Treasurer's checking account was uncollateralized, in amounts ranging from \$78,937 to \$1,490,130, for 13 days.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2009) states, in part, the following:

[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.

When deposits are not fully secured at all times, the County is not in compliance with State statute, and there is an increased risk of loss should the financial institutions holding the County deposits fail. This was also noted in prior audits.

We recommend the County Board and County Treasurer implement procedures to ensure bank deposits are adequately secured at all times.

COUNTY AMBULANCE

Ambulance Office Procedures

The following issues were noted with the County Ambulance's office procedures at June 30, 2018:

- The County Ambulance maintains \$500 in petty cash that was neither approved by the County Board nor included in the fiscal policy of the annual budget message.
- The County Ambulance office does not perform a monthly reconciliation of its bank account. Due to the lack of reconciliation procedures, we noted the account was short \$3,138 at June 30, 2018, largely due to an overpayment to the County Treasurer.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

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

Additionally, good internal control and sound accounting practices require procedures to be in place to ensure an accurate and complete bank reconciliation is completed. Such reconciliation should include the timely adjustment of all variances noted.

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

We recommend the County Ambulance office ensure its \$500 petty cash amount is approved and included in the fiscal policy of the County Board's budget message, as required by law. We also recommend the County Ambulance office implement a monthly reconciliation of its bank account and correct the errors noted.

COUNTY ATTORNEY

Attorney Office Procedures

The following issues were noted with the County Attorney's office procedures at June 30, 2018:

- Monthly reconciliations between the bank balance and the financial records were not completed for the trust accounts, resulting in an unidentified trust balance of \$1,584. Documentation of a completed reconciliation could not be provided since July 2016.
- Petty cash expenses consisting of purchases from September 2014, October 2014, and October 2015, totaling \$42, were not submitted for reimbursement as of September 2018. Also, one claim, totaling \$8, was reimbursed in June 2016; however, no documentation was on file to support that this money was actually spent.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) provides, in relevant part, the following:

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

Good internal control requires the implementation of procedures to ensure bank reconciliations are performed timely and accurately, including identifying that all trust balances and reimbursements of claims are made timely.

This lack of such procedures not only increases the risk of loss, theft, or misuse of County funds but also allows errors to go undetected more easily. This was also noted in prior audits.

We recommend the County Attorney implement procedures to ensure the performance of monthly bank reconciliations, the timely reimbursement of claims, and the maintenance of complete and accurate financial records.

COUNTY BOARD

Cafeteria Account

The County Clerk maintains a Cafeteria bank account for paying expenditures related to employees' flexible spending account funds. We noted the following regarding this account:

- The Cafeteria bank account had a balance of \$19,609 at June 30, 2018. Documentation could not be provided to support that the County Board approved the account to be maintained outside of the County Treasurer. Likewise, the amount of such account has not been stated in the County Board budget message.
- At the time of the audit in September 2018, bank reconciliations had not been performed for the Cafeteria bank account since February 2017.
- Interest of \$38 received in the Cafeteria bank account from July 2015 through June 2018 had not been properly remitted to the County Treasurer.
- A third-party vendor had direct access to the Cafeteria bank account to pay claims on behalf of employees.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) provides the only authority for allowing a county fund to be held by anyone other than the County Treasurer, as follows:

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

Unless the County Board designates the Cafeteria bank account as a "petty cash fund" under § 23-106(2), there is no authority for allowing it to be maintained by the County Clerk.

If the Cafeteria bank account is to be treated as a "petty cash fund" under § 23-106(2), moreover, the failure of the County Board budget message to reflect the authorized petty cash amounts both conflicts with State statute and effectively withholds from the public the approved funds available to officials.

Additionally, good internal control requires subjecting the Cafeteria bank account to procedures that ensure bank reconciliations are performed timely, balances held are properly approved by the County Board, all authorized signers are County employees, and all interest received is deposited with the County Treasurer in a timely manner.

Without such procedures, there is an increased risk for the loss, theft, or misuse of County funds and errors being allowed to go undetected more easily.

We recommend the County Board make a formal determination as to whether the Cafeteria bank account should be treated as a “petty cash fund” under § 23-106(2), effectively resolving the issue of who is responsible for maintaining it. Should the County Board designate the Cafeteria bank account as a “petty cash fund,” we recommend that procedures be implemented to ensure the County Board budget message reflects the amounts authorized for that fund. Such procedures should also ensure the performance of regular bank reconciliations, the remittance of all interest amounts to the County Treasurer, and a review of the third-party vendor’s access to the account.

Retirement Gift

The County purchased a retirement gift valued at \$179 for a County Sheriff’s office employee. The County has no formal written policy regarding the use of public funds for items of value awarded to employees, as required by Neb. Rev. Stat. § 13-2203 (Neb. Laws 2018, LB 1036, § 1), which states the following:

In addition to other expenditures authorized by law, each governing body may approve:

* * * *

(3) The expenditure of public funds for plaques, certificates of achievement, or items of value awarded to elected or appointed officials, employees, or volunteers, including persons serving on local government boards or commissions. Before making any such expenditure, the governing body shall, by official action after a public hearing, establish a uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value to be awarded. Such policy, following its initial adoption, shall not be amended or altered more than once in any twelve-month period.

A good internal control plan and sound business practices require procedures to ensure that County funds are expended in a manner consistent with relevant statutory guidelines. Without such procedures, there is an increased risk for the loss or misuse of County funds.

We recommend the County implement award policies to establish reasonable guidelines and award limits, in accordance with Neb. Rev. Stat. § 13-2203(3).

Claim Procedures

The County lacked adequate procedures over the payment of claims. In particular, we noted the following:

- One claim tested included \$999 in lodging and meal expenses; however, these types of expenses were not outlined as allowed in the contract between the vendor and the County.
- Four claims, totaling \$9,847, did not have adequate supporting documentation attached to the original claim. After inquiry by the auditor, the County was able to find supporting documentation for \$9,000 of the amount, but the documentation was not available to the County Board at the time the claim was approved.
- During testing of five credit card payments, we noted two payments included interest and late fees of \$66 because the payments were not made timely. Consequently, we reviewed all claims payable to the credit card vendor and noted the County paid \$330 in late fees and interest during fiscal year 2018.

Good internal controls and sound business practices require procedures to ensure claims are adequately supported and paid timely to avoid payment of late fees and interest charges.

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

We recommend the County Board implement procedures to ensure all claims are adequately supported and paid timely. We also recommend the County Board ensure all agreements and contracts, as well as applicable amendments thereto, are kept on file, and payments agree to the provisions of those documents.

COUNTY CLERK

Audit Report Publication

The release of the fiscal year 2017 audit report for the County was not published within 10 days of issuance, as required by Neb. Rev. Stat. § 23-1608(1) (Reissue 2012). That statute provides, in relevant part, “Each county board shall cause an examination and a complete and comprehensive annual audit to be made of the books, accounts, records, and affairs of all county officers in the county.”

Subsection (2) of the same statute adds, “The county board shall cause to be published in the same manner as the proceedings of the county board a brief statement disclosing the conclusion of the examination and audit and that such audit report is on file with the county clerk.”

Neb. Rev. Stat. § 23-122 (Reissue 2012) states, in part, the following:

The county board of all counties having a population of less than one hundred fifty thousand inhabitants shall cause to be published, within ten working days after the close of each annual, regular, or special meeting of the board, a brief statement of the proceedings thereof. . . .

Failure to comply with § 23-1608(2) by publishing timely the required statement regarding a recently released audit report increases the risk of a lack of transparency and/or accountability to the taxpayers and the general public alike.

We recommend the County Clerk ensure compliance with § 23-1608(2) by publishing the required statement within 10 days after the release of an annual audit report.

COUNTY FAIR

Petty Cash Supporting Documentation

In July 2017, a claim was submitted to the County Board for \$10,100 and noted as being for the following County Fair expenses:

Description	Amount
Fair Premiums	\$ 7,000
Rodeo Dance	\$ 3,000
Teen Dance	\$ 100
Total	\$ 10,100

The County Board approved the claim before these expenses were incurred, so the vendors could be paid in a timely manner; however, the documentation for the expenses was not subsequently received by the County Board. Additionally, we noted that the premium checks paid out for the 2017 County Fair totaled \$5,544, leaving unused \$1,456 of the amount requested. The excess money was not remitted back to the County Treasurer, remaining instead in the County Fair checking account. We noted the \$3,000 for the Rodeo dance was withdrawn in cash from the account, and no supporting documentation on how the cash was spent was provided. We also noted a \$2,050 donation deposited into the checking account was withdrawn as cash, again with no documentation to support how the cash was spent.

Furthermore, the County Fair did not perform a bank reconciliation during the audit period, and the petty cash fund was not maintained at the \$7,500 amount authorized by the County Board. Due to the lack of reconciliations, we noted an additional \$35 remitted to the County Treasurer in February 2018 was not included in the office's records, and reconciling items from fiscal years 2015 and 2016, totaling \$14, were not resolved.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states, in relevant part, the following:

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

Good internal control requires procedures to ensure accurate bank reconciliations are performed timely. Furthermore, good internal control and sound accounting practices require adequate documentation to be presented to the County Board to support any advancement of monies. Additionally, if the advancement is larger than the actual expenditures, the remaining amount should be remitted back to the County Treasurer.

Without adequate procedures to ensure bank reconciliations are completed and the petty cash fund is maintained at the authorized amount, there is an increased risk for the loss or misuse of County funds. A similar comment was noted in prior audits.

We recommend the County Fair ensure all expenditures claimed are supported by documentation, and all excess money is remitted back to the County Treasurer. We also recommend the County Fair perform bank reconciliations on a timely basis and ensure the petty cash fund is maintained at the authorized amount. Furthermore, we recommend the County Board consider whether the authorized petty cash amount is too high, given the practice of advancing money prior to the fair.

COUNTY SHERIFF

Balancing Procedures

During our audit, we noted the following issues with the County Sheriff's balancing procedures at June 30, 2018:

- Accurate monthly bank reconciliations were not performed for the County Sheriff's bank account, resulting in a \$184 variance between the book and bank balances at June 30, 2018.

- Fees were not remitted timely to the County Treasurer. The September 2017 fees, totaling \$2,251, were not remitted until November 9, 2017, and the March 2018 fees, totaling \$2,425, were not remitted until May 8, 2018.
- A monthly asset-to-liability reconciliation was not performed. A cash long was noted at June 30, 2018, in the amount of \$3,509.
- The County Sheriff was authorized to utilize a \$1,200 Smartcard to pay out inmate accounts; however, the balance on the card at June 30, 2018, was \$1,213, an excess of \$13. Documentation was not available to support this overage.

Sound accounting practices and good internal control require the County Sheriff's office to implement fund-balancing 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. Balancing procedures should include timely bank reconciliations and the prompt identification and resolution of all variances noted.

Good internal control requires the implementation of procedures to ensure that all funds are maintained at the authorized amount and fees are remitted timely.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily. Furthermore, when fees are not remitted to the County Treasurer timely, the County Sheriff's office is not in compliance with State statute. A similar comment was noted in prior audits.

We recommend County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank reconciliations. We further recommend procedures be implemented to ensure fees are remitted timely.

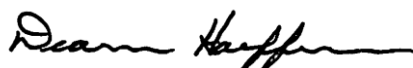
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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