

**AUDIT REPORT  
OF  
PLATTE COUNTY**

**JULY 1, 2017, THROUGH JUNE 30, 2018**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on October 9, 2018**

PLATTE COUNTY

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PLATTE COUNTY  
2610 14<sup>th</sup> Street  
Columbus, NE 68601

**LIST OF COUNTY OFFICIALS**  
At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Jerry Engdahl	Jan. 2021
	Robert Lloyd	Jan. 2019
	Thomas Martens	Jan. 2019
	Jerry Micek	Jan. 2021
	Hollie Olk	Jan. 2019
	Ronald Pfeifer	Jan. 2021
	James Scow	Jan. 2019
Assessor	Tom Placzek	Jan. 2019
Attorney	Carl Hart Jr.	Jan. 2019
Clerk	Diane Pinger	Jan. 2019
Election Commissioner	Diane Olmer	Jan. 2019
Register of Deeds	Diane Kapels	Jan. 2019
Clerk of the District Court	Marlene Vetick	Jan. 2019
Sheriff	Edward Wemhoff	Jan. 2019
Treasurer	Jennifer Reppert	Jan. 2019
Veterans' Service Officer	Eric Mullally	Appointed
Weed Superintendent	Mark Borchers	Appointed
Highway Superintendent	Terry Wicht	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

PLATTE COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Platte 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 Platte 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 Platte 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.

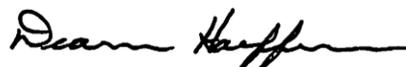
### **Report on Supplementary Information**

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 18-30, 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 2, 2018, on our consideration of Platte 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 Platte County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

October 2, 2018

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 28,324,108
<b>TOTAL ASSETS</b>	<b>\$ 28,324,108</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 663,747
Drug Education	2,827
Economic Development	13,951
Preservation of Records	40,496
Debt Service	1,217,385
Child Support Enforcement	173,343
Library	41,925
Unrestricted	26,170,434
<b>TOTAL NET POSITION</b>	<b>\$ 28,324,108</b>

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

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

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (7,324,719)	\$ 1,026,904	\$ 256,912	\$ (6,040,903)
Public Safety	(4,896,065)	223,055	354,359	(4,318,651)
Public Works	(5,004,496)	89,722	3,301,594	(1,613,180)
Public Assistance	(277,398)	-	-	(277,398)
Culture and Recreation	(262,273)	-	-	(262,273)
Debt Payments	(1,088,325)	-	-	(1,088,325)
Capital Outlay	-	-	-	-
<b>Total Governmental Activities</b>	<b><u><u>\$ (18,853,276)</u></u></b>	<b><u><u>\$ 1,339,681</u></u></b>	<b><u><u>\$ 3,912,865</u></u></b>	<b><u><u>(13,600,730)</u></u></b>

General Receipts:

Property Taxes	12,404,883
Grants and Contributions Not Restricted to Specific Programs	2,358,636
Investment Income	273,774
Licenses and Permits	114,444
Self Funded Insurance Funds	616,938
Miscellaneous	286,135
<b>Total General Receipts</b>	<b><u><u>16,054,810</u></u></b>
Increase in Net Position	2,454,080
Net Position - Beginning of year	25,870,028
Net Position - End of year	<b><u><u>\$ 28,324,108</u></u></b>

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

PLATTE 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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents (Note 1.D)	\$ 3,206,143	\$ 8,418,047	\$ 12,527,010	\$ 4,172,908	\$ 28,324,108
<b>TOTAL ASSETS</b>	<u>\$ 3,206,143</u>	<u>\$ 8,418,047</u>	<u>\$ 12,527,010</u>	<u>\$ 4,172,908</u>	<u>\$ 28,324,108</u>
<b>FUND BALANCES</b>					
Restricted for:					
Visitor Promotion	-	-	-	663,747	663,747
Drug Education	-	-	-	2,827	2,827
Economic Development	-	-	-	13,951	13,951
Preservation of Records	-	-	-	40,496	40,496
Debt Service	-	-	-	1,217,385	1,217,385
Child Support Enforcement	-	-	-	173,343	173,343
Library	-	-	-	41,925	41,925
Committed to:					
Law Enforcement	-	-	-	87,468	87,468
Road Maintenance	-	8,418,047	-	-	8,418,047
County Buildings	-	-	-	334,033	334,033
Diversion Programs	-	-	-	51,097	51,097
Health Insurance	-	-	-	1,546,636	1,546,636
Assigned to:					
Other Purposes	-	-	12,527,010	-	12,527,010
Unassigned	3,206,143	-	-	-	3,206,143
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 3,206,143</u>	<u>\$ 8,418,047</u>	<u>\$ 12,527,010</u>	<u>\$ 4,172,908</u>	<u>\$ 28,324,108</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ 9,963,563	\$ -	\$ 1,011,724	\$ 1,429,596	\$ 12,404,883
Licenses and Permits	114,444	-	-	-	114,444
Investment Income	273,774	-	-	-	273,774
Intergovernmental	2,038,947	3,561,450	-	671,104	6,271,501
Charges for Services	1,121,429	89,722	-	128,530	1,339,681
Miscellaneous	145,789	83,013	32,432	641,839	903,073
<b>TOTAL RECEIPTS</b>	<u>13,657,946</u>	<u>3,734,185</u>	<u>1,044,156</u>	<u>2,871,069</u>	<u>21,307,356</u>
<b>DISBURSEMENTS</b>					
General Government	5,455,462	-	238,860	1,630,397	7,324,719
Public Safety	4,424,708	-	-	471,357	4,896,065
Public Works	109,258	4,895,238	-	-	5,004,496
Public Assistance	277,398	-	-	-	277,398
Culture and Recreation	-	-	-	262,273	262,273
Debt Service:					
Principal Payments	-	-	-	850,000	850,000
Interest and Fiscal Charges	-	-	-	238,325	238,325
<b>TOTAL DISBURSEMENTS</b>	<u>10,266,826</u>	<u>4,895,238</u>	<u>238,860</u>	<u>3,452,352</u>	<u>18,853,276</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,391,120</u>	<u>(1,161,053)</u>	<u>805,296</u>	<u>(581,283)</u>	<u>2,454,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	130,000	3,755,200	-	1,886,057	5,771,257
Transfers out	(5,452,727)	(173,579)	-	(144,951)	(5,771,257)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(5,322,727)</u>	<u>3,581,621</u>	<u>-</u>	<u>1,741,106</u>	<u>-</u>
Net Change in Fund Balances	(1,931,607)	2,420,568	805,296	1,159,823	2,454,080
<b>CASH BASIS FUND BALANCES - BEGINNING</b>					
	<u>5,137,750</u>	<u>5,997,479</u>	<u>11,721,714</u>	<u>3,013,085</u>	<u>25,870,028</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>					
	<u>\$ 3,206,143</u>	<u>\$ 8,418,047</u>	<u>\$12,527,010</u>	<u>\$ 4,172,908</u>	<u>\$ 28,324,108</u>

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

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

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,231,681
 <b>LIABILITIES</b>	
Due to other governments	
State	684,958
Schools	704,356
Educational Service Units	6,300
Technical College	38,224
Natural Resource Districts	12,242
Fire Districts	8,901
Municipalities	117,096
Agricultural Society	4,216
Townships	41,122
Sanitary and Improvement Districts	311,594
Road Improvement Districts	6,244
Others	296,428
<b>TOTAL LIABILITIES</b>	<b>2,231,681</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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

PLATTE 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 Platte County.

**A. Reporting Entity**

Platte 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 IV – 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 IV (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

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 \$107,404 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 the East Central Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2016, Supp. 2017).

PLATTE 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.

Probation Office – The County has entered into an agreement with 10 surrounding counties to operate a probation office. Participating counties are: Boone, Butler, Colfax, Hamilton, Merrick, Nance, Polk, Saunders, Seward, and York. The County pays for the operating costs of the office and is reimbursed by the other participating counties. The budget for the office in fiscal year 2018 was \$240,000 and is reflected in the financial statements as a non-major fund. The County portion for operating the office was \$60,816.

**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.

**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:

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

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

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

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

**Debt Service Fund.** The Highway Bond Fund accounts 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.

**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.

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

**D. Assets and Net Position**

**Cash and Cash Equivalents.** The County's cash and cash equivalents are considered to be cash on hand and demand deposits.

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2009) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,153,674 of restricted net position, which is fully restricted by enabling legislation.

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

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

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

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).

PLATTE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. **Deposits and Investments** (Concluded)

At year end, the County's carrying amount of deposits was \$28,324,108 for County funds and \$2,231,681 for Fiduciary funds. The bank balances for all funds totaled \$30,887,449. 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.

3. **Property Taxes**

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

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

The levy set in October 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.191574/\$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 \$.198464/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

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

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.

PLATTE COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

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, 194 employees contributed \$323,316, and the County contributed \$479,672. Contributions included \$10,628 in cash contributions towards the supplemental law enforcement plan for 20 law enforcement employees. Lastly, the County paid \$408 directly to five retired employees for prior service benefits.

**5. Risk Management**

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

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

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.

PLATTE COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**5. Risk Management** (Concluded)

	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:

<u>Transfers to</u>	Transfers from			Total
	General Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 3,755,200	\$ -	\$ -	\$ 3,755,200
General Fund	-	-	130,000	130,000
Nonmajor Funds	1,697,527	173,579	14,951	1,886,057
Total	<u>\$ 5,452,727</u>	<u>\$ 173,579</u>	<u>\$ 144,951</u>	<u>\$ 5,771,257</u>

Transfers are used to move unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the Road Fund was to the Self Insurance Fund.

**7. Notes Receivable**

In 2003, the County received a Community Development Block Grant from the Nebraska Department of Economic Development (DED) in the amount of \$500,000. Over the years, the amount was loaned to various businesses who in turn repaid the money to the County. The DED program has now ended and any money left in the Fund or still being returned to the County is being used as a match to projects approved by the DED. The County only has one loan that is still being repaid at a rate of \$7,344 a year with expected repayments ending in fiscal year 2022.

**8. Road Improvement District 4**

The County approved a resolution in October 2016 to finance the construction of a special road improvement project. Property benefiting from the improvement would be assessed a special assessment per lot. Each property owner was given 50 days to pay the amount in full, or was allowed to make payments over a 10-year period with 5.5% interest. The County paid for the \$423,696 cost of the project from the Inheritance Fund. As of June 30, 2018, there was an uncollected balance of \$90,972.

PLATTE COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**9. Long-Term Debt**

**Recovery Zone Bonds**

The County issued bonds in 2010 in the amount of \$4,640,000 for the purpose of paying the costs of road projects. The bond payable balance, as of June 30, 2018, was \$2,690,000. 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. Annual payments are due at interest rates ranging from 4.30% to 5.60%.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 305,000	\$ 136,588	\$ 441,588
2020	315,000	121,397	436,397
2021	320,000	105,840	425,840
2022	330,000	88,760	418,760
2023	340,000	70,000	410,000
2024-2026	1,080,000	91,840	1,171,840
Total Payments	<u>\$ 2,690,000</u>	<u>\$ 614,425</u>	<u>\$ 3,304,425</u>

**Highway Allocation Bonds**

The County issued bonds in 2014 in the amount of \$5,750,000 for the purpose of paying the costs of road projects. The bond payable balance, as of June 30, 2018, was \$4,105,000. 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. Annual payments are due at interest rates ranging from .45% to 2.75%.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 555,000	\$ 80,949	\$ 635,949
2020	565,000	73,520	638,520
2021	570,000	64,152	634,152
2022	585,000	53,026	638,026
2023	595,000	40,039	635,039
2024-2026	1,235,000	33,711	1,268,711
Total Payments	<u>\$ 4,105,000</u>	<u>\$ 345,397</u>	<u>\$ 4,450,397</u>

**PLATTE 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)
<b>RECEIPTS</b>				
Taxes	\$ 10,535,605	\$ 10,535,605	\$ 9,963,563	\$ (572,042)
Licenses and Permits	107,001	107,001	114,444	7,443
Interest	200,000	200,000	273,774	73,774
Intergovernmental	809,800	809,800	2,038,947	1,229,147
Charges for Services	1,079,000	1,079,000	1,121,429	42,429
Miscellaneous	-	-	145,789	145,789
TOTAL RECEIPTS	<u>12,731,406</u>	<u>12,731,406</u>	<u>13,657,946</u>	<u>926,540</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	121,965	123,157	123,157	-
County Clerk	217,263	217,263	206,933	10,330
County Treasurer	388,997	388,997	380,425	8,572
Register of Deeds	202,952	202,952	196,131	6,821
County Assessor	341,255	341,611	341,611	-
Election Commissioner	143,820	143,820	123,608	20,212
Clerk of the District Court	364,499	364,499	328,992	35,507
County Court System	332,050	429,969	429,969	-
Public Defender	200,834	200,834	197,138	3,696
Building and Grounds	649,960	649,960	562,319	87,641
Agricultural Extension Agent	157,324	163,676	163,676	-
Miscellaneous	3,477,925	3,371,529	2,401,503	970,026
Public Safety:				
County Sheriff	1,603,695	1,603,695	1,560,144	43,551
County Attorney	440,382	440,382	439,472	910
Communication Center	53,684	53,684	49,497	4,187
County Jail	2,436,030	2,436,030	2,267,424	168,606
Emergency Management	107,594	108,171	108,171	-
Flood Control	39,657	39,657	-	39,657
Public Works:				
County Surveyor	42,726	42,726	42,724	2
Noxious Weed Control	83,000	83,000	66,534	16,466
Public Assistance:				
Veterans' Service Officer	102,430	102,430	102,420	10
Institutions	385,019	385,019	135,793	249,226
Relief	44,236	44,236	39,185	5,051
TOTAL DISBURSEMENTS	<u>11,937,297</u>	<u>11,937,297</u>	<u>10,266,826</u>	<u>1,670,471</u>

(Continued)

**PLATTE 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	794,109	794,109	3,391,120	2,597,011
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	130,000	130,000
Transfers out	(4,894,384)	(4,894,384)	(5,452,727)	(558,343)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,894,384)</u>	<u>(4,894,384)</u>	<u>(5,322,727)</u>	<u>(428,343)</u>
Net Change in Fund Balance	(4,100,275)	(4,100,275)	(1,931,607)	2,168,668
<b>FUND BALANCE - BEGINNING</b>	<u>5,137,750</u>	<u>5,137,750</u>	<u>5,137,750</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 1,037,475</u></u>	<u><u>\$ 1,037,475</u></u>	<u><u>\$ 3,206,143</u></u>	<u><u>\$ 2,168,668</u></u>

(Concluded)

**PLATTE 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)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 3,481,876	\$ 3,481,876	\$ 3,561,450	\$ 79,574
Charges for Services	-	-	89,722	89,722
Miscellaneous	7,000	7,000	83,013	76,013
<b>TOTAL RECEIPTS</b>	<u>3,488,876</u>	<u>3,488,876</u>	<u>3,734,185</u>	<u>245,309</u>
<b>DISBURSEMENTS</b>	<u>12,395,805</u>	<u>12,395,805</u>	<u>4,895,238</u>	<u>7,500,567</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(8,906,929)</u>	<u>(8,906,929)</u>	<u>(1,161,053)</u>	<u>7,745,876</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,755,200	3,755,200	3,755,200	-
Transfers out	-	-	(173,579)	(173,579)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,755,200</u>	<u>3,755,200</u>	<u>3,581,621</u>	<u>(173,579)</u>
Net Change in Fund Balance	(5,151,729)	(5,151,729)	2,420,568	7,572,297
FUND BALANCE - BEGINNING	5,997,479	5,997,479	5,997,479	-
FUND BALANCE - ENDING	<u>\$ 845,750</u>	<u>\$ 845,750</u>	<u>\$ 8,418,047</u>	<u>\$ 7,572,297</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 88,041	\$ 88,041	\$ 1,011,724	\$ 923,683
Miscellaneous	-	-	32,432	32,432
<b>TOTAL RECEIPTS</b>	<u>88,041</u>	<u>88,041</u>	<u>1,044,156</u>	<u>956,115</u>
<b>DISBURSEMENTS</b>	<u>11,709,755</u>	<u>11,209,755</u>	<u>238,860</u>	<u>10,970,895</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(11,621,714)</u>	<u>(11,121,714)</u>	<u>805,296</u>	<u>11,927,010</u>
Net Change in Fund Balance	(11,621,714)	(11,121,714)	805,296	11,927,010
FUND BALANCE - BEGINNING	11,721,714	11,721,714	11,721,714	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 600,000</u>	<u>\$ 12,527,010</u>	<u>\$ 11,927,010</u>

**PLATTE 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)
<b>JUVENILE DIVERSION PROGRAM FUND</b>				
Receipts	\$ 142,994	\$ 142,994	\$ 157,912	\$ 14,918
Disbursements	(196,917)	(196,917)	(178,781)	18,136
Transfers in	51,923	51,923	51,923	-
Transfers out	-	-	(5,615)	(5,615)
Net Change in Fund Balance	(2,000)	(2,000)	25,439	27,439
Fund Balance - Beginning	16,037	16,037	16,037	-
Fund Balance - Ending	<u>\$ 14,037</u>	<u>\$ 14,037</u>	<u>\$ 41,476</u>	<u>\$ 27,439</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 100,001	\$ 100,001	\$ 143,379	\$ 43,378
Disbursements	(160,000)	(160,000)	(117,273)	42,727
Net Change in Fund Balance	(59,999)	(59,999)	26,106	86,105
Fund Balance - Beginning	174,331	174,331	174,331	-
Fund Balance - Ending	<u>\$ 114,332</u>	<u>\$ 114,332</u>	<u>\$ 200,437</u>	<u>\$ 86,105</u>
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 143,379	\$ 143,379
Disbursements	(200,000)	(200,000)	-	200,000
Net Change in Fund Balance	(200,000)	(200,000)	143,379	343,379
Fund Balance - Beginning	319,931	319,931	319,931	-
Fund Balance - Ending	<u>\$ 119,931</u>	<u>\$ 119,931</u>	<u>\$ 463,310</u>	<u>\$ 343,379</u>
<b>CHILD SUPPORT ENFORCEMENT FUND</b>				
Receipts	\$ 25,000	\$ 25,000	\$ 141,662	\$ 116,662
Disbursements	(130,929)	(130,929)	(117,976)	12,953
Transfers in	24,864	24,864	24,864	-
Transfers out	-	-	(9,336)	(9,336)
Net Change in Fund Balance	(81,065)	(81,065)	39,214	120,279
Fund Balance - Beginning	134,129	134,129	134,129	-
Fund Balance - Ending	<u>\$ 53,064</u>	<u>\$ 53,064</u>	<u>\$ 173,343</u>	<u>\$ 120,279</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ -	\$ -	\$ 20,611	\$ 20,611
Disbursements	(21,551)	(21,551)	(1,666)	19,885
Net Change in Fund Balance	(21,551)	(21,551)	18,945	40,496
Fund Balance - Beginning	21,551	21,551	21,551	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,496</u>	<u>\$ 40,496</u>

**PLATTE 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)
<b>COUNTY LIBRARY FUND</b>				
Receipts	\$ 125,301	\$ 125,301	\$ 133,787	\$ 8,486
Disbursements	(145,000)	(145,000)	(145,000)	-
Net Change in Fund Balance	(19,699)	(19,699)	(11,213)	8,486
Fund Balance - Beginning	53,138	53,138	53,138	-
Fund Balance - Ending	<u>\$ 33,439</u>	<u>\$ 33,439</u>	<u>\$ 41,925</u>	<u>\$ 8,486</u>
<b>DRUG EDUCATION AND ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 1,710	\$ 1,710
Disbursements	(1,117)	(1,117)	-	1,117
Net Change in Fund Balance	(1,117)	(1,117)	1,710	2,827
Fund Balance - Beginning	1,117	1,117	1,117	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,827</u>	<u>\$ 2,827</u>
<b>FEDERAL GRANT FUND</b>				
Receipts	\$ 7,365	\$ 7,365	\$ 7,715	\$ 350
Disbursements	(13,164)	(13,164)	(563)	12,601
Net Change in Fund Balance	(5,799)	(5,799)	7,152	12,951
Fund Balance - Beginning	6,799	6,799	6,799	-
Fund Balance - Ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 13,951</u>	<u>\$ 12,951</u>
<b>VICTIM ASSISTANCE FUND</b>				
Receipts	\$ 113,941	\$ 113,941	\$ 29,661	\$ (84,280)
Disbursements	(164,338)	(164,338)	(130,418)	33,920
Transfers in	50,397	50,397	50,397	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	(50,360)	(50,360)
Fund Balance - Beginning	57,257	57,257	57,257	-
Fund Balance - Ending	<u>\$ 57,257</u>	<u>\$ 57,257</u>	<u>\$ 6,897</u>	<u>\$ (50,360)</u>
<b>LAW ENFORCEMENT SHERIFF FUND</b>				
Receipts	\$ 54,627	\$ 54,627	\$ 56,334	\$ 1,707
Disbursements	(80,000)	(80,000)	(20,569)	59,431
Net Change in Fund Balance	(25,373)	(25,373)	35,765	61,138
Fund Balance - Beginning	25,373	25,373	25,373	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,138</u>	<u>\$ 61,138</u>

(Continued)

**PLATTE 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)
<b>ADULT PRETRIAL DIVERSION FUND</b>				
Receipts	\$ 25,864	\$ 25,864	\$ 21,098	\$ (4,766)
Disbursements	(37,863)	(37,863)	(24,731)	13,132
Transfers in	12,000	12,000	12,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	1	1	8,367	8,366
Fund Balance - Beginning	1,254	1,254	1,254	-
Fund Balance - Ending	<u>\$ 1,255</u>	<u>\$ 1,255</u>	<u>\$ 9,621</u>	<u>\$ 8,366</u>
<b>LAW ENFORCEMENT EQUIPMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 8,150	\$ 8,150
Disbursements	(14,239)	(14,239)	(6,858)	7,381
Net Change in Fund Balance	(14,239)	(14,239)	1,292	15,531
Fund Balance - Beginning	14,239	14,239	14,239	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,531</u>	<u>\$ 15,531</u>
<b>DISTRICT PROBATION FUND</b>				
Receipts	\$ 232,192	\$ 232,192	\$ 175,278	\$ (56,914)
Disbursements	(240,000)	(240,000)	(110,000)	130,000
Transfers in	-	-	60,816	60,816
Transfers out	-	-	(130,000)	(130,000)
Net Change in Fund Balance	(7,808)	(7,808)	(3,906)	3,902
Fund Balance - Beginning	7,808	7,808	7,808	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,902</u>	<u>\$ 3,902</u>
<b>HIGHWAY BOND FUND</b>				
Receipts	\$ 1,165,825	\$ 1,165,825	\$ 1,204,543	\$ 38,718
Disbursements	(1,088,325)	(1,088,325)	(1,088,325)	-
Net Change in Fund Balance	77,500	77,500	116,218	38,718
Fund Balance - Beginning	1,101,167	1,101,167	1,101,167	-
Fund Balance - Ending	<u>\$ 1,178,667</u>	<u>\$ 1,178,667</u>	<u>\$ 1,217,385</u>	<u>\$ 38,718</u>

(Continued)

**PLATTE 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)
<b>COURTHOUSE BUILDING FUND</b>				
Receipts	\$ 451	\$ 451	\$ 8,912	\$ 8,461
Disbursements	(268,178)	(268,178)	-	268,178
Net Change in Fund Balance	(267,727)	(267,727)	8,912	276,639
Fund Balance - Beginning	268,727	268,727	268,727	-
Fund Balance - Ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 277,639</u>	<u>\$ 276,639</u>
<b>HANDICAPPED ACCESSIBILITY FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(56,394)	(56,394)	-	56,394
Net Change in Fund Balance	(56,394)	(56,394)	-	56,394
Fund Balance - Beginning	56,394	56,394	56,394	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,394</u>	<u>\$ 56,394</u>
<b>SELF FUNDED HEALTH INSURANCE FUND</b>				
Receipts	\$ -	\$ -	\$ 616,938	\$ 616,938
Disbursements	(1,431,800)	(1,931,800)	(1,510,192)	421,608
Transfers in	1,000,000	1,000,000	1,686,057	686,057
Transfers out	-	-	-	-
Net Change in Fund Balance	(431,800)	(931,800)	792,803	1,724,603
Fund Balance - Beginning	753,833	753,833	753,833	-
Fund Balance - Ending	<u>\$ 322,033</u>	<u>\$ (177,967)</u>	<u>\$ 1,546,636</u>	<u>\$ 1,724,603</u>

(Concluded)

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

	Juvenile Diversion Program Fund	Visitor Promotion Fund	Visitor Improvement Fund	Child Support Enforcement Fund	Preservation and Modernization Fund	County Library Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 143,379	\$ 143,379	\$ -	\$ -	\$ 120,017
Intergovernmental	118,389	-	-	141,662	-	13,770
Charges for Services	22,865	-	-	-	20,611	-
Miscellaneous	16,658	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>157,912</u>	<u>143,379</u>	<u>143,379</u>	<u>141,662</u>	<u>20,611</u>	<u>133,787</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	117,976	1,666	-
Public Safety	178,781	-	-	-	-	-
Culture and Recreation	-	117,273	-	-	-	145,000
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>178,781</u>	<u>117,273</u>	<u>-</u>	<u>117,976</u>	<u>1,666</u>	<u>145,000</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(20,869)</u>	<u>26,106</u>	<u>143,379</u>	<u>23,686</u>	<u>18,945</u>	<u>(11,213)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	51,923	-	-	24,864	-	-
Transfers out	(5,615)	-	-	(9,336)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>46,308</u>	<u>-</u>	<u>-</u>	<u>15,528</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	25,439	26,106	143,379	39,214	18,945	(11,213)
<b>FUND BALANCES - BEGINNING</b>	<u>16,037</u>	<u>174,331</u>	<u>319,931</u>	<u>134,129</u>	<u>21,551</u>	<u>53,138</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 41,476</u>	<u>\$ 200,437</u>	<u>\$ 463,310</u>	<u>\$ 173,343</u>	<u>\$ 40,496</u>	<u>\$ 41,925</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	200,437	463,310	-	-	-
Drug Education	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Preservation of Records	-	-	-	-	40,496	-
Debt Service	-	-	-	-	-	-
Child Support Enforcement	-	-	-	173,343	-	-
Library	-	-	-	-	-	41,925
Committed to:						
Law Enforcement	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Diversion Programs	41,476	-	-	-	-	-
Health Insurance	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 41,476</u>	<u>\$ 200,437</u>	<u>\$ 463,310</u>	<u>\$ 173,343</u>	<u>\$ 40,496</u>	<u>\$ 41,925</u>

(Continued)

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

For the Year Ended June 30, 2018

	Drug Education and Enforcement Fund	Federal Grant Fund	Victim Assistance Fund	Law Enforcement Sheriff Fund	Adult Pretrial Diversion Fund	Law Enforcement Equipment Fund
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,710	-	29,661	-	-	-
Charges for Services	-	-	-	55,806	21,098	8,150
Miscellaneous	-	7,715	-	528	-	-
<b>TOTAL RECEIPTS</b>	<b>1,710</b>	<b>7,715</b>	<b>29,661</b>	<b>56,334</b>	<b>21,098</b>	<b>8,150</b>
<b>DISBURSEMENTS</b>						
General Government	-	563	-	-	-	-
Public Safety	-	-	130,418	20,569	24,731	6,858
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>563</b>	<b>130,418</b>	<b>20,569</b>	<b>24,731</b>	<b>6,858</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>1,710</b>	<b>7,152</b>	<b>(100,757)</b>	<b>35,765</b>	<b>(3,633)</b>	<b>1,292</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	50,397	-	12,000	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>50,397</b>	<b>-</b>	<b>12,000</b>	<b>-</b>
Net Change in Fund Balances	1,710	7,152	(50,360)	35,765	8,367	1,292
<b>FUND BALANCES - BEGINNING</b>	<b>1,117</b>	<b>6,799</b>	<b>57,257</b>	<b>25,373</b>	<b>1,254</b>	<b>14,239</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,827</b>	<b>\$13,951</b>	<b>\$ 6,897</b>	<b>\$ 61,138</b>	<b>\$ 9,621</b>	<b>\$ 15,531</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Drug Education	2,827	-	-	-	-	-
Economic Development	-	13,951	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Library	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	6,897	61,138	-	15,531
County Buildings	-	-	-	-	-	-
Diversion Programs	-	-	-	-	9,621	-
Health Insurance	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,827</b>	<b>\$13,951</b>	<b>\$ 6,897</b>	<b>\$ 61,138</b>	<b>\$ 9,621</b>	<b>\$ 15,531</b>

(Continued)

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

	District Probation Fund	Highway Bond Fund	Courthouse Building Fund	Handicapped Accessibility Fund	Self Funded Health Insurance Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ -	\$ 1,014,034	\$ 8,787	\$ -	\$ -	\$ 1,429,596
Intergovernmental	175,278	190,509	125	-	-	671,104
Charges for Services	-	-	-	-	-	128,530
Miscellaneous	-	-	-	-	616,938	641,839
<b>TOTAL RECEIPTS</b>	<u>175,278</u>	<u>1,204,543</u>	<u>8,912</u>	<u>-</u>	<u>616,938</u>	<u>2,871,069</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	1,510,192	1,630,397
Public Safety	110,000	-	-	-	-	471,357
Culture and Recreation	-	-	-	-	-	262,273
Debt Service:						
Principal Payments	-	850,000	-	-	-	850,000
Interest and Fiscal Charges	-	238,325	-	-	-	238,325
<b>TOTAL DISBURSEMENTS</b>	<u>110,000</u>	<u>1,088,325</u>	<u>-</u>	<u>-</u>	<u>1,510,192</u>	<u>3,452,352</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>65,278</u>	<u>116,218</u>	<u>8,912</u>	<u>-</u>	<u>(893,254)</u>	<u>(581,283)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	60,816	-	-	-	1,686,057	1,886,057
Transfers out	(130,000)	-	-	-	-	(144,951)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(69,184)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,686,057</u>	<u>1,741,106</u>
Net Change in Fund Balances	(3,906)	116,218	8,912	-	792,803	1,159,823
<b>FUND BALANCES - BEGINNING</b>	<u>7,808</u>	<u>1,101,167</u>	<u>268,727</u>	<u>56,394</u>	<u>753,833</u>	<u>3,013,085</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,902</u>	<u>\$ 1,217,385</u>	<u>\$ 277,639</u>	<u>\$ 56,394</u>	<u>\$ 1,546,636</u>	<u>\$ 4,172,908</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	663,747
Drug Education	-	-	-	-	-	2,827
Economic Development	-	-	-	-	-	13,951
Preservation of Records	-	-	-	-	-	40,496
Debt Service	-	1,217,385	-	-	-	1,217,385
Child Support Enforcement	-	-	-	-	-	173,343
Library	-	-	-	-	-	41,925
Committed to:						
Law Enforcement	3,902	-	-	-	-	87,468
County Buildings	-	-	277,639	56,394	-	334,033
Diversion Programs	-	-	-	-	-	51,097
Health Insurance	-	-	-	-	1,546,636	1,546,636
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,902</u>	<u>\$ 1,217,385</u>	<u>\$ 277,639</u>	<u>\$ 56,394</u>	<u>\$ 1,546,636</u>	<u>\$ 4,172,908</u>

(Concluded)

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

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>	<u>Highway Superintendent</u>
BALANCES JULY 1, 2017	\$ 1,580	\$ 68,649	\$ 129,865	\$ 47,893	\$ 1,624	\$ -	\$ 14,537
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	-
Licenses and Permits	7,924	-	-	1,360	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	4,774	220,837	50,755	116,087	4,020	23,317	88,194
Miscellaneous	350	-	3,393	37,888	995	-	81,765
State Fees	3,229	270,643	50,737	425	-	-	-
Other Liabilities	-	-	1,134,854	710,866	38,088	-	-
<b>TOTAL RECEIPTS</b>	<u>16,277</u>	<u>491,480</u>	<u>1,239,739</u>	<u>866,626</u>	<u>43,103</u>	<u>23,317</u>	<u>169,959</u>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	11,437	227,432	46,815	169,320	4,090	22,655	175,110
Payments to State Treasurer	3,113	283,363	48,657	361	-	-	-
Other Liabilities	1,940	-	1,113,675	715,503	39,295	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>16,490</u>	<u>510,795</u>	<u>1,209,147</u>	<u>885,184</u>	<u>43,385</u>	<u>22,655</u>	<u>175,110</u>
BALANCES JUNE 30, 2018	<u>\$ 1,367</u>	<u>\$ 49,334</u>	<u>\$ 160,457</u>	<u>\$ 29,335</u>	<u>\$ 1,342</u>	<u>\$ 662</u>	<u>\$ 9,386</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 801	\$ 21,463	\$ 8,909	\$ 21,057	\$ 680	\$ 662	\$ 9,386
Petty Cash	100	65	1,000	1,000	550	-	-
Due to State Treasurer	466	27,806	5,140	235	-	-	-
Due to Others	-	-	145,408	7,043	112	-	-
BALANCES JUNE 30, 2018	<u>\$ 1,367</u>	<u>\$ 49,334</u>	<u>\$ 160,457</u>	<u>\$ 29,335</u>	<u>\$ 1,342</u>	<u>\$ 662</u>	<u>\$ 9,386</u>

(Continued)

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

	Veterans' Service Officer	County Historical Society	County Self Insurance	County Election Commissioner	Juvenile Diversion	Adult Diversion	Total
BALANCES JULY 1, 2017	\$ 2,153	\$ 149,869	\$ 753,833	\$ -	\$ 23,286	\$ -	\$ 1,193,289
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	9,284
Intergovernmental	-	35,000	-	-	-	-	35,000
Charges for Services	-	-	-	7,175	9,271	21,098	545,528
Miscellaneous	3,000	35,303	2,397,457	-	16,511	-	2,576,662
State Fees	-	-	-	-	-	-	325,034
Other Liabilities	-	-	-	-	-	8,075	1,891,883
<b>TOTAL RECEIPTS</b>	<u>3,000</u>	<u>70,303</u>	<u>2,397,457</u>	<u>7,175</u>	<u>25,782</u>	<u>29,173</u>	<u>5,383,391</u>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	-	-	431,800	7,175	39,422	21,098	1,156,354
Payments to State Treasurer	-	-	-	-	-	-	335,494
Other Liabilities	2,361	70,425	2,297,217	-	8,646	8,032	4,257,094
<b>TOTAL DISBURSEMENTS</b>	<u>2,361</u>	<u>70,425</u>	<u>2,729,017</u>	<u>7,175</u>	<u>48,068</u>	<u>29,130</u>	<u>5,748,942</u>
BALANCES JUNE 30, 2018	<u>\$ 2,792</u>	<u>\$ 149,747</u>	<u>\$ 422,273</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 43</u>	<u>\$ 827,738</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 2,792	\$ -	\$ 22,273	\$ -	\$ -	\$ -	\$ 88,023
Petty Cash	-	-	400,000	-	1,000	-	403,715
Due to State Treasurer	-	-	-	-	-	-	33,647
Due to Others	-	149,747	-	-	-	43	302,353
BALANCES JUNE 30, 2018	<u>\$ 2,792</u>	<u>\$ 149,747</u>	<u>\$ 422,273</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 43</u>	<u>\$ 827,738</u>

(Concluded)

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

Item	2013	2014	2015	2016	2017
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 51,050,105	\$ 53,394,727	\$ 54,069,617	\$ 56,693,786	\$ 57,004,248
Personal and Specials	4,773,595	5,355,141	5,449,275	5,887,042	5,604,555
<b>Total</b>	<b>55,823,700</b>	<b>58,749,868</b>	<b>59,518,892</b>	<b>62,580,828</b>	<b>62,608,803</b>
<b>Corrections</b>					
Additions	126,703	60,864	46,077	59,852	32,199
Deductions	(69,928)	(29,611)	(14,192)	(26,367)	(15,311)
Net Additions/ (Deductions)	56,775	31,253	31,885	33,485	16,888
<b>Corrected Certified Tax</b>	<b>55,880,475</b>	<b>58,781,121</b>	<b>59,550,777</b>	<b>62,614,313</b>	<b>62,625,691</b>
<b>Net Tax Collected by</b>					
County Treasurer during					
Fiscal Year Ending:					
Prior to June 30, 2015	55,851,313	36,705,911	-	-	-
June 30, 2016	27,144	22,055,807	37,215,391	-	-
June 30, 2017	969	17,927	22,320,350	39,373,806	-
June 30, 2018	753	902	13,605	23,235,058	40,199,402
<b>Total Net Collections</b>	<b>55,880,179</b>	<b>58,780,547</b>	<b>59,549,346</b>	<b>62,608,864</b>	<b>40,199,402</b>
<b>Total Uncollected Tax</b>	<b>\$ 296</b>	<b>\$ 574</b>	<b>\$ 1,431</b>	<b>\$ 5,449</b>	<b>\$ 22,426,289</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>35.81%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

PLATTE 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 Supervisors  
Platte 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 Platte County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Platte County's basic financial statements, and have issued our report thereon dated October 2, 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 Platte 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 Platte 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 Platte 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 Platte County in a separate letter dated October 2, 2018.

### **Platte County's Response to Findings**

Platte 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 2, 2018



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

October 2, 2018

Board of Supervisors  
Platte County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Platte County (County) for the fiscal year ended June 30, 2018, and have issued our report thereon dated October 2, 2018. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

## COUNTY OVERALL

### Segregation of Duties

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

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

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

## **Unclaimed Property**

As of June 30, 2018, we noted two County offices had checks that were outstanding for over three years and, therefore, qualified as unclaimed property required to be remitted to the State Treasurer, as follows:

- The County Sheriff had 339 outstanding checks, totaling \$1,460.
- The County Treasurer had one outstanding check, totaling \$290.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states the following:

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

Neb. Rev. Stat. § 69-1310 (Reissue 2009) states, in relevant part, the following:

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

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding . . . . The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.*

Without procedures, including the proper performance and review of bank reconciliations, to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer, there is an increased risk of noncompliance with State statute.

We recommend the County Treasurer and the County Sheriff implement procedures to ensure that outstanding checks qualifying as unclaimed property are remitted to the State Treasurer in accordance with State statute.

## **Fee Approvals**

During our audit, we noted there was no documented fee approval for the following fees:

- Inmate lodging rates charged by the County Sheriff at \$50 per prisoner.
- Work release fees charged by the County Sheriff at \$15 per day.
- Fingerprint fees charged by the County Sheriff at \$10 per two cards.
- Urinary Analysis fees charged by the County Sheriff at \$20 per lab test.
- Breath Analyzer fees charged by the County Sheriff at cost.
- Copy fees for accident reports charged by the County Sheriff at various rates.

- Liquor license application fees charged by the County Clerk at various rates.
- Sale of plat maps charged by the County Clerk at \$28 per plat map.
- Copy fees charged by the County Clerk at \$1 per copy.
- Machine hire costs charged by the Highway Superintendent at various rates.
- Maintenance fees charged by the Highway Superintendent at various rates.
- Copy fees charged by the Highway Superintendent at \$3 per page.
- Sale of cutting edges to County townships by the Highway Superintendent at cost.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns to the County Board responsibility for managing County funds and business. In addition, good internal control and sound accounting practice require fees to be set by the County Board and documented in Board minutes.

When documentation is not available to support fee approval, there is an increased risk of loss or misuse of County funds.

We recommend the County Board approve, as well as document such approval, of all fees charged.

*County Clerk's Response: County Clerk fees will be presented for approval to the County Board before the end of the calendar year.*

*County Highway Department's Response: The machine hire/maintenance fees charged by the Highway Department (they are not charged by the Highway Supt.) have been previously presented to the board in September of each year when the NBCS Form 5 is approved which establishes the cost per mile/hour for each piece of equipment used by the Highway Department.*

### **Sales Tax**

During testing of petty cash claims, we noted sales tax was paid for purchases made by the following:

- County Juvenile Diversion office: \$52
- County Clerk of the District Court: \$9

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

*Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public, educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village, rural or suburban fire protection district . . . .*

Sound accounting practices and a good internal control plan require procedures to ensure that sales tax is not paid on the County's purchases.

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

We recommend the County Juvenile Diversion office and the County Clerk of the District Court implement procedures to prevent payment of Nebraska sales tax on County purchases.

*County Juvenile Diversion Office's Response: The Juvenile Diversion Program/Juvenile Services paid taxes for the purchase of an overnight stay in Omaha for the HJSA conference. A form to allow for the State of Nebraska using credit card or debit cards that is needed for taxes to be removed was not provided. This was discussed with the State Auditor and will be corrected with the next conference stay.*

*County Clerk of the District Court's Response: The Clerk of District Court will make application for and receive a Sales Tax Exemption card to be used when purchasing items for county business at Walmart, Menards, or any other retail store.*

### **Distress Warrants**

During the audit, we noted the following issues with the County Distress Warrant reports:

- The County Sheriff filed the distress warrant report with the County Board 21 days late.
- The County Treasurer did not submit the mandatory annual verification of the County Sheriff's distress warrant report to the County Board, as required by State statute.

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

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

Neb. Rev. Stat. § 77-1719.02 (Reissue 2009) states, in relevant part, the following:

*On or before October 1 of each year, the county treasurer shall verify this [distress warrant] report to the county board, and shall make an itemized report covering the amount uncollected. Such itemized report shall include the number of the distress warrant, the name and address of the taxpayer, the amount involved, and the reason for failure to collect same, or the failure of the sheriff to make a legal return on same.*

Failure to provide the County Board with the statutorily required distress warrant report verification in a timely fashion not only constitutes noncompliance with the law but also increases the risk of loss, theft, or misuse of funds.

We recommend the County Board implement procedures to ensure documentation is on file to support the completion of all statutorily required disclosures.

## **COUNTY BOARD**

### **Inventory Policy**

During review of County inventory procedures, the following was noted:

- The County does not have an inventory policy outlining the types and value of items to be included on the inventory statements. This was also noted in the prior audit.

- A typewriter located in the office of the Public Defender was not included on the inventory filing.

Neb. Rev. Stat. § 23-347 (Reissue 2012) states, in relevant part, the following:

*Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer.*

The same statute makes the County Board responsible for examining and filing the inventory statements in the County Clerk's office, as follows:

*The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.*

Sound accounting practices dictate that the County Board have an inventory policy that determines which items should be included on the inventory listings at which dollar thresholds, so the officials will be aware of what items need to be included on their inventory listings.

When complete and accurate inventory statements are not filed in accordance with State statute, there is an increased risk of loss, theft, or misuse of County-owned assets.

We recommend the County Board implement an inventory policy to assist County officials in the completion of their inventory statements. We further recommend the County implement procedures to ensure the complete and accurate filing of inventory statements.

### **Leave Balances**

For four of five employees tested, leave balances accumulated and held were not in compliance with the provisions of the County Employee Handbook.

#### *Excess Balances Carried*

For three employees tested, accumulated leave balances were not in accordance with the provisions of the County Employee Handbook:

- At June 30, 2017, one Juvenile Diversion employee was carrying excess compensatory time of 27.55 hours over the stated compensatory maximum of 80 hours.
- At June 30, 2018, one County Assessor employee was carrying excess sick leave of 11 days over the stated sick leave maximum of 60 days.
- At June 30, 2018, one Veterans' Service Officer employee was carrying excess compensatory time of 7.75 hours held past the maximum 24-month period. Excess compensatory balances held were earned ranging from 25 to 32 months prior.

The Platte County Employee Handbook under the Compensation and Hours of Work section states, in relevant part, the following:

*As of January 1, 2020, all employees (except an employee performing public safety/law enforcement activity) will be expected to have reduced the number of compensatory hours on record in the following manner:*

- By June 30, 2017 – 80 hours.

*Employees (except those involved in public safety, emergency response and law enforcement) are to use their fiscal year's accumulated compensatory overtime within a 24 month period of it being earned or the employee is to be issued payment.*

\* \* \* \*

*Sick leave may be accumulated for no more than five (5) years or sixty (60) days.*

### *Leave Earned*

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

- For two employees tested, vacation for the entire year was being applied on January 1<sup>st</sup> instead of on the employees' anniversary dates.
- For one Veterans' Service Officer employee tested, sick leave for the entire year, totaling 96 hours, was applied on the employee's anniversary date, instead of accruing 8 hours per month.
- For one County Assessor employee, unused vacation hours were not being carried over to the next year. Instead, the employee started with 17 days at January 1, 2017, regardless of the amount still available in the previous year. From January 2017 through the present audit fieldwork, this practice resulted in the employee losing four days of vacation previously earned.

Per the Platte County Employee Handbook under the Compensation and Hours of Work section, permanent full-time employees are to accrue vacation leave on the employees' anniversary dates.

The Platte County Employee Handbook under the Compensation and Hours of Work section states, in relevant part, the following:

*Full-time employees will accrue sick pay benefits at the rate of one working day for each month of service after completing twelve (12) months of service.*

\* \* \* \*

*A maximum of 5 days vacation can be carried over to the following year for employees working 10 years or less and a maximum of 7 days vacation can be carried over to the following year for employees working more than 10 years.*

### *Negative Leave Balances*

We noted one County Clerk employee tested had leave that was used prior to being earned. This error was caused by the County Clerk not maintaining a running balance of accumulated leave remaining for this employee. The negative balances were as follows:

- As of July 1, 2017, the employee had a vacation leave balance of -4 hours.
- As of July 1, 2017, the employee had a sick leave balance of -51.75 hours, as sick leave was used during the first year of employment.
- As of June 30, 2018, the employee had a sick leave balance of -17 hours.

The Platte County Employee Handbook under the Compensation and Hours of Work section states, in relevant part, the following:

*After the first year of employment, vacation leave may be taken as it is earned . . . .*

\* \* \* \*

*Employees may not take time off before it is earned.*

\* \* \* \*

*Full-time employees will accrue sick pay benefits at the rate of one working day for each month of service after completing twelve (12) months of service.*

\* \* \* \*

*Sick leave shall not be granted in advance of accrual, but vacation leave or leave without pay may be authorized for employees exhausting allowable sick leave.*

#### *Other Issues Noted*

The County Board is not informed of the leave balances held by the employees.

Additionally, one Highway Department employee used vacation hours in excess of 40 hours per week. Vacation leave, totaling 8 hours, was taken on Friday, September 22<sup>nd</sup> for this employee; however, the employee had already worked 34 hours during the week. This resulted in an additional two vacation hours being paid out for this employee, for a total payment of 42 hours worked.

Good internal controls and sound accounting practices require the County Board to implement procedures for obtaining and reviewing employee vacation, sick, and compensatory leave balances in order to identify any balances that appear unreasonable, and to be aware if the County would be responsible for a large payout upon termination. Those procedures should also ensure that vacation leave is taken appropriately.

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

We recommend the County Board review all policies related to employee leave. Further, we recommend the County Board implement procedures to ensure all leave is carried at the requested amounts, properly accrued, properly used, and reported to the Board.

*County Clerk's Response: Going forward vacation sheet for said employee will start from July 5, 2018 to July 4, 2019.*

*County Juvenile Diversion Office's Response: This Audit also addressed the excess compensatory time of 27.55 hours over the stated compensatory maximum of 80 hours by a Diversion employee (Administrator). This issue has been resolved with compensatory time being paid out or used by that employee.*

*County Assessor's Response: The audit mentions that our office had more than 60 sick days listed for an employee. While this is true, we never allowed or would have allowed more than 60 days to be used. We have since amended the current year to show only 60 days available and all future years will be done on the same basis of 60 days maximum sick days.*

*County Highway Department's Response: Relating to the payment of vacation hours of 8 hours on a Friday and the employee had already worked 34 hours in that week, resulting in a payment for 42 (at regular rate). The addition of vacation pay did not put the employee into an overtime position. There is a policy in the employee handbook relating to having to work or take PTO hours before and after a holiday to receive the paid holiday. This particular incident was not around a holiday, but to require an employee to take less than an 8 hour PTO day could cause the loss of Holiday Pay if that were mandated. I understand that the Personnel Committee will be reviewing this and other comments by the Auditor.*

## **Excess Pay**

The County Clerk was paid an additional \$225 in calendar year 2017. The Clerk received three additional payments of \$75 during 2017 for taking care of copy machines.

Neb. Rev. Stat. § 23-1114 (1) (Reissue 2012) states, in relevant part, “The salaries of all elected officers of the county shall be fixed by the county board . . . .”

Further, Resolution 13-70, approved by the County Board on December 17, 2013, states, in part, “[T]he annual salary of the office of the Platte County Clerk be established . . . for the calendar year 2017 shall be \$58,500.00 . . . .”

When procedures are not in place to ensure the correct amount is paid to employees, there is an increased risk for the loss or misuse of funds.

We recommend the County ensure that elected officials are not paid more than the County Board resolution allows.

*County Clerk’s Response: The excess pay to the County Clerk for taking of the second floor copy machine was stopped immediately.*

## **Use of Rebates**

During fiscal year 2018, the County did not have an official policy regarding the use of rebates earned on purchases.

For two claims tested, there was inadequate supporting documentation to track the receipt and subsequent use of Menards’ rebates acquired by the County.

- One claim for the County Sheriff, totaling \$1,512, included receipts from Menards noting rebates were earned. The Auditor of Public Accounts (APA) was unable to determine the amount of those rebates, as the portion of the receipt containing the rebate was removed prior to filing the claim. The County Sheriff maintains rebates earned; however, no documentation was on file to verify the tracking of the rebates. Further, as the County Sheriff maintains the rebates, there is no secondary review or oversight of the rebates earned to ensure that they are used on appropriate purchases.
- One petty cash claim for the Clerk of the District Court, totaling \$144, included a copy of a receipt noting a rebate was earned; however, there was no supporting documentation to track whether the rebate was used on an appropriate County purchase.

Good internal controls require procedures to ensure rebates earned through County purchases are sufficiently tracked in order to ensure all rebates earned are used for appropriate County business.

Without such procedures, there is a risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure rebates earned are accurately tracked and used for County business.

*Clerk of the District Court’s Response: The Clerk of District Court will abide by any procedures implemented by the County Board to ensure rebate eligible purchases are accurately tracked and used for County business.*

## **Review of Delinquent Property Taxes**

The County was not reviewing persons with delinquent personal property taxes prior to paying claims.

Neb. Rev. Stat. § 23-143 (Reissue 2012) states the following:

*The county board of any county, whenever the account or claim of any person, firm or corporation against the county is presented to them for allowance, shall procure from the county treasurer a certificate of the amount of delinquent personal taxes assessed against the person, firm or corporation in whose favor the account or claim is presented, and shall deduct from any amount found due upon such account or claim the amount of such tax, and shall forthwith issue a warrant for the balance remaining, if any.*

Sound accounting practices and good internal controls require procedures to ensure that deductions for delinquent personal taxes are made from any County claims paid to individuals or entities owing those overdue amounts.

Without such procedures, there is an increased risk not only of the County paying an individual or entity money that is owed to the County for taxes but also of noncompliance with statute.

We recommend the County Board implement procedures to ensure deductions for delinquent personal taxes are made from any County claims paid to individuals or entities owing those overdue amounts.

## **Claim Procedures**

Two claims tested were not filed within 90 days of the invoice or other supporting documentation.

- One Road Fund claim tested, totaling \$148,795, for the purchase of a truck, was filed 118 days after the invoice was submitted to the County.
- One Inheritance Fund claim tested, totaling \$225,150, for the purchase of radio equipment, was filed 134 days after the invoice was submitted to the County.

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

Additionally, good internal controls and sound business practices require procedures to ensure that invoices are paid timely. 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 filed within 90 days from the time that the materials or labor forming the basis of the claim have been furnished.

*County Highway Department’s Response: This was for the purchase of a truck following the bid award by the Board of Supervisors. The invoice and sales order are dated when the order is placed. The truck then goes into production and the company had 120 days to deliver the truck. The claim and the resulting check is not issued until a couple of weeks prior to delivery. That is the reason that the invoice date and the date of the check are not within the 90 days period.*

## COUNTY CLERK

### Publication of Board Minutes

During our audit, we noted that the proceedings of four County Board meetings tested were not published within 10 working days after the close of the meetings; rather, the publications occurred from 11 days to 17 days afterwards.

Further, notice of the completion of the audit was not published for 44 working days after the date of issuance.

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

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

Further, Neb. Rev. Stat. § 23-1608(2) (Reissue 2012) states, as is relevant, the following:

*(1) 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. The audits shall be conducted annually, except that the Auditor of Public Accounts may determine an audit of less frequency to be appropriate but not less than once in any three-year period. Each county board may contract with the Auditor of Public Accounts or select a licensed public accountant or certified public accountant or firm of such accountants to conduct the examination and audit and shall be responsible for the cost of the audit pursuant to the contract. An original copy of the audit report shall be filed in the office of the county clerk and in the office of the Auditor of Public Accounts within twelve months after the end of each fiscal year.*

*(2) 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.*

(Emphasis added.) When meeting proceedings or a brief statement of the conclusion of the audit are not published within 10 days, the County is not in compliance with State statute. Additionally, the general public is also not made aware of relevant Board discussions and/or actions in a timely manner.

We recommend the County Board ensure Board minutes and the conclusion of the audit are published within 10 working days, as required by State statute.

*County Clerk's Response: Going forward the County Clerk will be monitoring the publication of the meeting minutes to make sure they are published with 10 days. Since I will be on leave, I informed my deputy to publish a statement informing the public the audit report is on file with the County Clerk and the State Auditors within 10 days of receiving the final audit.*

## COUNTY HIGHWAY

### Accounts Receivable

During our audit, we noted numerous delinquent accounts receivable in the Highway Department that remained uncollected. At June 30, 2018, the Highway Department had five receivables, totaling \$6,500, which ranged from one to six years old. A similar finding was noted in the prior-year audit.

<b>Date</b>	<b>Amount</b>
4/10/2012	\$ 2,113
10/18/2013	\$ 1,747
2/3/2015	\$ 103
8/27/2015	\$ 1,539
4/11/2017	\$ 998
<b>Total</b>	<b>\$ 6,500</b>

Sound accounting practice and good internal control require procedures for maintaining complete and adequate records and reviewing overdue accounts receivable on a regular basis to determine what action should be taken with regard to those accounts.

Without such procedures, there is an increased risk that delinquent amounts will not be collected and/or resolved in a timely manner.

We recommend the Highway Department implement procedures for maintaining complete and adequate records and reviewing overdue accounts receivable on a regular basis to determine what action should be taken with regard to those accounts.

*County Highway Department's Response: The Highway Department has procedures to maintain a complete and adequate accounts receivable record. Several of these accounts are from other governmental agencies and some are uncollectible. As administrative assistance, I will be making a report and recommendation to the Road and Bridge committee at their September 25<sup>th</sup> meeting to write-off some of these receivables and to turn over some to the County Attorney for further action.*

## **COUNTY HISTORICAL SOCIETY**

### **Accounting Procedures**

During the audit, we noted the following issues with the Historical Society's accounting procedures:

- The Historical Society was not recording receipts and disbursements accurately on its financial statements. During the audit, we noted \$585 worth of activity occurring through the Historical Society's bank account that was not reported to the County Board.
- A daily/weekly log of the Historical Society's financial activity was not maintained; therefore, the APA was unable to verify funds collected to any records. As of August 13, 2018, the Historical Society had \$979 in cash on hand that could not be tied to records.

Good internal controls and sound accounting practices require procedures for ensuring that all financial activity is recorded in the entity's accounting system, and all receipts are logged daily.

Without such procedures, there is an increased risk of financial activity being misreported, as well as the loss or misuse of funds.

We recommend the Historical Society implement procedures to ensure all financial activity is recorded in the entity's accounting system, and all receipts are logged daily.

*County Historical Society's Response: Going forward we will limit the amount of cash that we have on hand to the following:*

- 1. One admission cash box that will have \$50.00 with which we will make change and deposit admissions on a weekly basis or as they occur.*
- 2. We will have a cash backup in the office for when someone comes in with a \$100 bill to pay for an admission. Yes, this does happen.*
- 3. The donation jars will be deposited weekly or as we get them. We will leave a small amount of change in the jars for seed money. Not more than 3 or 4 dollars.*

*All the receipts that we get are listed on the schedule of receipts and disbursements that you receive each year when we ask for funds.*

## **COUNTY REGISTER OF DEEDS**

### **Accounting Procedures**

A monthly asset-to-liability reconciliation was not performed, resulting in a shortage of \$424. During the prior-year audit, a \$424 shortage was identified due to the failure of the Register of Deeds to claim checks and deposit slip orders from previous years. This amount was claimed to the County in September 2017 to resolve the shortage; however, the funds were remitted back to the County in October 2017.

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

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

We recommend the Register of Deeds implement balancing procedures to ensure assets agree to liabilities at all times, and all unexplained variances are reviewed in a timely manner.

## **COUNTY SHERIFF**

### **Balancing Procedures**

We noted the following issues with the County Sheriff's balancing and reconciliation procedures.

- Complete and accurate bank reconciliations were not performed. As of June 30, 2018, an unknown variance of \$38 existed between the Sheriff's office books and the bank balance.
- Monthly asset-to-liability reconciliations were not performed. As of June 30, 2018, we noted office liabilities exceeded office assets by \$39.

We noted the following issue with the Detention Center's balancing and reconciliation procedures:

- At June 30, 2018, the Detention Center’s Balance Sheet indicated “Checkbook Expenses” of \$184; however, the Detention Center was unable to explain what these expenses were for or why they were removed from the book balance.

Good internal controls require adequate reconciliation procedures to identify and resolve variances between book and bank balances, as well as asset-to-liability reconciliation variances. Those same procedures should include a review of balances included on the Balance Sheet to determine appropriate action.

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

We recommend adequate procedures be implemented to ensure accurate bank reconciliations are performed, as well as asset-to-liability reconciliations, and any variances noted are resolved in a timely manner.

### **Unauthorized Bank Account**

During the audit, we noted that the County Sheriff maintained a bank account for a dive team. Within that account, receipts of \$1,195 were not deposited with the County Treasurer, and \$143 was paid out without County Board authorization. As of June 30, 2018, the balance in the account was \$8,057. A similar finding was noted in the prior-year audit.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

The failure to remit public money to the County Treasurer or to receive approval from the County Board for the disbursements of that money not only conflicts with State statute but also increases the risk of loss, theft, or misuse of County funds.

We recommend the dive team account, along with all future donation and other monies deposited to it, be turned over to the County Treasurer. We further recommend all payments of County funds be made through the claims and warrants process.

### **Receipt Testing**

During our audit, we noted the following;

- For one civil process receipt tested, the amount of mileage charged was less than the actual mileage traveled, resulting in \$13 not being properly collected.
- The County Sheriff incorrectly charged commission on a sale, resulting in a shortage of \$100 to the County.

Neb. Rev. Stat. § 33-117(1) (Reissue 2016) states, in relevant part, the following:

*The several sheriffs shall charge and collect fees at the rates specified in this section. The rates shall be as follows . . . (h) traveling each mile actually and necessarily traveled within or without their several counties in their official duties, three cents more per mile than the rate provided in section 81-1176 . . . .*

Subsection (2)(a) of that same statute provides the following:

*Except as provided in subdivision (b) of this subsection, the commission due a sheriff on an execution or order of sale, an order of attachment decree, or a sale of real or personal property shall be: For each dollar not exceeding four hundred dollars, six cents; for every dollar above four hundred dollars and not exceeding one thousand dollars, four cents; and for every dollar above one thousand dollars, two cents.*

Without a regular review of the mileage and commission charged by the County Sheriff, there is an increased risk of loss or misuse of funds and noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure the correct mileage rate and commission is charged per State statute.

### **COUNTY TREASURER**

#### **Trust Balances**

The County Treasurer had not followed up on trust fund balances in a timely manner. At June 30, 2018, we noted the following:

- The Partial Payment Fund balance contained \$1,160 held by the County for eight accounts without proper follow-up to ensure that the payments were active. The last activity noted in these accounts ranged from May 2007 to April 2017.
- The Tentative Inheritance Fund contained \$19,209 held for a case previously closed in October 2017; however, no transfer to the County Inheritance Fund had been made.

Good internal control and sound accounting practice require procedures to ensure that trust fund balances are reviewed on a routine basis, and any appropriate transfers or refunds are made in a timely manner.

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

We recommend the County Treasurer review all trust balances on a routine basis to ensure distributions are made in a timely manner, and all balances are current and accurate.

#### **Untimely Distributions**

We noted that the following distributions were not paid out in a timely manner:

- Fine and license monies were distributed to subdivision only twice during the fiscal year. One distribution, totaling \$245,463, was paid out in March 2018 for collections received in March 2017 through February 2018. The second distribution, totaling \$85,618, was paid out in June 2018 for collections received in March 2018 through mid-June 2018. A similar finding was noted in the prior audit.
- A distribution of 1957 in lieu of tax payments was distributed only once during the year. A portion of the in lieu payments, totaling \$4,942, was paid out in May 2018 for collections received in October and November 2017.

Neb. Rev. Stat. § 23-1601(4) (Reissue 2012) states, in relevant part, the following:

*(a) On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district the previous calendar month . . .*

*(b) If all such funds received or collected are less than twenty-five dollars, the county treasurer may hold such funds until such time as they are equal to or exceed twenty-five dollars.*

When the distributions are not remitted to the subdivisions in a timely manner, there is an increased risk for not only noncompliance with State statute but also the loss or misuse of public funds.

We recommend that the County Treasurer implement procedures to ensure funds are distributed to political subdivisions of the County in compliance with State statute.

### **Accounting Procedures**

The County Treasurer is duplicating financial activity and running two accounting systems. This use of dual systems is causing multiple issues throughout the systems, as follows:

- Cash items are being used as an overflow instead of for their intended uses. The County Treasurer is maintaining a list of cash items throughout the year; however, items are still being carried for a significant period of time.
  - Motor Vehicle funds were short \$634 in connection with balances owed from eight individuals. Balances were received from prior to June 1, 2016, through June 30, 2017, with no subsequent activity.
- Two reconciling items were not followed up on, or corrected, in a timely manner.
  - Per QuickBooks, a Bank Error was noted on September 10, 2015, in which \$45 should have been refunded to the County; however, this was still an outstanding item as of audit fieldwork on August 6, 2018.
  - Per QuickBooks, one check, totaling \$27, was returned for insufficient funds on November 5, 2015; however, it was entered incorrectly as an outstanding check, and it was still outstanding as of audit fieldwork on August 6, 2018.
- Tax sale receipts, totaling \$1,862, were not receipted until March 13, 2018, and March 14, 2018, between eight and nine days after they were received on March 5, 2018.

Sound accounting practices and good internal controls require the County Treasurer to implement procedures ensuring the following:

- 1) Utilization of one comprehensive accounting system containing all financial activity of the office.
- 2) A periodic review of cash items for appropriate action on outstanding balances.

- 3) Utilization of detailed reconciliation procedures, on at least a monthly basis, to ensure proper balancing and reconciliation of the County Treasurer's book and bank balances. Such procedures should include a timely identification and resolution of all variances noted.
- 4) The prompt receipt into the accounting system of all money received.

Without such procedures, there is an increased risk of error, fraud, or misuse of County funds.

We recommend the County Treasurer implement procedures to ensure: 1) only one accounting system is used; 2) a periodic review of cash items is performed for appropriate action on outstanding balances; 3) detailed reconciliation procedures are performed, on at least a monthly basis, to ensure proper balancing and reconciliation of the County Treasurer's book and bank balances, including a timely identification and resolution of all variances noted; and 4) all money received is receipted promptly into the accounting system.

### **Interest Not Receipted**

For two certificates of deposits, interest totaling \$6,789 was not recorded timely in the County's accounting books. In both cases, the County Treasurer received a statement indicating the current balance; however, the interest was not included to reflect the new balance.

Good internal control and sound business practice require procedures to ensure that accounting records reflect accurately the balances of accounts held. Those procedures should also require interest received to be recorded in a timely manner.

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

We recommend procedures be implemented to ensure the County's accounting records reflect accurately the balances of accounts held. Such procedures should ensure also the timely receipt and recording of interest earned.

### **Insufficient Pledged Collateral**

We noted that County accounts at two banks were not adequately secured.

- For accounts at Columbus Bank and Trust, deposits were uncollateralized, for 184 days, in amounts ranging from \$22,762 to \$25,446. Additionally, collateral at this bank was not being monitored by the County Treasurer to ensure compliance with State statute.
- For one account at Great Western Bank, deposits were uncollateralized, for two days, in amounts ranging from \$5,229 to \$6,663.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2009) states, in relevant 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, 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 adequate pledged collateral is not kept to cover bank accounts containing public monies, the County Treasurer is not in compliance with State statute, and there is an increased risk for the loss of funds.

We recommend the County Treasurer closely monitor all bank accounts containing public funds to ensure they are properly collateralized.

\* \* \* \* \*

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

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

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

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor