

**AUDIT REPORT
OF
SEWARD COUNTY**

JULY 1, 2016, THROUGH JUNE 30, 2017

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

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

Issued on January 9, 2018

SEWARD COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Basis Net Position - Fiduciary Funds	9
Notes to Financial Statements	10 - 20
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	21 - 22
Budgetary Comparison Schedule - Budget and Actual - Major Funds	23 - 24
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	25 - 29
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	30 - 33
Schedule of Office Activities	34 - 35
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	36
Schedule of Expenditures of Federal Awards	37
Notes to the Schedule of Federal Awards	38
Government Auditing Standards Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39 - 40
Report on Compliance for each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	41 - 43
Schedule of Findings and Questioned Costs	44 - 45

SEWARD COUNTY
529 Seward Street
Seward, NE 68434

LIST OF COUNTY OFFICIALS

At June 30, 2017

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Eugene Gausman	Jan. 2019
	Whitney Fleischman	Jan. 2019
	Diana Garske	Jan. 2021
	Roger Glawatz	Jan. 2019
	John Culver	Jan. 2021
Assessor	Marilyn Hladky	Jan. 2019
Attorney	Wendy Elston	Jan. 2019
Clerk	Sherry Schweitzer	Jan. 2019
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Jacquelyn Stewart	Jan. 2019
Sheriff	Joe Yocum	Jan. 2019
Treasurer	Bob Dahms	Jan. 2019
Veterans' Service Officer	Jeff Baker	Appointed
Rural Transit Director		
Weed Superintendent	Becky Paulsen	Appointed
Planning and Zoning		
Emergency Manager	Gary Petersen	Appointed



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

SEWARD COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Seward 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 Seward County, as of and for the year ended June 30, 2017, 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 Seward County as of June 30, 2017, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 21-37, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2017, on our consideration of Seward 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 Seward County's internal control over financial reporting and compliance.

December 26, 2017



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

SEWARD COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 10,630,165
TOTAL ASSETS	<u><u>\$ 10,630,165</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 62,266
Emergency Services	464,369
Law Enforcement	1,345,995
Preservation of Records	43,582
Debt Service	909,599
Bridge/ Road Projects	409,645
Unrestricted	<u>7,394,709</u>
TOTAL NET POSITION	<u><u>\$ 10,630,165</u></u>

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

SEWARD COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2017

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:				
General Government	\$ (4,855,318)	\$ 750,729	\$ 157,648	\$ (3,946,941)
Public Safety	(4,069,677)	189,842	548,452	(3,331,383)
Public Works	(4,699,194)	-	2,073,748	(2,625,446)
Public Assistance	(311,154)	-	226,333	(84,821)
Culture and Recreation	(40,245)	-	-	(40,245)
Debt Payments	(944,603)	-	-	(944,603)
Capital Outlay	(5,156,165)	-	-	(5,156,165)
Total Governmental Activities	<u>\$ (20,076,356)</u>	<u>\$ 940,571</u>	<u>\$ 3,006,181</u>	<u>(16,129,604)</u>

General Receipts:

Property Taxes	9,362,403
Grants and Contributions Not Restricted to Specific Programs	1,319,392
Investment Income	65,898
Licenses and Permits	63,816
Bond Proceeds	3,500,000
Insurance Settlements	255,031
Miscellaneous	661,509
Total General Receipts	<u>15,228,049</u>
Increase in Net Position	(901,555)
Net Position - Beginning of year	11,531,720
Net Position - End of year	<u>\$ 10,630,165</u>

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

SEWARD COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
 June 30, 2017

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Justice Center Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,464,503	\$ 425,708	\$ 3,224,295	\$ 909,599	\$ 3,606,060	\$ 10,630,165
TOTAL ASSETS	<u>\$ 2,464,503</u>	<u>\$ 425,708</u>	<u>\$ 3,224,295</u>	<u>\$ 909,599</u>	<u>\$ 3,606,060</u>	<u>\$ 10,630,165</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	62,266	62,266
Emergency Services	-	-	-	-	464,369	464,369
Law Enforcement	-	-	-	-	1,345,995	1,345,995
Preservation of Records	-	-	-	-	43,582	43,582
Debt Service	-	-	-	909,599	-	909,599
Bridge/ Road Projects	-	-	-	-	409,645	409,645
Committed to:						
Law Enforcement	-	-	-	-	35,283	35,283
Road Maintenance	-	425,708	-	-	86,023	511,731
Aid and Assistance	-	-	-	-	30,754	30,754
County Buildings & Equipment	-	-	-	-	176,707	176,707
Health Insurance	-	-	-	-	951,436	951,436
Assigned to:						
Other Purposes	-	-	3,224,295	-	-	3,224,295
Unassigned	2,464,503	-	-	-	-	2,464,503
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,464,503</u>	<u>\$ 425,708</u>	<u>\$ 3,224,295</u>	<u>\$ 909,599</u>	<u>\$ 3,606,060</u>	<u>\$ 10,630,165</u>

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

SEWARD COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund	Road Fund	Inheritance Fund	Justice Center Debt Service Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$ 7,284,166	\$ -	\$ 881,798	\$ 1,042,631	\$ 153,808	\$ 9,362,403
Licenses and Permits	63,816	-	-	-	-	63,816
Investment Income	42,821	-	-	23,077	-	65,898
Intergovernmental	967,994	2,021,974	6,238	105,959	1,223,408	4,325,573
Charges for Services	824,211	-	-	-	116,360	940,571
Miscellaneous	99,075	5,145	76,667	3,663,779	571,874	4,416,540
TOTAL RECEIPTS	<u>9,282,083</u>	<u>2,027,119</u>	<u>964,703</u>	<u>4,835,446</u>	<u>2,065,450</u>	<u>19,174,801</u>
DISBURSEMENTS						
General Government	3,815,091	-	628,517	-	411,710	4,855,318
Public Safety	2,670,682	-	-	-	1,398,995	4,069,677
Public Works	173,759	4,066,149	-	-	459,286	4,699,194
Public Assistance	229,787	-	-	-	81,367	311,154
Culture and Recreation	-	-	-	-	40,245	40,245
Debt Service:						
Principal Payments	-	-	-	653,419	-	653,419
Interest and Fiscal Charges	-	-	-	291,184	-	291,184
Capital Outlay	-	-	-	5,156,165	-	5,156,165
TOTAL DISBURSEMENTS	<u>6,889,319</u>	<u>4,066,149</u>	<u>628,517</u>	<u>6,100,768</u>	<u>2,391,603</u>	<u>20,076,356</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,392,764</u>	<u>(2,039,030)</u>	<u>336,186</u>	<u>(1,265,322)</u>	<u>(326,153)</u>	<u>(901,555)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000	1,907,965	280,115	-	1,560,790	3,948,870
Transfers out	<u>(2,960,770)</u>	<u>(370,831)</u>	<u>(445,000)</u>	-	<u>(172,269)</u>	<u>(3,948,870)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,760,770)</u>	<u>1,537,134</u>	<u>(164,885)</u>	-	<u>1,388,521</u>	<u>-</u>
Net Change in Fund Balances	(368,006)	(501,896)	171,301	(1,265,322)	1,062,368	(901,555)
CASH BASIS FUND BALANCES - BEGINNING	<u>2,832,509</u>	<u>927,604</u>	<u>3,052,994</u>	<u>2,174,921</u>	<u>2,543,692</u>	<u>11,531,720</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 2,464,503</u>	<u>\$ 425,708</u>	<u>\$ 3,224,295</u>	<u>\$ 909,599</u>	<u>\$ 3,606,060</u>	<u>\$ 10,630,165</u>

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

SEWARD COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,732,913
 LIABILITIES	
Due to other governments	
State	356,151
Schools	1,022,893
Educational Service Units	4,134
Technical College	19,685
Natural Resource Districts	6,907
Fire Districts	10,631
Municipalities	54,152
Agricultural Society	3,141
Cemetery Districts	2,221
Hospital	239
Others	252,759
TOTAL LIABILITIES	1,732,913
 TOTAL NET ASSETS	 \$ -

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$67,146 toward the operation of the Region during fiscal year 2017. 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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The Department’s governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2017. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2017). Financial information for the Department is available in that report.

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

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local and private funding. The County did not contribute toward the operation of the 911 Region during fiscal year 2017. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

Seward County Communications Agency (Communications Region) – The County has entered into an agreement with the governing boards of the City of Seward and the City of Milford to fund, staff, and oversee the running of an Enhanced Emergency 911 Communications Center.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the 911 Region based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local and private funding. The County is the fiscal agent for the Communications Region, and all activity is included with the E911 Fund of the County. The activity of this fund is included in the financial statements of the County and is included in this report. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

During the fiscal year, the County purchased a new Emergency 911 Radio System for \$351,149. This was funded entirely by the County; however, the City of Seward and the City of Milford will be refunding the County for their portions of the cost, in accordance with the agreement for the Communication Region. In July 2017, the County sent letters to the governing boards of the municipalities, requesting repayment before December 31, 2017. The City of Milford responded that its balance of \$12,641 would be repaid in five annual interest-free payments. At the time of the audit, the City of Seward had not responded regarding its balance of \$104,291.

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: 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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County reports the following major governmental funds:

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

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

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

Justice Center Debt Service Fund. This fund is used to account for bond proceeds to be used for the purpose of paying the costs of building the new Justice Center and the resources for, and payment of, general long-term debt principal, interest, and related costs of the bond issued.

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

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

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

The County designates fund balances as follows:

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

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

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

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

SEWARD 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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$3,235,456 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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2017, disbursements exceeded budgeted appropriations in the Road Fund by \$164,498. These over-expenditures were funded by greater than anticipated receipts and the available fund balance.

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$10,630,165 for County funds and \$1,732,913 for Fiduciary funds. The bank balances for all funds totaled \$12,302,317. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2017, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. **Property Taxes**

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

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

The levy set in October 2016, for the 2016 taxes, which will be materially collected in May and September 2017, was set at \$.274433/\$100 of assessed valuation. The levy set in October 2015, for the 2015 taxes, which were materially collected in May and September 2016, was set at \$.271338/\$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.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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.

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, 2017, 161 employees contributed \$240,064, and the County contributed \$356,856. Contributions included \$6,481 in cash contributions towards the supplemental law enforcement plan for 17 law enforcement employees.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 89 counties and local governments throughout Nebraska.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. **Risk Management** (Concluded)

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, is sent to each county in writing, and each county has 60 days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

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

The County has not paid any additional assessments to the pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2018. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Road Fund	1,662,965	-	245,000	-	1,907,965
Inheritance Fund	-	245,000	-	35,115	280,115
Nonmajor Funds	1,297,805	125,831	-	137,154	1,560,790
Total	<u>\$ 2,960,770</u>	<u>\$ 370,831</u>	<u>\$ 445,000</u>	<u>\$ 172,269</u>	<u>\$ 3,948,870</u>

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Interfund Transfers (Concluded)

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

In the year ended June 30, 2017, the County made an interfund loan transfer of \$245,000 from the Inheritance Fund to the Road Fund to ensure adequate funds were available to cover Road expenditures. This loan was refunded back to the Inheritance Fund during the fiscal year.

7. Capital Leases Payable

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

	Three John Deere Motor Graders
Balance July 1, 2016	\$ -
Purchases	752,661
Payments	97,510
Balance June 30, 2017	\$ 655,151
Future Payments:	
Year	
2018	\$ 97,509
2019	97,510
2020	97,510
2021	97,510
2022	383,100
Total Payments	773,139
Less Interest	117,988
Present Value of Future Minimum Lease Payments	\$ 655,151
Carrying Value of the Related Fixed Asset	\$ 752,601

8. Contingent Liabilities

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

9. **Long-Term Debt**

The County issued bonds on October 17, 2014, in the amount of \$9,990,000 for the purpose of paying the costs of constructing a new Justice Center. The bond payable balance, as of June 30, 2017, was \$9,190,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2018	\$ 415,000	\$ 239,963	\$ 654,963
2019	430,000	235,884	665,884
2020	435,000	230,420	665,420
2021	440,000	223,635	663,635
2022	445,000	215,445	660,445
2023-2027	2,400,000	910,385	3,310,385
2028-2032	2,755,000	541,348	3,296,348
2033-2035	1,870,000	97,556	1,967,556
Total Payments	\$ 9,190,000	\$ 2,694,636	\$ 11,884,636

Additionally, the County issued bonds on September 30, 2016, in the amount of \$3,500,000 for the purpose of paying for additional costs of constructing, equipping, and furnishing the new Justice Center. The bond payable balance, as of June 30, 2017, was \$3,271,581. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2018	\$ 466,303	\$ 86,784	\$ 553,087
2019	479,214	73,873	553,087
2020	492,483	60,604	553,087
2021	506,120	46,968	553,088
2022	520,133	32,954	553,087
2023-2024	807,328	22,303	829,631
Total Payments	\$ 3,271,581	\$ 323,486	\$ 3,495,067

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 7,817,096	\$ 7,817,096	\$ 7,284,166	\$ (532,930)
Licenses and Permits	35,000	35,000	63,816	28,816
Interest	40,000	40,000	42,821	2,821
Intergovernmental	650,000	650,000	967,994	317,994
Charges for Services	485,000	485,000	824,211	339,211
Miscellaneous	55,000	55,000	99,075	44,075
TOTAL RECEIPTS	<u>9,082,096</u>	<u>9,082,096</u>	<u>9,282,083</u>	<u>199,987</u>
DISBURSEMENTS				
General Government:				
County Board	142,955	143,105	143,103	2
County Clerk	154,128	154,128	151,238	2,890
County Treasurer	278,082	278,782	272,025	6,757
County Assessor	285,394	285,394	268,772	16,622
Election Commissioner	65,742	65,742	60,492	5,250
Personnel	141,862	141,862	130,597	11,265
Clerk of the District Court	263,873	263,873	242,260	21,613
County Court System	25,800	25,800	22,776	3,024
District Judge	37,620	37,620	32,845	4,775
Public Defender	198,320	198,320	175,143	23,177
Building and Grounds	398,426	398,426	372,707	25,719
Agricultural Extension Agent	184,864	184,864	174,369	10,495
Abandoned Cemetery	5,000	5,000	2,925	2,075
Miscellaneous	2,358,377	2,357,327	1,765,839	591,488
Public Safety				
County Sheriff	1,137,076	1,137,076	1,082,389	54,687
County Attorney	607,502	607,502	607,059	443
County Jail	1,020,080	1,020,080	878,146	141,934
Emergency Management	110,997	110,997	103,088	7,909
Public Works				
County Surveyor	7,250	7,450	7,442	8
Noxious Weed Control	94,502	94,502	83,328	11,174
Highway Department	133,503	133,503	82,989	50,514
Public Assistance				
Veterans' Service Officer	42,685	42,685	40,287	2,398
Public Transit	202,507	202,507	189,500	13,007
TOTAL DISBURSEMENTS	<u>7,896,545</u>	<u>7,896,545</u>	<u>6,889,319</u>	<u>1,007,226</u>

(Continued)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,185,551</u>	<u>1,185,551</u>	<u>2,392,764</u>	<u>1,207,213</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	200,000	-
Transfers out	<u>(2,101,756)</u>	<u>(2,101,756)</u>	<u>(2,960,770)</u>	<u>(859,014)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,901,756)</u>	<u>(1,901,756)</u>	<u>(2,760,770)</u>	<u>(859,014)</u>
Net Change in Fund Balance	(716,205)	(716,205)	(368,006)	348,199
FUND BALANCE - BEGINNING	<u>1,816,205</u>	<u>1,816,205</u>	<u>2,832,509</u>	<u>1,016,304</u>
FUND BALANCE - ENDING	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 2,464,503</u></u>	<u><u>\$ 1,364,503</u></u>

(Concluded)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	1,981,913	1,981,913	2,021,974	40,061
Miscellaneous	-	-	5,145	5,145
TOTAL RECEIPTS	1,981,913	1,981,913	2,027,119	45,206
DISBURSEMENTS	4,272,482	4,272,482	4,066,149	206,333
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,290,569)	(2,290,569)	(2,039,030)	251,539
OTHER FINANCING SOURCES (USES)				
Transfers in	1,662,965	1,662,965	1,907,965	245,000
Transfers out	-	-	(370,831)	(370,831)
TOTAL OTHER FINANCING SOURCES (USES)	1,662,965	1,662,965	1,537,134	(125,831)
Net Change in Fund Balance	(627,604)	(627,604)	(501,896)	125,708
FUND BALANCE - BEGINNING	927,604	927,604	927,604	-
FUND BALANCE - ENDING	\$ 300,000	\$ 300,000	\$ 425,708	\$ 125,708
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 881,798	\$ 881,798
Intergovernmental	-	-	6,238	6,238
Miscellaneous	-	-	76,667	76,667
TOTAL RECEIPTS	-	-	964,703	964,703
DISBURSEMENTS	2,852,994	2,852,994	628,517	2,224,477
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,852,994)	(2,852,994)	336,186	3,189,180
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	280,115	280,115
Transfers out	(200,000)	(200,000)	(445,000)	(245,000)
TOTAL OTHER FINANCING SOURCES (USES)	(200,000)	(200,000)	(164,885)	35,115
Net Change in Fund Balance	(3,052,994)	(3,052,994)	171,301	3,224,295
FUND BALANCE - BEGINNING	3,052,994	3,052,994	3,052,994	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,224,295	\$ 3,224,295

(Continued)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>JUSTICE CENTER DEBT SERVICE FUND</u>				
RECEIPTS				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,042,631	\$ (157,369)
Interest	-	-	23,077	23,077
Intergovernmental	-	-	105,959	105,959
Miscellaneous	3,647,785	3,647,785	3,663,779	15,994
TOTAL RECEIPTS	<u>4,847,785</u>	<u>4,847,785</u>	<u>4,835,446</u>	<u>(12,339)</u>
 DISBURSEMENTS	 <u>7,022,706</u>	 <u>7,022,706</u>	 <u>6,100,768</u>	 <u>921,938</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(2,174,921)</u>	 <u>(2,174,921)</u>	 <u>(1,265,322)</u>	 <u>909,599</u>
 Net Change in Fund Balance	 (2,174,921)	 (2,174,921)	 (1,265,322)	 909,599
FUND BALANCE - BEGINNING	<u>2,174,921</u>	<u>2,174,921</u>	<u>2,174,921</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909,599</u>	<u>\$ 909,599</u>

(Concluded)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD BUYBACK FUND				
Receipts	\$ 245,332	\$ 245,332	\$ 245,332	\$ -
Disbursements	(480,334)	(480,334)	(150,757)	329,577
Net Change in Fund Balance	(235,002)	(235,002)	94,575	329,577
Fund Balance - Beginning	235,002	235,002	235,002	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,577</u>	<u>\$ 329,577</u>
SPECIAL ROAD FUND				
Receipts	\$ -	\$ -	\$ 95,167	\$ 95,167
Disbursements	(400,000)	(400,000)	(287,474)	112,526
Transfers in	161,670	161,670	40,000	(121,670)
Transfers out	-	-	-	-
Net Change in Fund Balance	(238,330)	(238,330)	(152,307)	86,023
Fund Balance - Beginning	238,330	238,330	238,330	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,023</u>	<u>\$ 86,023</u>
EQUIPMENT SINKING FUND				
Receipts	\$ 39,100	\$ 39,100	\$ 3,534	\$ (35,566)
Disbursements	(256,268)	(256,268)	(83,395)	172,873
Transfers in	20,000	20,000	59,400	39,400
Transfers out	-	-	-	-
Net Change in Fund Balance	(197,168)	(197,168)	(20,461)	176,707
Fund Balance - Beginning	197,168	197,168	197,168	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,707</u>	<u>\$ 176,707</u>
VISITOR PROMOTION FUND				
Receipts	\$ 47,769	\$ 47,769	\$ 21,879	\$ (25,890)
Disbursements	(70,000)	(70,000)	(30,245)	39,755
Net Change in Fund Balance	(22,231)	(22,231)	(8,366)	13,865
Fund Balance - Beginning	22,231	22,231	22,231	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,865</u>	<u>\$ 13,865</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ 33,477	\$ 33,477	\$ 21,878	\$ (11,599)
Disbursements	(70,000)	(70,000)	(10,000)	60,000
Net Change in Fund Balance	(36,523)	(36,523)	11,878	48,401
Fund Balance - Beginning	36,523	36,523	36,523	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,401</u>	<u>\$ 48,401</u>

(Continued)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 14,908	\$ 14,908	\$ 12,248	\$ (2,660)
Disbursements	(50,000)	(50,000)	(3,758)	46,242
Net Change in Fund Balance	(35,092)	(35,092)	8,490	43,582
Fund Balance - Beginning	35,092	35,092	35,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,582</u>	<u>\$ 43,582</u>
HEALTH INSURANCE FUND				
Receipts	\$ 2,000,000	\$ 2,000,000	\$ 255,031	\$(1,744,969)
Disbursements	(2,000,000)	(2,000,000)	(301,126)	1,698,874
Transfers in	-	-	997,531	997,531
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	951,436	951,436
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,436</u>	<u>\$ 951,436</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ 3	\$ 3
Disbursements	(5,048)	(5,048)	-	5,048
Net Change in Fund Balance	(5,048)	(5,048)	3	5,051
Fund Balance - Beginning	5,048	5,048	5,048	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,051</u>	<u>\$ 5,051</u>
AGING SERVICES FUND				
Receipts	\$ 65,699	\$ 65,699	\$ 77,653	\$ 11,954
Disbursements	(100,542)	(100,542)	(81,367)	19,175
Transfers in	-	-	-	-
Transfers out	-	-	(10,426)	(10,426)
Net Change in Fund Balance	(34,843)	(34,843)	(14,140)	20,703
Fund Balance - Beginning	39,843	39,843	39,843	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 25,703</u>	<u>\$ 20,703</u>
DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 279,743	\$ 279,743	\$ 158,346	\$ (121,397)
Disbursements	(500,000)	(500,000)	(75,416)	424,584
Net Change in Fund Balance	(220,257)	(220,257)	82,930	303,187
Fund Balance - Beginning	220,257	220,257	220,257	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,187</u>	<u>\$ 303,187</u>

(Continued)

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ATTORNEY FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 233,813	\$ 233,813	\$ 103,228	\$ (130,585)
Disbursements	(442,066)	(442,066)	(7,129)	434,937
Transfers in	-	-	-	-
Transfers out	-	-	(10,820)	(10,820)
Net Change in Fund Balance	(208,253)	(208,253)	85,279	293,532
Fund Balance - Beginning	208,253	208,253	208,253	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,532</u>	<u>\$ 293,532</u>
SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ 281,179	\$ 281,179
Disbursements	(560,544)	(560,544)	(399,666)	160,878
Net Change in Fund Balance	(560,544)	(560,544)	(118,487)	442,057
Fund Balance - Beginning	560,544	560,544	560,544	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442,057</u>	<u>\$ 442,057</u>
ATTORNEY GRANT FUND				
Receipts	\$ 467,902	\$ 467,902	\$ 251,644	\$ (216,258)
Disbursements	(725,075)	(725,075)	(200,478)	524,597
Transfers in	-	-	10,820	10,820
Transfers out	-	-	(11,940)	(11,940)
Net Change in Fund Balance	(257,173)	(257,173)	50,046	307,219
Fund Balance - Beginning	257,173	257,173	257,173	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,219</u>	<u>\$ 307,219</u>
EMERGENCY MANAGER GRANT FUND				
Receipts	\$ 340,685	\$ 340,685	\$ 48,102	\$ (292,583)
Disbursements	(505,000)	(505,000)	(24,062)	480,938
Net Change in Fund Balance	(164,315)	(164,315)	24,040	188,355
Fund Balance - Beginning	164,315	164,315	164,315	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,355</u>	<u>\$ 188,355</u>
E911 GRANT FUND				
Receipts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Disbursements	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD GRANT FUND				
Receipts	\$ 2,960,470	\$ 2,960,470	\$ 61,593	\$(2,898,877)
Disbursements	(3,000,000)	(3,000,000)	(21,055)	2,978,945
Net Change in Fund Balance	(39,530)	(39,530)	40,538	80,068
Fund Balance - Beginning	39,530	39,530	39,530	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,068</u>	<u>\$ 80,068</u>
MISCELLANEOUS GRANT FUND				
Receipts	\$ 500,000	\$ 500,000	\$ 23,431	\$ (476,569)
Disbursements	(500,000)	(500,000)	(23,431)	476,569
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
E911 FUND				
Receipts	\$ 305,957	\$ 305,957	\$ 301,066	\$ (4,891)
Disbursements	(738,469)	(738,469)	(581,689)	156,780
Transfers in	418,791	418,791	418,791	-
Transfers out	-	-	(104,835)	(104,835)
Net Change in Fund Balance	(13,721)	(13,721)	33,333	47,054
Fund Balance - Beginning	73,721	73,721	73,721	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 107,054</u>	<u>\$ 47,054</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 193,455	\$ 193,455	\$ 45,663	\$ (147,792)
Disbursements	(200,000)	(200,000)	(5,943)	194,057
Transfers in	-	-	-	-
Transfers out	-	-	(34,248)	(34,248)
Net Change in Fund Balance	(6,545)	(6,545)	5,472	12,017
Fund Balance - Beginning	6,545	6,545	6,545	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,017</u>	<u>\$ 12,017</u>
911 WIRELESS HOLDING FUND				
Receipts	\$ 45,883	\$ 45,883	\$ -	\$ (45,883)
Disbursements	(250,000)	(250,000)	(81,422)	168,578
Transfers in	-	-	34,248	34,248
Transfers out	-	-	-	-
Net Change in Fund Balance	(204,117)	(204,117)	(47,174)	156,943
Fund Balance - Beginning	204,117	204,117	204,117	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,943</u>	<u>\$ 156,943</u>

SEWARD COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMISSARY FUND				
Receipts	\$ 60,236	\$ 60,236	\$ 58,473	\$ (1,763)
Disbursements	(60,236)	(60,236)	(23,190)	37,046
Net Change in Fund Balance	-	-	35,283	35,283
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,283</u>	<u>\$ 35,283</u>
RIGHT OF WAY HOLDING FUND				
Receipts	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Disbursements	(200,000)	(200,000)	-	200,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

SEWARD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Road Buyback Fund	Special Road Fund	Equipment Sinking Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 21,879	\$ 21,878
Intergovernmental	245,332	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	95,167	3,534	-	-
TOTAL RECEIPTS	<u>245,332</u>	<u>95,167</u>	<u>3,534</u>	<u>21,879</u>	<u>21,878</u>
DISBURSEMENTS					
General Government	-	-	83,395	-	-
Public Safety	-	-	-	-	-
Public Works	150,757	287,474	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	30,245	10,000
TOTAL DISBURSEMENTS	<u>150,757</u>	<u>287,474</u>	<u>83,395</u>	<u>30,245</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>94,575</u>	<u>(192,307)</u>	<u>(79,861)</u>	<u>(8,366)</u>	<u>11,878</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	40,000	59,400	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>40,000</u>	<u>59,400</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	94,575	(152,307)	(20,461)	(8,366)	11,878
FUND BALANCES - BEGINNING	<u>235,002</u>	<u>238,330</u>	<u>197,168</u>	<u>22,231</u>	<u>36,523</u>
FUND BALANCES - ENDING	<u>\$ 329,577</u>	<u>\$ 86,023</u>	<u>\$ 176,707</u>	<u>\$ 13,865</u>	<u>\$ 48,401</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	13,865	48,401
Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Bridge/ Road Projects	329,577	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	86,023	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	176,707	-	-
Health Insurance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 329,577</u>	<u>\$ 86,023</u>	<u>\$ 176,707</u>	<u>\$ 13,865</u>	<u>\$ 48,401</u>

(Continued)

SEWARD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Register of Deeds Preservation Fund	Health Insurance Fund	Veterans' Aid Fund	Aging Services Fund	Drug Law Enforcement Fund	Attorney Federal Drug Law Enforcement Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	77,128	-	102,084
Charges for Services	12,248	-	-	-	-	-
Miscellaneous	-	255,031	-	525	158,346	1,144
TOTAL RECEIPTS	<u>12,248</u>	<u>255,031</u>	<u>3</u>	<u>77,653</u>	<u>158,346</u>	<u>103,228</u>
DISBURSEMENTS						
General Government	3,758	301,126	-	-	-	-
Public Safety	-	-	-	-	75,416	7,129
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	81,367	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>3,758</u>	<u>301,126</u>	<u>-</u>	<u>81,367</u>	<u>75,416</u>	<u>7,129</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>8,490</u>	<u>(46,095)</u>	<u>3</u>	<u>(3,714)</u>	<u>82,930</u>	<u>96,099</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	997,531	-	-	-	-
Transfers out	-	-	-	(10,426)	-	(10,820)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>997,531</u>	<u>-</u>	<u>(10,426)</u>	<u>-</u>	<u>(10,820)</u>
Net Change in Fund Balances	8,490	951,436	3	(14,140)	82,930	85,279
FUND BALANCES - BEGINNING	<u>35,092</u>	<u>-</u>	<u>5,048</u>	<u>39,843</u>	<u>220,257</u>	<u>208,253</u>
FUND BALANCES - ENDING	<u>\$ 43,582</u>	<u>\$ 951,436</u>	<u>\$ 5,051</u>	<u>\$ 25,703</u>	<u>\$ 303,187</u>	<u>\$ 293,532</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-
Law Enforcement	-	-	-	-	303,187	293,532
Preservation of Records	43,582	-	-	-	-	-
Bridge/ Road Projects	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	5,051	25,703	-	-
County Buildings & Equipment	-	-	-	-	-	-
Health Insurance	-	951,436	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 43,582</u>	<u>\$ 951,436</u>	<u>\$ 5,051</u>	<u>\$ 25,703</u>	<u>\$ 303,187</u>	<u>\$ 293,532</u>

(Continued)

SEWARD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Sheriff Federal Drug Law Enforcement Fund	Attorney Grant Fund	Emergency Manager Grant Fund	Road Grant Fund	Miscellaneous Grant Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	280,866	164,091	48,102	45,693	23,431
Charges for Services	-	45,639	-	-	-
Miscellaneous	313	41,914	-	15,900	-
TOTAL RECEIPTS	<u>281,179</u>	<u>251,644</u>	<u>48,102</u>	<u>61,593</u>	<u>23,431</u>
DISBURSEMENTS					
General Government	-	-	-	-	23,431
Public Safety	399,666	200,478	24,062	-	-
Public Works	-	-	-	21,055	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>399,666</u>	<u>200,478</u>	<u>24,062</u>	<u>21,055</u>	<u>23,431</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(118,487)</u>	<u>51,166</u>	<u>24,040</u>	<u>40,538</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	10,820	-	-	-
Transfers out	-	(11,940)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(1,120)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(118,487)	50,046	24,040	40,538	-
FUND BALANCES - BEGINNING	<u>560,544</u>	<u>257,173</u>	<u>164,315</u>	<u>39,530</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 442,057</u>	<u>\$ 307,219</u>	<u>\$ 188,355</u>	<u>\$ 80,068</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Emergency Services	-	-	188,355	-	-
Law Enforcement	442,057	307,219	-	-	-
Preservation of Records	-	-	-	-	-
Bridge/ Road Projects	-	-	-	80,068	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Health Insurance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 442,057</u>	<u>\$ 307,219</u>	<u>\$ 188,355</u>	<u>\$ 80,068</u>	<u>\$ -</u>

(Continued)

SEWARD COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	E911 Fund	911 Wireless Service Fund	911 Wireless Holding Fund	Commissary Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 64,385	\$ 45,663	\$ -	\$ -	\$ 153,808
Intergovernmental	236,681	-	-	-	1,223,408
Charges for Services	-	-	-	58,473	116,360
Miscellaneous	-	-	-	-	571,874
TOTAL RECEIPTS	301,066	45,663	-	58,473	2,065,450
DISBURSEMENTS					
General Government	-	-	-	-	411,710
Public Safety	581,689	5,943	81,422	23,190	1,398,995
Public Works	-	-	-	-	459,286
Public Assistance	-	-	-	-	81,367
Culture and Recreation	-	-	-	-	40,245
TOTAL DISBURSEMENTS	581,689	5,943	81,422	23,190	2,391,603
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(280,623)	39,720	(81,422)	35,283	(326,153)
OTHER FINANCING SOURCES (USES)					
Transfers in	418,791	-	34,248	-	1,560,790
Transfers out	(104,835)	(34,248)	-	-	(172,269)
TOTAL OTHER FINANCING SOURCES (USES)	313,956	(34,248)	34,248	-	1,388,521
Net Change in Fund Balances	33,333	5,472	(47,174)	35,283	1,062,368
FUND BALANCES - BEGINNING	73,721	6,545	204,117	-	2,543,692
FUND BALANCES - ENDING	\$ 107,054	\$ 12,017	\$ 156,943	\$ 35,283	\$ 3,606,060
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	62,266
Emergency Services	107,054	12,017	156,943	-	464,369
Law Enforcement	-	-	-	-	1,345,995
Preservation of Records	-	-	-	-	43,582
Bridge/ Road Projects	-	-	-	-	409,645
Committed to:					
Law Enforcement	-	-	-	35,283	35,283
Road Maintenance	-	-	-	-	86,023
Aid and Assistance	-	-	-	-	30,754
County Buildings & Equipment	-	-	-	-	176,707
Health Insurance	-	-	-	-	951,436
TOTAL FUND BALANCES	\$ 107,054	\$ 12,017	\$ 156,943	\$ 35,283	\$ 3,606,060

(Concluded)

SEWARD COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2016	\$ 43,004	\$ 254,969	\$ 40,023	\$ 25	\$ 26	\$ -
RECEIPTS						
Licenses and Permits	3,469	-	975	-	-	475
Intergovernmental	-	-	11,332	-	-	-
Charges for Services	158,988	25,601	42,839	71,180	-	5,142
Miscellaneous	20,887	-	5,000	-	57	56,272
State Fees	169,099	28,040	-	-	-	239
Other Liabilities	250	579,638	508,902	9,554	-	-
TOTAL RECEIPTS	352,693	633,279	569,048	80,734	57	62,128
DISBURSEMENTS						
Payments to County Treasurer	164,944	31,724	58,244	71,180	63	61,889
Payments to State Treasurer	172,912	30,266	-	-	-	239
Other Liabilities	21,137	601,616	532,016	9,554	-	-
TOTAL DISBURSEMENTS	358,993	663,606	590,260	80,734	63	62,128
BALANCES JUNE 30, 2017	<u>\$ 36,704</u>	<u>\$ 224,642</u>	<u>\$ 18,811</u>	<u>\$ 25</u>	<u>\$ 20</u>	<u>\$ -</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 13,053	\$ 2,205	\$ 5,639	\$ -	\$ -	\$ -
Petty Cash	7,500	100	5,000	25	20	-
Due to State Treasurer	16,151	1,243	-	-	-	-
Due to Others	-	221,094	8,172	-	-	-
BALANCES JUNE 30, 2017	<u>\$ 36,704</u>	<u>\$ 224,642</u>	<u>\$ 18,811</u>	<u>\$ 25</u>	<u>\$ 20</u>	<u>\$ -</u>

(Continued)

SEWARD COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2017

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2016	\$ 5,965	\$ 1,016,304	\$ 3,000	\$ 432	\$ -	\$ 1,363,748
RECEIPTS						
Licenses and Permits	-	-	10,300	-	-	15,219
Intergovernmental	-	-	-	-	77,127	88,459
Charges for Services	-	-	-	13,463	-	317,213
Miscellaneous	3	568,124	-	-	526	650,869
State Fees	-	-	-	-	-	197,378
Other Liabilities	-	-	-	-	-	1,098,344
TOTAL RECEIPTS	<u>3</u>	<u>568,124</u>	<u>10,300</u>	<u>13,463</u>	<u>77,653</u>	<u>2,367,482</u>
DISBURSEMENTS						
Payments to County Treasurer	-	-	9,400	13,895	77,653	488,992
Payments to State Treasurer	-	-	-	-	-	203,417
Other Liabilities	459	1,184,428	-	-	-	2,349,210
TOTAL DISBURSEMENTS	<u>459</u>	<u>1,184,428</u>	<u>9,400</u>	<u>13,895</u>	<u>77,653</u>	<u>3,041,619</u>
BALANCES JUNE 30, 2017	<u>\$ 5,509</u>	<u>\$ 400,000</u>	<u>\$ 3,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,611</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 5,509	\$ -	\$ 3,900	\$ -	\$ -	\$ 30,306
Petty Cash	-	400,000	-	-	-	412,645
Due to State Treasurer	-	-	-	-	-	17,394
Due to Others	-	-	-	-	-	229,266
BALANCES JUNE 30, 2017	<u>\$ 5,509</u>	<u>\$ 400,000</u>	<u>\$ 3,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,611</u>

(Concluded)

SEWARD COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2017

Item	2012	2013	2014	2015	2016
Tax Certified by Assessor					
Real Estate	\$ 27,832,232	\$ 30,133,842	\$ 32,033,274	\$ 33,621,254	\$ 35,176,283
Personal and Specials	2,927,682	3,008,360	2,686,456	2,891,034	2,623,056
Total	30,759,914	33,142,202	34,719,730	36,512,288	37,799,339
Corrections					
Additions	11,373	13,089	14,141	15,997	7,374
Deductions	(5,825)	(5,556)	(9,276)	(24,367)	(1,065)
Net Additions/ (Deductions)	5,548	7,533	4,865	(8,370)	6,309
Corrected Certified Tax	30,765,462	33,149,735	34,724,595	36,503,918	37,805,648
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2013	18,742,001	-	-	-	-
June 30, 2014	12,005,023	20,604,864	-	-	-
June 30, 2015	12,614	12,525,811	21,654,269	-	-
June 30, 2016	2,438	7,657	13,048,105	22,472,235	-
June 30, 2017	2,218	9,365	14,326	14,016,809	23,523,845
Total Net Collections	30,764,294	33,147,697	34,716,700	36,489,044	23,523,845
Total Uncollected Tax	\$ 1,168	\$ 2,038	\$ 7,895	\$ 14,874	\$ 14,281,803
Percentage Uncollected Tax	0.00%	0.01%	0.02%	0.04%	37.78%

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

SEWARD COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Equitable Sharing Program	16.922		\$ 10,989
Passed through State Commission on Law Enforcement and Criminal Justice			
Juvenile Justice and Delinquency Prevention	16.540	15-JJ-0008	23,943
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-DA-0304	17,876
Total U.S. Department of Justice			<u>52,808</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance	97.036	574655	52,732
Emergency Management Performance Grants	97.042	574655	50,454
Total U.S. Department of Homeland Security			<u>103,186</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	31159	109,359
Passed through City of Lincoln			
Special Programs for Aging, Title III, Part C, Nutrition Services	93.045	89210	26,000
Nutrition Services Incentive Program	93.053	89210	12,257
National Family Caregiver Support, Title III, Part E	93.052	89210	2,553
Total U.S. Department of Health and Human Services			<u>150,169</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas	20.509	574655	113,832
Total U.S. Department of Transportation			<u>113,832</u>
DEPARTMENT OF TREASURY			
Equitable Sharing	21.016		* 403,787
Total U.S. Department of Treasury			<u>403,787</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 823,782</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

SEWARD COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Seward County (County) under programs of the Federal government for the year ended June 30, 2017, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Seward County, it is not intended to and does not present the financial position, changes or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Seward County has elected to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



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

SEWARD COUNTY

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

Board of Commissioners
Seward 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 Seward County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Seward County's basic financial statements, and have issued our report thereon dated December 26, 2017. 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 Seward 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 Seward County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we consider the following deficiency in the County's internal control to be a significant deficiency:

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Seward 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 Seward County in a separate letter dated December 26, 2017.

Seward County's Response to Findings

Seward 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.

December 26, 2017



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska



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

SEWARD COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners
Seward County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Seward County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Seward County's major Federal programs for the year ended June 30, 2017. Seward County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Seward County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance

requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Seward County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Seward County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Seward County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Seward County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Seward County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Seward County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Seward County as of and for the year ended June 30, 2017, and have issued our report thereon dated December 26, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

December 26, 2017



Deann Haeffner
Assistant Deputy Auditor
Lincoln, Nebraska

SEWARD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> X </u>	Yes	<u> </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<u> </u>	Yes	<u> X </u>	No
-------------	-----	--------------	----

Major programs: **Equitable Sharing: CFDA#21.016**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

<u> </u>	Yes	<u> X </u>	No
-------------	-----	--------------	----

SEWARD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2017-1

Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

Context - Various County offices collect money, most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.

Effect - This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause - The County does not employ sufficient office personnel to properly segregate accounting functions.

Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.

View of Officials - The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Section III – Federal Award Findings and Questioned Costs

None Noted



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

December 26, 2017

Board of Commissioners
Seward County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Seward County (County) for the fiscal year ended June 30, 2017, and have issued our report thereon dated December 26, 2017. 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 several offices, which collect and remit money to the County Treasurer, have a lack of segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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

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

COUNTY BOARD

Excess Petty Cash and Credit Card Activity

We noted several offices of the County are using petty cash funds and credit cards excessively. The use of these items increases the risk of possible errors or irregularities, as the County Board is approving payments after the expenditures have already occurred. During the audit, we noted the following activity:

- The County Clerk's petty cash activity had total disbursements of \$20,887 throughout the fiscal year. Purchases made through this account included routine items, such as utility bills, hotel stays, and renewal of notary commissions.
- As of June 30, 2017, the County had 91 open credit cards with total activity of \$180,946 throughout the fiscal year. Purchases made through credit cards included gasoline, computers, printers, and televisions.

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 proper restrictions on high-risk transactions, such as credit card or petty cash transactions, so no individual is capable of circumventing the claims process through the County Board.

We recommend the County Board review current petty cash and credit card procedures to assess the risk of these transaction types being used improperly. Furthermore, we recommend the County Board implement procedures to ensure that all petty cash and credit card transactions are used for reasonable, appropriate purchases.

Petty Cash Funds

During the audit, we noted the following regarding office petty cash funds:

- The County Clerk maintains \$400,000 in the health insurance bank account as a petty cash fund; however, that amount was not approved by the County Board, nor was the amount included in the fiscal policy of the annual budget message.
- The County Sheriff maintains \$5,000 in the inmate bank account as a petty cash fund; however, that amount was not included in the fiscal policy of the annual budget message.

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

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

We recommend the County Board approve all petty cash funds maintained by County offices and ensure the amounts are included in the fiscal policy of the County Board’s budget message, as required by law.

Expenditures Exceeded Budget

For the year ended June 30, 2017, disbursements exceeded budgeted appropriations in the Road Fund by \$164,498. These over-expenditures were caused by the repayment of a \$245,000 loan from the Road Fund to the Inheritance Fund. This transfer did not go through the claims process and, therefore, was not recorded by the County Clerk in the budget ledger, resulting in the ledger not reflecting the overage.

Neb. Rev. Stat. § 23-916 (Reissue 2012) states, in relevant part, the following:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year.

We recommend the County Board implement procedures to ensure all fund transfers are appropriately recorded by the County Clerk to avoid individual funds from incurring expenses in excess of amounts budgeted.

COUNTY SHERIFF

Balancing Procedures

During our audit, we noted the County Sheriff’s office had advanced fees and mileage of \$2,018 due to others at June 30, 2017; however, a listing of individual balances could not be provided to support those to whom the amount was owed. This was a prior year’s finding, and the unsupported amount due to others has increased \$700 from the prior year.

Additionally, we noted that \$14,931 in fees and mileage earned by the County Sheriff was not remitted to the County Treasurer timely, as follows:

Month	Amount	Due Date	Date Remitted	Days Late
August 2016	\$ 1,798	10/4/16	10/28/16	24
September 2016	2,670	10/4/16	10/28/16	24
November 2016	1,941	1/3/17	1/19/17	16
December 2016	1,644	1/3/17	1/19/17	16
March 2017	2,516	4/4/17	5/1/17	27
May 2017	1,854	7/4/17	7/14/17	10
June 2017	2,508	7/4/17	8/4/17	31
Total	\$ 14,931			

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) states, in part, “The sheriff shall, on the first Tuesday in January, April, July, and October of each year . . . pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.”

Additionally, sound accounting practices and good internal control require an asset-to-liability reconciliation to be performed timely, and any variances noted to be followed up on appropriately. Sound accounting practices and good internal control further require a detail listing be maintained of the monies owed to others.

When the Sheriff’s office does not have adequate balancing procedures, there is an increased risk for loss and/or misuse of funds.

We recommend the County Sheriff implement procedures to ensure an asset-to-liability reconciliation is performed, a detailed listing of office liabilities is maintained, and fees are remitted by the required date.

Federal Reporting

The receipts reported by the County Sheriff on the Equitable Sharing and Agreement Certificate (Certificate) filed with the United States Department of Treasury did not agree to the actual amounts received in the Sheriff Federal Drug Law Enforcement Fund maintained by the County Treasurer. Receipts of \$80,837 were reflected on both the Certificate for the fiscal year 2016 and then again for fiscal year 2017. .

The U.S. Department of Treasury Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies requires an accurate certification report to be filed annually. Additionally, good internal controls require procedures to be in place to ensure reports are accurate and complete.

We recommend the County Sheriff work with the County Treasurer to ensure information being reported is accurate.

* * * * *

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

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

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and

should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Deann Haeffner". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Deann Haeffner, CPA
Assistant Deputy Auditor