

**AUDIT REPORT  
OF  
SEWARD COUNTY**

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

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**Issued on December 18, 2018**

SEWARD COUNTY

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SEWARD COUNTY  
529 Seward Street  
Seward, NE 68434

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

<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		
Highway Superintendent	Georgia Stockley	Appointed
Emergency Manager	Gary Petersen	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Seward County as of June 30, 2018, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

## **Emphasis of Matters – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19-35, 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 11, 2018, 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 11, 2018



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

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

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 12,380,071
<b>TOTAL ASSETS</b>	<u><u>\$ 12,380,071</u></u>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 73,163
Emergency Services	487,517
Law Enforcement	1,144,818
Preservation of Records	52,505
Debt Service	659,588
Bridge/ Road Projects	455,591
Unrestricted	9,506,889
<b>TOTAL NET POSITION</b>	<u><u>\$ 12,380,071</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, 2018

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (4,523,848)	\$ 712,814	\$ 113,922	\$ (3,697,112)
Public Safety	(4,253,966)	341,849	372,896	(3,539,221)
Public Works	(3,611,338)	-	2,372,475	(1,238,863)
Public Assistance	(325,411)	-	226,749	(98,662)
Culture and Recreation	(30,651)	-	-	(30,651)
Debt Payments	(1,208,050)	-	-	(1,208,050)
Capital Outlay	(359,351)	-	-	(359,351)
<b>Total Governmental Activities</b>	<b><u><u>\$ (14,312,615)</u></u></b>	<b><u><u>\$ 1,054,663</u></u></b>	<b><u><u>\$ 3,086,042</u></u></b>	<b><u><u>(10,171,910)</u></u></b>

General Receipts:

Property Taxes	9,564,103
Grants and Contributions Not Restricted to Specific Programs	1,253,587
Investment Income	70,957
Licenses and Permits	71,765
Insurance Settlements	366,629
Miscellaneous	594,775
<b>Total General Receipts</b>	<b><u><u>11,921,816</u></u></b>
 Increase in Net Position	 1,749,906
Net Position - Beginning of year	10,630,165
Net Position - End of year	<b><u><u>\$ 12,380,071</u></u></b>

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, 2018

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Justice Center Debt Service Fund</u>	<u>Health Insurance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 2,754,680	\$ 793,394	\$ 3,279,748	\$ 659,588	\$ 1,677,945	\$ 3,214,716	\$ 12,380,071
<b>TOTAL ASSETS</b>	<u>\$ 2,754,680</u>	<u>\$ 793,394</u>	<u>\$ 3,279,748</u>	<u>\$ 659,588</u>	<u>\$ 1,677,945</u>	<u>\$ 3,214,716</u>	<u>\$ 12,380,071</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	73,163	73,163
Emergency Services	-	-	-	-	-	487,517	487,517
Law Enforcement	-	-	-	-	-	1,144,818	1,144,818
Preservation of Records	-	-	-	-	-	52,505	52,505
Debt Service	-	-	-	659,588	-	-	659,588
Bridge/ Road Projects	-	-	-	-	-	455,591	455,591
Committed to:							
Law Enforcement	-	-	-	-	-	34,488	34,488
Road Maintenance	-	793,394	-	-	-	638,375	1,431,769
Aid and Assistance	-	-	-	-	-	26,487	26,487
County Buildings & Equipment	-	-	-	-	-	284,964	284,964
Health Insurance	-	-	-	-	1,677,945	-	1,677,945
Reappraisal Services	-	-	-	-	-	16,808	16,808
Assigned to:							
Other Purposes	-	-	3,279,748	-	-	-	3,279,748
Unassigned	2,754,680	-	-	-	-	-	2,754,680
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 2,754,680</u>	<u>\$ 793,394</u>	<u>\$ 3,279,748</u>	<u>\$ 659,588</u>	<u>\$ 1,677,945</u>	<u>\$ 3,214,716</u>	<u>\$ 12,380,071</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, 2018

	General Fund	Road Fund	Inheritance Fund	Justice Center Debt Service Fund	Health Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$7,652,989	\$ -	\$ 625,274	\$ 1,126,618	\$ -	\$ 159,222	\$ 9,564,103
Licenses and Permits	71,765	-	-	-	-	-	71,765
Investment Income	62,763	-	-	8,029	165	-	70,957
Intergovernmental	1,017,719	2,125,333	2,528	117,293	-	1,076,756	4,339,629
Charges for Services	952,606	-	-	-	-	102,057	1,054,663
Miscellaneous	121,453	5,590	149,686	65,450	366,629	252,596	961,404
<b>TOTAL RECEIPTS</b>	<u>9,879,295</u>	<u>2,130,923</u>	<u>777,488</u>	<u>1,317,390</u>	<u>366,794</u>	<u>1,590,631</u>	<u>16,062,521</u>
<b>DISBURSEMENTS</b>							
General Government	3,455,480	-	22,035	-	996,223	50,110	4,523,848
Public Safety	2,707,804	-	-	-	-	1,546,162	4,253,966
Public Works	219,980	3,131,657	-	-	-	259,701	3,611,338
Public Assistance	239,401	-	-	-	-	86,010	325,411
Culture and Recreation	-	-	-	-	-	30,651	30,651
Debt Service:							
Principal Payments	-	-	-	881,303	-	-	881,303
Interest and Fiscal Charges	-	-	-	326,747	-	-	326,747
Capital Outlay	-	-	-	359,351	-	-	359,351
<b>TOTAL DISBURSEMENTS</b>	<u>6,622,665</u>	<u>3,131,657</u>	<u>22,035</u>	<u>1,567,401</u>	<u>996,223</u>	<u>1,972,634</u>	<u>14,312,615</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>3,256,630</u>	<u>(1,000,734)</u>	<u>755,453</u>	<u>(250,011)</u>	<u>(629,429)</u>	<u>(382,003)</u>	<u>1,749,906</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	800,000	1,995,288	-	-	1,355,938	1,338,398	5,489,624
Transfers out	(3,766,453)	(626,868)	(700,000)	-	-	(396,303)	(5,489,624)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,966,453)</u>	<u>1,368,420</u>	<u>(700,000)</u>	<u>-</u>	<u>1,355,938</u>	<u>942,095</u>	<u>-</u>
Net Change in Fund Balances	290,177	367,686	55,453	(250,011)	726,509	560,092	1,749,906
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>2,464,503</u>	<u>425,708</u>	<u>3,224,295</u>	<u>909,599</u>	<u>951,436</u>	<u>2,654,624</u>	<u>10,630,165</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$2,754,680</u>	<u>\$ 793,394</u>	<u>\$ 3,279,748</u>	<u>\$ 659,588</u>	<u>\$ 1,677,945</u>	<u>\$ 3,214,716</u>	<u>\$ 12,380,071</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, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,597,411
 <b>LIABILITIES</b>	
Due to other governments	
State	322,861
Schools	1,083,669
Educational Service Units	4,778
Technical College	27,312
Natural Resource Districts	7,809
Fire Districts	11,153
Municipalities	59,193
Agricultural Society	3,219
Cemetery Districts	3,955
Hospital	128
Others	73,334
<b>TOTAL LIABILITIES</b>	<b>1,597,411</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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, 2018

#### 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 \$83,194 toward the operation of the Region during fiscal year 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the 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).

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2018. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2017). Financial information for the Department is available in that report.

Southeast Region 911 Communication Services (911 Region) – The County has entered into an agreement with the governing boards of 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 2018. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Nemaha County was named the fiscal agent for the 911 Region in 2016, and all financial activity of the 911 Region would be available in the Nemaha County audit report.

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 Communications 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 termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

During fiscal year 2017, 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 Communications 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. The City of Seward responded that its balance of \$104,291 would be repaid in monthly interest-free payments through September 2019.

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

**Health Insurance Fund.** This fund is used to account for the costs of insurance premiums and claims and is primarily funded by County and employee payroll deductions.

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.

#### 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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,873,182 of restricted net position, which is fully restricted by enabling legislation.

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

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

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

#### 2. Deposits and Investments

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

At year end, the County's carrying amount of deposits was \$12,380,071 for County funds and \$1,597,411 for Fiduciary funds. The bank balances for all funds totaled \$13,903,798. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

#### 3. Property Taxes

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

## SEWARD COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 3. **Property Taxes** (Concluded)

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

The levy set in October 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.277296/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.274433/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

#### 4. **Retirement System**

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

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

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

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

SEWARD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2018, 157 employees contributed \$256,272, and the County contributed \$380,661. Contributions included \$7,489 in cash contributions towards the supplemental law enforcement plan for 18 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 91 counties and local governments throughout Nebraska.

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

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

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

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

6. **Interfund Transfers**

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

<b>Transfers to</b>	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 700,000	\$ 100,000	\$ 800,000
Road Fund	1,995,288	-	-	-	1,995,288
Health Insurance Fund	1,244,863	26,868	-	84,207	1,355,938
Nonmajor Funds	526,302	600,000	-	212,096	1,338,398
Total	<u>\$ 3,766,453</u>	<u>\$ 626,868</u>	<u>\$ 700,000</u>	<u>\$ 396,303</u>	<u>\$ 5,489,624</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, 2018, the County made transfers from the Sheriff Federal Drug Law Enforcement Fund of \$101,553 to the Sheriff Federal Drug Justice Fund, \$2,800 to the Drug Law Enforcement Fund, and \$35,270 to the Attorney Federal Drug Law Enforcement Fund for corrections associated with a Federal audit of the Fund. In connection with this Federal audit, the County also made a one-time transfer of \$1,973 from the Attorney Federal Drug Law Enforcement Fund to the Sheriff Federal Drug Law Enforcement Fund. Lastly, the County made a one-time transfer of \$100,000 from the Emergency Management Grant Fund to the General Fund for tax relief.

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, 2017	\$ 655,151
Purchases	-
Payments	97,610
Balance June 30, 2018	<u>\$ 557,641</u>
Future Payments:	
<b>Year</b>	
2019	\$ 97,510
2020	97,510
2021	97,510
2022	383,099
Total Payments	<u>675,629</u>
Less Interest	<u>117,988</u>
Present Value of Future Minimum Lease Payments	<u>\$ 557,641</u>
Carrying Value of the Related Fixed Asset	<u>\$ 752,601</u>

8. **Contingent Liabilities**

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

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, 2018, was \$8,775,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	455,000	205,876	660,876
2024-2028	2,465,000	846,104	3,311,104
2029-2033	2,835,000	453,306	3,288,306
2034-2035	1,270,000	44,004	1,314,004
<b>Total Payments</b>	<b>\$ 8,775,000</b>	<b>\$ 2,454,674</b>	<b>\$ 11,229,674</b>

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, 2018, was \$2,805,279. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	534,536	18,551	553,087
2024	272,793	3,751	276,544
<b>Total Payments</b>	<b>\$ 2,805,279</b>	<b>\$ 236,701</b>	<b>\$ 3,041,980</b>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 8,121,401	\$ 8,121,401	\$ 7,652,989	\$ (468,412)
Licenses and Permits	35,000	35,000	71,765	36,765
Interest	40,000	40,000	62,763	22,763
Intergovernmental	235,000	235,000	1,017,719	782,719
Charges for Services	534,000	534,000	952,606	418,606
Miscellaneous	55,000	55,000	121,453	66,453
<b>TOTAL RECEIPTS</b>	<b>9,020,401</b>	<b>9,020,401</b>	<b>9,879,295</b>	<b>858,894</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	147,545	147,545	146,107	1,438
County Clerk	174,305	174,305	164,941	9,364
County Treasurer	325,121	325,121	321,723	3,398
County Assessor	287,700	287,700	269,196	18,504
Election Commissioner	66,590	66,590	59,652	6,938
Personnel	164,930	164,930	153,418	11,512
Clerk of the District Court	266,175	266,175	242,218	23,957
County Court System	31,100	31,100	26,746	4,354
District Judge	52,912	52,912	31,520	21,392
Public Defender	196,014	196,014	189,805	6,209
Building and Grounds	498,226	498,226	414,747	83,479
Agricultural Extension Agent	201,870	201,870	199,057	2,813
Abandoned Cemeteries	5,000	5,000	2,675	2,325
Miscellaneous	2,393,185	2,393,185	1,233,675	1,159,510
Public Safety				
County Sheriff	1,154,978	1,154,978	1,112,531	42,447
County Attorney	627,747	627,747	586,045	41,702
County Jail	1,176,118	1,176,118	910,245	265,873
Emergency Management	111,080	111,080	98,983	12,097
Public Works				
County Surveyor	7,440	7,440	7,432	8
Noxious Weed Control	94,968	94,968	89,120	5,848
Highway Department	128,937	128,937	123,428	5,509
Public Assistance				
Veterans' Service Officer	42,927	42,927	40,410	2,517
Public Transit	211,154	211,154	198,991	12,163
<b>TOTAL DISBURSEMENTS</b>	<b>8,366,022</b>	<b>8,366,022</b>	<b>6,622,665</b>	<b>1,743,357</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>				
	<b>654,379</b>	<b>654,379</b>	<b>3,256,630</b>	<b>2,602,251</b>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	800,000	800,000	800,000	-
Transfers out	(2,418,882)	(2,418,882)	(3,766,453)	(1,347,571)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,618,882)</u>	<u>(1,618,882)</u>	<u>(2,966,453)</u>	<u>(1,347,571)</u>
Net Change in Fund Balance	(964,503)	(964,503)	290,177	1,254,680
<b>FUND BALANCE - BEGINNING</b>	<u>2,064,503</u>	<u>2,064,503</u>	<u>2,464,503</u>	<u>400,000</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 2,754,680</u></u>	<u><u>\$ 1,654,680</u></u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,073,000	\$ 2,073,000	\$2,125,333	\$ 52,333
Miscellaneous	-	-	5,590	5,590
<b>TOTAL RECEIPTS</b>	<b>2,073,000</b>	<b>2,073,000</b>	<b>2,130,923</b>	<b>57,923</b>
<b>DISBURSEMENTS</b>	<b>4,193,996</b>	<b>4,193,996</b>	<b>3,131,657</b>	<b>1,062,339</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,120,996)</b>	<b>(2,120,996)</b>	<b>(1,000,734)</b>	<b>1,120,262</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,995,288	1,995,288	1,995,288	-
Transfers out	-	-	(626,868)	(626,868)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,995,288</b>	<b>1,995,288</b>	<b>1,368,420</b>	<b>(626,868)</b>
Net Change in Fund Balance	(125,708)	(125,708)	367,686	493,394
FUND BALANCE - BEGINNING	425,708	425,708	425,708	-
FUND BALANCE - ENDING	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 793,394</b>	<b>\$ 493,394</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 625,274	\$ 625,274
Intergovernmental	-	-	2,528	2,528
Miscellaneous	-	-	149,686	149,686
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>777,488</b>	<b>777,488</b>
<b>DISBURSEMENTS</b>	<b>2,524,295</b>	<b>2,524,295</b>	<b>22,035</b>	<b>2,502,260</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,524,295)</b>	<b>(2,524,295)</b>	<b>755,453</b>	<b>3,279,748</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(700,000)	(700,000)	(700,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(700,000)</b>	<b>(700,000)</b>	<b>(700,000)</b>	<b>-</b>
Net Change in Fund Balance	(3,224,295)	(3,224,295)	55,453	3,279,748
FUND BALANCE - BEGINNING	3,224,295	3,224,295	3,224,295	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$3,279,748</b>	<b>\$ 3,279,748</b>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>JUSTICE CENTER DEBT SERVICE FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,126,618	\$ (73,382)
Interest	-	-	8,029	8,029
Intergovernmental	-	-	117,293	117,293
Miscellaneous	-	-	65,450	65,450
TOTAL RECEIPTS	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,317,390</u>	<u>117,390</u>
 DISBURSEMENTS	 <u>2,109,599</u>	 <u>2,109,599</u>	 <u>1,567,401</u>	 <u>542,198</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(909,599)</u>	 <u>(909,599)</u>	 <u>(250,011)</u>	 <u>659,588</u>
 Net Change in Fund Balance	 (909,599)	 (909,599)	 (250,011)	 659,588
FUND BALANCE - BEGINNING	909,599	909,599	909,599	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,588</u>	<u>\$ 659,588</u>
 <b><u>HEALTH INSURANCE FUND</u></b>				
<b>RECEIPTS</b>				
Interest	\$ -	\$ -	\$ 165	\$ 165
Miscellaneous	1,048,564	1,048,564	366,629	(681,935)
TOTAL RECEIPTS	<u>1,048,564</u>	<u>1,048,564</u>	<u>366,794</u>	<u>(681,770)</u>
 DISBURSEMENTS	 <u>2,000,000</u>	 <u>2,000,000</u>	 <u>996,223</u>	 <u>1,003,777</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(951,436)</u>	 <u>(951,436)</u>	 <u>(629,429)</u>	 <u>322,007</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,355,938	1,355,938
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,355,938</u>	<u>1,355,938</u>
 Net Change in Fund Balance	 (951,436)	 (951,436)	 726,509	 1,677,945
FUND BALANCE - BEGINNING	951,436	951,436	951,436	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,677,945</u>	<u>\$ 1,677,945</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD BUYBACK FUND</b>				
Receipts	\$ 245,662	\$ 245,662	\$ 245,661	\$ (1)
Disbursements	(575,239)	(575,239)	(199,715)	375,524
Net Change in Fund Balance	(329,577)	(329,577)	45,946	375,523
Fund Balance - Beginning	329,577	329,577	329,577	-
Fund Balance - Ending	\$ -	\$ -	\$ 375,523	\$ 375,523
<b>SPECIAL ROAD FUND</b>				
Receipts	\$ 68,977	\$ 68,977	\$ 12,338	\$ (56,639)
Disbursements	(155,000)	(155,000)	(59,986)	95,014
Transfers in	-	-	600,000	600,000
Transfers out	-	-	-	-
Net Change in Fund Balance	(86,023)	(86,023)	552,352	638,375
Fund Balance - Beginning	86,023	86,023	86,023	-
Fund Balance - Ending	\$ -	\$ -	\$ 638,375	\$ 638,375
<b>EQUIPMENT SINKING FUND</b>				
Receipts	\$ 26,300	\$ 26,300	\$ 8,025	\$ (18,275)
Disbursements	(223,007)	(223,007)	(34,668)	188,339
Transfers in	20,000	20,000	134,900	114,900
Transfers out	-	-	-	-
Net Change in Fund Balance	(176,707)	(176,707)	108,257	284,964
Fund Balance - Beginning	176,707	176,707	176,707	-
Fund Balance - Ending	\$ -	\$ -	\$ 284,964	\$ 284,964
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 56,135	\$ 56,135	\$ 20,899	\$ (35,236)
Disbursements	(70,000)	(70,000)	(22,151)	47,849
Net Change in Fund Balance	(13,865)	(13,865)	(1,252)	12,613
Fund Balance - Beginning	13,865	13,865	13,865	-
Fund Balance - Ending	\$ -	\$ -	\$ 12,613	\$ 12,613
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ 21,599	\$ 21,599	\$ 20,649	\$ (950)
Disbursements	(70,000)	(70,000)	(8,500)	61,500
Net Change in Fund Balance	(48,401)	(48,401)	12,149	60,550
Fund Balance - Beginning	48,401	48,401	48,401	-
Fund Balance - Ending	\$ -	\$ -	\$ 60,550	\$ 60,550

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REAPPRAISAL FUND</b>				
Receipts	\$ -	\$ -	\$ 2,000	\$ 2,000
Disbursements	-	-	-	-
Transfers in	-	-	14,808	14,808
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	16,808	16,808
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,808</u>	<u>\$ 16,808</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 16,418	\$ 16,418	\$ 11,549	\$ (4,869)
Disbursements	(60,000)	(60,000)	(2,626)	57,374
Net Change in Fund Balance	(43,582)	(43,582)	8,923	52,505
Fund Balance - Beginning	43,582	43,582	43,582	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,505</u>	<u>\$ 52,505</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(5,051)	(5,051)	-	5,051
Net Change in Fund Balance	(5,051)	(5,051)	1	5,052
Fund Balance - Beginning	5,051	5,051	5,051	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,052</u>	<u>\$ 5,052</u>
<b>AGING SERVICES FUND</b>				
Receipts	\$ 66,775	\$ 66,775	\$ 78,593	\$ 11,818
Disbursements	(100,478)	(100,478)	(86,010)	14,468
Transfers in	13,000	13,000	13,000	-
Transfers out	-	-	(9,851)	(9,851)
Net Change in Fund Balance	(20,703)	(20,703)	(4,268)	16,435
Fund Balance - Beginning	25,703	25,703	25,703	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 21,435</u>	<u>\$ 16,435</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 196,813	\$ 196,813	\$ 183,703	\$ (13,110)
Disbursements	(500,000)	(500,000)	(253,239)	246,761
Transfers in	-	-	2,800	2,800
Transfers out	-	-	-	-
Net Change in Fund Balance	(303,187)	(303,187)	(66,736)	236,451
Fund Balance - Beginning	303,187	303,187	303,187	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,451</u>	<u>\$ 236,451</u>

<b>ATTORNEY FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 148,534	\$ 148,534	\$ 14,699	\$ (133,835)
Disbursements	(442,066)	(442,066)	(2,692)	439,374
Transfers in	-	-	35,270	35,270
Transfers out	-	-	(1,973)	(1,973)
Net Change in Fund Balance	(293,532)	(293,532)	45,304	338,836
Fund Balance - Beginning	293,532	293,532	293,532	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,836</u>	<u>\$ 338,836</u>

<b>SHERIFF FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ 100,000	\$ 223,024	\$ 123,024
Disbursements	(442,057)	(542,057)	(364,588)	177,469
Transfers in	-	-	1,973	1,973
Transfers out	-	-	(139,623)	(139,623)
Net Change in Fund Balance	(442,057)	(442,057)	(279,214)	162,843
Fund Balance - Beginning	442,057	442,057	442,057	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,843</u>	<u>\$ 162,843</u>

<b>SHERIFF FEDERAL DRUG JUSTICE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	101,553	101,553
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	101,553	101,553
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,553</u>	<u>\$ 101,553</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ATTORNEY GRANT FUND</b>				
Receipts	\$ 475,875	\$ 475,875	\$ 259,884	\$ (215,991)
Disbursements	(783,094)	(783,094)	(259,648)	523,446
Transfers in	-	-	-	-
Transfers out	-	-	(2,320)	(2,320)
Net Change in Fund Balance	(307,219)	(307,219)	(2,084)	305,135
Fund Balance - Beginning	307,219	307,219	307,219	-
Fund Balance - Ending	\$ -	\$ -	\$ 305,135	\$ 305,135
<b>EMERGENCY MANAGER GRANT FUND</b>				
Receipts	\$ 316,645	\$ 316,645	\$ 49,550	\$ (267,095)
Disbursements	(405,000)	(405,000)	(23,692)	381,308
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	(188,355)	(188,355)	(74,142)	114,213
Fund Balance - Beginning	188,355	188,355	188,355	-
Fund Balance - Ending	\$ -	\$ -	\$ 114,213	\$ 114,213
<b>E911 GRANT FUND</b>				
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	\$ -	\$ -	\$ -	\$ -
<b>ROAD GRANT FUND</b>				
Receipts	\$ 2,919,932	\$ 2,919,932	\$ -	\$ (2,919,932)
Disbursements	(3,000,000)	(3,000,000)	-	3,000,000
Net Change in Fund Balance	(80,068)	(80,068)	-	80,068
Fund Balance - Beginning	80,068	80,068	80,068	-
Fund Balance - Ending	\$ -	\$ -	\$ 80,068	\$ 80,068
<b>MISCELLANEOUS GRANT FUND</b>				
Receipts	\$ 500,000	\$ 500,000	\$ 12,816	\$ (487,184)
Disbursements	(500,000)	(500,000)	(12,816)	487,184
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>E911 FUND</b>				
Receipts	\$ 289,397	\$ 289,397	\$ 332,670	\$ 43,273
Disbursements	(727,045)	(727,045)	(568,089)	158,956
Transfers in	390,594	390,594	390,594	-
Transfers out	-	-	(99,036)	(99,036)
Net Change in Fund Balance	(47,054)	(47,054)	56,139	103,193
Fund Balance - Beginning	107,054	107,054	107,054	-
Fund Balance - Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 163,193</u>	<u>\$ 103,193</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 187,983	\$ 187,983	\$ 58,000	\$ (129,983)
Disbursements	(200,000)	(200,000)	(16,849)	183,151
Transfers in	-	-	-	-
Transfers out	-	-	(43,500)	(43,500)
Net Change in Fund Balance	(12,017)	(12,017)	(2,349)	9,668
Fund Balance - Beginning	12,017	12,017	12,017	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,668</u>	<u>\$ 9,668</u>
<b>911 WIRELESS HOLDING FUND</b>				
Receipts	\$ 93,057	\$ 93,057	\$ -	\$ (93,057)
Disbursements	(250,000)	(250,000)	-	250,000
Transfers in	-	-	43,500	43,500
Transfers out	-	-	-	-
Net Change in Fund Balance	(156,943)	(156,943)	43,500	200,443
Fund Balance - Beginning	156,943	156,943	156,943	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,443</u>	<u>\$ 200,443</u>
<b>COMMISSARY FUND</b>				
Receipts	\$ 14,717	\$ 64,717	\$ 56,570	\$ (8,147)
Disbursements	(50,000)	(100,000)	(57,365)	42,635
Net Change in Fund Balance	(35,283)	(35,283)	(795)	34,488
Fund Balance - Beginning	35,283	35,283	35,283	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,488</u>	<u>\$ 34,488</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, 2018

	Road Buyback Fund	Special Road Fund	Equipment Sinking Fund	Visitor Promotion Fund	Visitor Improvement Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 20,649	\$ 20,649
Intergovernmental	245,661	-	-	-	-
Charges for Services	-	-	5,500	-	-
Miscellaneous	-	12,338	2,525	250	-
<b>TOTAL RECEIPTS</b>	<u>245,661</u>	<u>12,338</u>	<u>8,025</u>	<u>20,899</u>	<u>20,649</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	34,668	-	-
Public Safety	-	-	-	-	-
Public Works	199,715	59,986	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	22,151	8,500
<b>TOTAL DISBURSEMENTS</b>	<u>199,715</u>	<u>59,986</u>	<u>34,668</u>	<u>22,151</u>	<u>8,500</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>45,946</u>	<u>(47,648)</u>	<u>(26,643)</u>	<u>(1,252)</u>	<u>12,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	600,000	134,900	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>600,000</u>	<u>134,900</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	45,946	552,352	108,257	(1,252)	12,149
<b>FUND BALANCES - BEGINNING</b>	<u>329,577</u>	<u>86,023</u>	<u>176,707</u>	<u>13,865</u>	<u>48,401</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 375,523</u>	<u>\$ 638,375</u>	<u>\$ 284,964</u>	<u>\$ 12,613</u>	<u>\$ 60,550</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	12,613	60,550
Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Bridge/ Road Projects	375,523	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	638,375	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	284,964	-	-
Reappraisal Services	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 375,523</u>	<u>\$ 638,375</u>	<u>\$ 284,964</u>	<u>\$ 12,613</u>	<u>\$ 60,550</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, 2018

	Reappraisal Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Aging Services Fund	Drug Law Enforcement Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ 1	\$ -	\$ -
Intergovernmental	-	-	-	77,661	-
Charges for Services	2,000	11,549	-	-	-
Miscellaneous	-	-	-	932	183,703
<b>TOTAL RECEIPTS</b>	<u>2,000</u>	<u>11,549</u>	<u>1</u>	<u>78,593</u>	<u>183,703</u>
<b>DISBURSEMENTS</b>					
General Government	-	2,626	-	-	-
Public Safety	-	-	-	-	253,239
Public Works	-	-	-	-	-
Public Assistance	-	-	-	86,010	-
Culture and Recreation	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>2,626</u>	<u>-</u>	<u>86,010</u>	<u>253,239</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,000</u>	<u>8,923</u>	<u>1</u>	<u>(7,417)</u>	<u>(69,536)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	14,808	-	-	13,000	2,800
Transfers out	-	-	-	(9,851)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>14,808</u>	<u>-</u>	<u>-</u>	<u>3,149</u>	<u>2,800</u>
Net Change in Fund Balances	16,808	8,923	1	(4,268)	(66,736)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>43,582</u>	<u>5,051</u>	<u>25,703</u>	<u>303,187</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 16,808</u>	<u>\$ 52,505</u>	<u>\$ 5,052</u>	<u>\$ 21,435</u>	<u>\$ 236,451</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Emergency Services	-	-	-	-	-
Law Enforcement	-	-	-	-	236,451
Preservation of Records	-	52,505	-	-	-
Bridge/ Road Projects	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	5,052	21,435	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	16,808	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 16,808</u>	<u>\$ 52,505</u>	<u>\$ 5,052</u>	<u>\$ 21,435</u>	<u>\$ 236,451</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, 2018

	Attorney Federal Drug Law Enforcement Fund	Sheriff Federal Drug Law Enforcement Fund	Sheriff Federal Drug Justice Fund	Attorney Grant Fund
<b>RECEIPTS</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,699	172,572	-	231,599
Charges for Services	-	-	-	26,438
Miscellaneous	-	50,452	-	1,847
<b>TOTAL RECEIPTS</b>	<u>14,699</u>	<u>223,024</u>	<u>-</u>	<u>259,884</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	-
Public Safety	2,692	364,588	-	259,648
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>2,692</u>	<u>364,588</u>	<u>-</u>	<u>259,648</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>12,007</u>	<u>(141,564)</u>	<u>-</u>	<u>236</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,270	1,973	101,553	-
Transfers out	(1,973)	(139,623)	-	(2,320)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>33,297</u>	<u>(137,650)</u>	<u>101,553</u>	<u>(2,320)</u>
Net Change in Fund Balances	45,304	(279,214)	101,553	(2,084)
<b>FUND BALANCES - BEGINNING</b>	<u>293,532</u>	<u>442,057</u>	<u>-</u>	<u>307,219</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 338,836</u>	<u>\$ 162,843</u>	<u>\$ 101,553</u>	<u>\$ 305,135</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	-
Emergency Services	-	-	-	-
Law Enforcement	338,836	162,843	101,553	305,135
Preservation of Records	-	-	-	-
Bridge/ Road Projects	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Road Maintenance	-	-	-	-
Aid and Assistance	-	-	-	-
County Buildings & Equipment	-	-	-	-
Reappraisal Services	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 338,836</u>	<u>\$ 162,843</u>	<u>\$ 101,553</u>	<u>\$ 305,135</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, 2018

	Emergency Manager Grant Fund	E911 Grant Fund	Road Grant Fund	Miscellaneous Grant Fund	E911 Fund
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 59,923
Intergovernmental	49,550	-	-	12,816	272,198
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	549
<b>TOTAL RECEIPTS</b>	<u>49,550</u>	<u>-</u>	<u>-</u>	<u>12,816</u>	<u>332,670</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	12,816	-
Public Safety	23,692	-	-	-	568,089
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>23,692</u>	<u>-</u>	<u>-</u>	<u>12,816</u>	<u>568,089</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>25,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(235,419)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	390,594
Transfers out	(100,000)	-	-	-	(99,036)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,558</u>
Net Change in Fund Balances	(74,142)	-	-	-	56,139
<b>FUND BALANCES - BEGINNING</b>	<u>188,355</u>	<u>-</u>	<u>80,068</u>	<u>-</u>	<u>107,054</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 114,213</u>	<u>\$ -</u>	<u>\$ 80,068</u>	<u>\$ -</u>	<u>\$ 163,193</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Emergency Services	114,213	-	-	-	163,193
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Bridge/ Road Projects	-	-	80,068	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings & Equipment	-	-	-	-	-
Reappraisal Services	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 114,213</u>	<u>\$ -</u>	<u>\$ 80,068</u>	<u>\$ -</u>	<u>\$ 163,193</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, 2018

	911 Wireless Service Fund	911 Wireless Holding Fund	Commissary Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>				
Property Taxes	\$ 58,000	\$ -	\$ -	\$ 159,222
Intergovernmental	-	-	-	1,076,756
Charges for Services	-	-	56,570	102,057
Miscellaneous	-	-	-	252,596
<b>TOTAL RECEIPTS</b>	<u>58,000</u>	<u>-</u>	<u>56,570</u>	<u>1,590,631</u>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	50,110
Public Safety	16,849	-	57,365	1,546,162
Public Works	-	-	-	259,701
Public Assistance	-	-	-	86,010
Culture and Recreation	-	-	-	30,651
<b>TOTAL DISBURSEMENTS</b>	<u>16,849</u>	<u>-</u>	<u>57,365</u>	<u>1,972,634</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>41,151</u>	<u>-</u>	<u>(795)</u>	<u>(382,003)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	43,500	-	1,338,398
Transfers out	(43,500)	-	-	(396,303)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(43,500)</u>	<u>43,500</u>	<u>-</u>	<u>942,095</u>
Net Change in Fund Balances	(2,349)	43,500	(795)	560,092
<b>FUND BALANCES - BEGINNING</b>	<u>12,017</u>	<u>156,943</u>	<u>35,283</u>	<u>2,654,624</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 9,668</u>	<u>\$ 200,443</u>	<u>\$ 34,488</u>	<u>\$ 3,214,716</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	73,163
Emergency Services	9,668	200,443	-	487,517
Law Enforcement	-	-	-	1,144,818
Preservation of Records	-	-	-	52,505
Bridge/ Road Projects	-	-	-	455,591
Committed to:				
Law Enforcement	-	-	34,488	34,488
Road Maintenance	-	-	-	638,375
Aid and Assistance	-	-	-	26,487
County Buildings & Equipment	-	-	-	284,964
Reappraisal Services	-	-	-	16,808
<b>TOTAL FUND BALANCES</b>	<u>\$ 9,668</u>	<u>\$ 200,443</u>	<u>\$ 34,488</u>	<u>\$ 3,214,716</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Highway Superintendent
BALANCES JULY 1, 2017	\$ 36,704	\$ 224,642	\$ 18,811	\$ 25	\$ 20	\$ -
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	3,580	-	1,125	-	-	575
Intergovernmental	-	-	188,399	-	-	-
Charges for Services	143,923	36,795	38,365	52,303	-	2,960
Miscellaneous	10,847	-	59,090	-	33	165,325
State Fees	137,192	34,109	-	-	-	208
Other Liabilities	527	870,670	512,594	15,679	-	-
<b>TOTAL RECEIPTS</b>	<b>296,069</b>	<b>941,574</b>	<b>799,573</b>	<b>67,982</b>	<b>33</b>	<b>169,068</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	143,298	36,929	288,838	51,915	25	168,860
Payments to State Treasurer	142,510	33,504	-	-	-	208
Other Liabilities	11,375	899,656	515,837	15,679	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>297,183</b>	<b>970,089</b>	<b>804,675</b>	<b>67,594</b>	<b>25</b>	<b>169,068</b>
BALANCES JUNE 30, 2018	<b>\$ 35,590</b>	<b>\$ 196,127</b>	<b>\$ 13,709</b>	<b>\$ 413</b>	<b>\$ 28</b>	<b>\$ -</b>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 17,257	\$ 2,070	\$ 3,270	\$ 388	\$ 8	\$ -
Petty Cash	7,500	100	5,000	25	20	-
Due to State Treasurer	10,833	1,848	-	-	-	-
Due to Others	-	192,109	5,439	-	-	-
BALANCES JUNE 30, 2018	<b>\$ 35,590</b>	<b>\$ 196,127</b>	<b>\$ 13,709</b>	<b>\$ 413</b>	<b>\$ 28</b>	<b>\$ -</b>

(Continued)

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

	Veterans' Service Officer	County Health Insurance	County Planning and Zoning	County Public Transit	County Aging Services	Total
BALANCES JULY 1, 2017	\$ 5,509	\$ 400,000	\$ 3,900	\$ -	\$ -	\$ 689,611
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	10,175	-	-	15,455
Intergovernmental	-	-	-	-	77,771	266,170
Charges for Services	-	-	-	14,135	-	288,481
Miscellaneous	4	991,669	-	-	822	1,227,790
State Fees	-	-	-	-	-	171,509
Other Liabilities	-	-	-	-	-	1,399,470
<b>TOTAL RECEIPTS</b>	<u>4</u>	<u>991,669</u>	<u>10,175</u>	<u>14,135</u>	<u>78,593</u>	<u>3,368,875</u>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	-	-	11,300	14,135	78,593	793,893
Payments to State Treasurer	-	-	-	-	-	176,222
Other Liabilities	387	991,669	-	-	-	2,434,603
<b>TOTAL DISBURSEMENTS</b>	<u>387</u>	<u>991,669</u>	<u>11,300</u>	<u>14,135</u>	<u>78,593</u>	<u>3,404,718</u>
BALANCES JUNE 30, 2018	<u>\$ 5,126</u>	<u>\$ 400,000</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,768</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 5,126	\$ -	\$ 2,775	\$ -	\$ -	\$ 30,894
Petty Cash	-	400,000	-	-	-	412,645
Due to State Treasurer	-	-	-	-	-	12,681
Due to Others	-	-	-	-	-	197,548
BALANCES JUNE 30, 2018	<u>\$ 5,126</u>	<u>\$ 400,000</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,768</u>

(Concluded)

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

Item	2013	2014	2015	2016	2017
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 30,133,842	\$ 32,033,274	\$ 33,621,254	\$ 35,176,283	\$ 35,850,739
Personal and Specials	3,008,360	2,686,456	2,891,034	2,623,056	2,422,233
<b>Total</b>	<b>33,142,202</b>	<b>34,719,730</b>	<b>36,512,288</b>	<b>37,799,339</b>	<b>38,272,972</b>
<b>Corrections</b>					
Additions	13,089	14,141	15,997	7,857	1,944
Deductions	(6,108)	(9,729)	(24,818)	(2,576)	(17,770)
Net Additions/ (Deductions)	6,981	4,412	(8,821)	5,281	(15,826)
<b>Corrected Certified Tax</b>	<b>33,149,183</b>	<b>34,724,142</b>	<b>36,503,467</b>	<b>37,804,620</b>	<b>38,257,146</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2014	20,604,864	-	-	-	-
June 30, 2015	12,525,811	21,654,269	-	-	-
June 30, 2016	7,657	13,048,105	22,472,235	-	-
June 30, 2017	9,365	14,326	14,016,809	23,523,845	-
June 30, 2018	486	5,059	10,872	14,274,869	24,745,421
<b>Total Net Collections</b>	<b>33,148,183</b>	<b>34,721,759</b>	<b>36,499,916</b>	<b>37,798,714</b>	<b>24,745,421</b>
<b>Total Uncollected Tax</b>	<b>\$ 1,000</b>	<b>\$ 2,383</b>	<b>\$ 3,551</b>	<b>\$ 5,906</b>	<b>\$ 13,511,725</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.02%</b>	<b>35.32%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

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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, 2018, 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 11, 2018. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

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

In planning and performing our audit of the financial statements, we considered 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 11, 2018.

### **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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

December 11, 2018



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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December 11, 2018

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, 2018, and have issued our report thereon dated December 11, 2018. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

### COUNTY OVERALL

#### Segregation of Duties

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

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

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

## Grant Funds

During the audit, we noted the following in relation to grant funds of the County:

- The County Attorney's office requested the same expenses, totaling \$3,213, twice during the year, resulting in reimbursement over the award amount from the Nebraska Commission on Law Enforcement and Criminal Justice related to the Drug Accountability Program.
- In February 2018, the County Board instructed the County Treasurer to transfer \$100,000 from the Emergency Management Grant Fund to the General Fund for tax relief; however, as this Grant Fund is a restricted fund, these monies cannot be used for this purpose.

2 CFR 200.403 (January 1, 2018) states, in relevant part, the following:

*Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . . (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.*

When such regulations are not followed, the County is at an increased risk of loss, theft, or misuse of funds.

We recommend the County Attorney implement procedures to ensure all grant reimbursements are for actual expenditures incurred. We further recommend the County Board implement procedures to ensure all grant funds are for actual expenditures, as authorized by the grant award. Lastly, we recommend both the County Attorney and the County Board research the refund of said funds to the appropriate parties/funds.

*County Attorney's Response: The funds were returned to the Crime Commission in the November 2018 claims. The \$3,213.76 was sent in error by the Crime Commission to Seward County as no request was made by the County Attorney's Office. The funds were directed to the grant fund. As discovered in the audit, the Crime Commission was contacted. The funds have been returned. In the future, the grant funds received will be reconciled against the grant fund request when received and further audited on a quarterly basis against the records of the Seward County Treasurer.*

*County Clerk's Response: In regard to the \$100,000 transferred from the Emergency Manager Grant Fund to the General Fund – after discussing this with the auditors – I thought this was Ok since the funds in this Emergency Grant Fund are proceeds from the EMPG funds after our Emergency manager provides the documentation – so it is money that is being REIMBURSED to us and the ORIGINAL money paid out comes from the GENERAL Fund.*

**APA Response: Once the County puts the money into the restricted fund it must be used for that fund's purpose. If the money was a reimbursement it should have been receipted directly into the General Fund. In this situation, the transfer specifically stated it was for tax relief, not a reimbursement.**

## COUNTY BOARD

### Payroll Issues

#### *Excess Payroll*

According to the Personal Policies and Procedures for Wage & Compensation Practices, the County utilizes a "step plan" compensation model. All employees are subject to this plan unless specifically excluded. This step plan details the wages to be earned by each employee based on his or her position, experience, and performance.

As elected officials and their deputies are excluded from the above plan, the County Board sets the salaries for these employees separately. Per the January 10, 2017, meeting minutes, the County Board approved the salary for the Chief Deputy County Attorney at 80% of the County Attorney’s salary and the salary for the Deputy County Attorney at 75% of the County Attorney’s salary.

During testing of payroll for October 2017, we noted the following issues:

- The Chief Deputy Attorney and Deputy Attorney were receiving additional wages above the percentages approved. The additional wages were paid through the Attorney Grant Fund. For the month tested, the Chief Deputy Attorney received an additional \$1,200 and the Deputy Attorney received an additional \$1,155.
- Two separate employees tested were also receiving additional wages from the Attorney Grant Fund above the Step Plan approved by the County Board. For the month tested, one employee received an additional \$363, and the other received \$336.

During fiscal year 2018, these four employees received additional wages of \$34,977 paid from the Attorney Grant Fund that were not in compliance with the Step Plan approved by the County Board and Deputy Attorney salaries.

<b>Employee</b>	<b>FY 2018 Additional Salary</b>
Chief Deputy County Attorney	\$ 14,400
Deputy County Attorney	\$ 13,202
Employee 1	\$ 4,350
Employee 2	\$ 3,025
<b>Total</b>	<b>\$ 34,977</b>

*Employees Receiving Wages as a Contractor*

In July 2018, the employees noted above were no longer receiving the additional wages through payroll, but were instead receiving the additional wages as vendors. The County Attorney provided signed service agreements with these employees to pay them additional wages as independent contractors. Both service agreements identified that the additional balance paid was a supplement to any other wages received.

Internal Revenue Service (IRS) Publication 15-A, Employer’s Supplemental Tax Guide, requires an employer to withhold Federal income taxes, social security, and Medicare taxes and pay unemployment tax on wages paid to an employee. If an employee is misclassified as an independent contractor, the employer may be liable for employment taxes for that worker.

The IRS Publication also states, “Under common-law rules, anyone who performs services for you is your employee if you can control what will be done and how it will be done.” When employees are also paid as independent contractors, the County does not comply with IRS regulations.

*Approval of Payroll*

During the audit, we also noted the following issues regarding approval of payroll:

- The County Board is not informed of the leave balances held by employees.
- Beginning with the October 2018 payroll, the County Board receives only a summary of salaries by department and does not see the rate of pay and hours worked for individual employees. The payroll registers are no longer printed but are available for review electronically, and there is not a process in place to document the approval of the payroll.

Good internal controls and sound accounting practices require the County Board to implement procedures for obtaining and reviewing employee vacation, sick, and compensatory leave balances in order to identify any balances that appear unreasonable and to be aware if the County would be responsible for a large payment upon termination. Good internal controls also require the County Board to perform a documented review of employee salaries and hours worked. Without such procedures, there is an increased risk of loss or misuse of County funds.

We recommend the County Board implement procedures to ensure salaries are in accordance to the County Board approved Step Plan, approved deputy salaries, and IRS regulations. We further recommend the County Board implement procedures for obtaining and reviewing employee leave balances. Lastly, we recommend the County Board perform a documented review and approval of payroll that includes names, pay rates, and hours worked for all employees.

### **Charge Cards**

We noted several offices of the County have an excess number of charge cards assigned. The use of charge cards by these offices increases the risk of possible errors or irregularities, as the County Board is approving payments after the expenditures have already occurred. A similar finding was noted during the prior year. As of June 30, 2018, the County had 93 open charge cards with known activity of \$139,821 throughout the fiscal year. The table below provides a summary, by office, of charge cards held by the County:

<b>Office</b>	<b>Vendor Cards Issued</b>	<b>Gas Cards Issued</b>	<b>Total Charge Cards</b>
Aging Services	2		2
Assessor	5	1	6
Attorney	5		5
Building & Grounds	6	1	7
District Court	2		2
Clerk	2		2
E911	3		3
Emergency Manager	2	1	3
Extension Office	1		1
Public Defender	2		2
Public Transit/Veterans	5	6	11
Road	14	5	19
Sheriff	12	13	25
Noxious Weed/Planning and Zoning	3	2	5
<b>Total</b>	<b>64</b>	<b>29</b>	<b>93</b>

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 charge card transactions, so no individual is capable of circumventing the claims process through the County Board.

We recommend the County Board review current charge card procedures to assess the risk of these transaction types being used improperly, and to assign charge cards to only necessary employees.

### **Petty Cash Fund**

During the audit, we noted that the County Sheriff maintains \$5,000 in the Inmate bank account as a petty cash fund, which was approved by the County Board; however, the dollar amount of the petty cash fund was not included in the fiscal policy of the annual budget message. This was also a prior year finding.

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.*

When petty cash funds are not included in the fiscal policy of the annual budget message, the County is not in compliance with State statute.

We recommend the County Board ensure the Petty Cash fund is included in the fiscal policy of the County Board's budget message, as required by law.

*County Clerk's Response: Actually, the following statement was in the budget message "Other Petty Cash Accounts have been established for the Seward County Jail on 10/4/2016 by Res. 3272 to help with cash flow problems when bonds are being paid by people into the kiosk at the Justice Center ...." It did NOT state the amount of the Petty Cash Account. The words "in the amount of \$5,000." will be added to the budget statement next year.*

## **COUNTY PLANNING AND ZONING**

### **Accounts Receivable**

The County Planning and Zoning office has been carrying accounts receivable balances that remained uncollected at June 30, 2018, totaling \$2,775, for permits issued in fiscal year 2014. Further, a list of individuals owing money to the County for these permits could not be provided.

Sound accounting practices and good internal controls require procedures to be in place to ensure that complete and adequate records of accounts receivable are maintained. Such procedures should also include a periodic review, at least annually, of overdue accounts receivable with the County Board to consider the feasibility of collection and/or the need for write-off approval if those accounts appear to be uncollectible.

Without these procedures, there is an increased risk that delinquent amounts will not be collected and/or resolved in a timely manner. This issue was also noted in prior audits.

We recommend the County Planning and Zoning office implement procedures to ensure that complete and adequate records of accounts receivable are maintained. We recommend also the County Board be consulted, at least annually, to determine whether accounts receivable should be pursued or approved to be written off.

## COUNTY SHERIFF

### Balancing Procedures

During our audit, we noted the following regarding the County Sheriff's office balancing procedures:

- A balance of \$977 was due to others at June 30, 2018; however, a listing of individual balances could not be provided to support those to whom the amount was owed. This was a prior year finding, and the unsupported amount due to others has decreased \$1,854 from the prior year.
- Three checks, totaling \$55, were not included on the monthly bank reconciliation, causing the book balance to be overstated.

Further, we noted that \$18,418 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
July 2017	\$ 2,773	10/3/17	10/4/17	1
August 2017	\$ 1,780	10/3/17	10/4/17	1
September 2017	\$ 1,702	10/3/17	10/24/17	21
October 2017	\$ 2,037	1/2/18	1/3/18	1
November 2017	\$ 2,204	1/2/18	1/9/18	7
December 2017	\$ 2,827	1/2/18	1/24/18	22
March 2018	\$ 2,505	4/3/18	4/11/18	8
June 2018	\$ 2,590	7/3/18	8/8/18	36
<b>Total</b>	<b>\$ 18,418</b>			

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 detailed listing to be maintained of the monies owed to others.

When the Sheriff's office does not have adequate balancing procedures, there is an increases risk for the 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.

*County Sheriff's Response: I have received and reviewed the Draft Audit Report submitted and note the discrepancies identified as those directly related to the Seward County Sheriff's Office and Detention Center.*

*I agree with the findings and noted no indication that the audit uncovered any misappropriation of public funds but noted accounting and other internal controls that need to be addressed and corrected.*

*I am also including Sheriff-elect Mike Vance in this dissemination of the Draft Audit Report and my response to the same so he is aware of the noted discrepancies as he will be assuming office in January 2019. I am also including Sheriff's Office command staff and others that will be involved now and in the future with corrective action regarding this report and response.*

*County Board's Overall Response: I have reviewed your draft and one the Planning and zoning we are taking action on we have a resolution drafted for and the County Attorney we are also in the process of enacting change, we formed a subcommittee to look at the extra pay and address it and correct the extra pay of officials to follow the step plan the county uses. Sheriff's office we will bring up when the new Sheriff is sworn in and get a plan of action to correct those.*

*Credit cards will be addressed and a plan of action to lower the amount of cards out in the hands of employees will be looked at and not get pushed back again. I will work hard as the senior commissioner to implement changes and address these deficiencies. All the concerns in this audit I will try and keep at the forefront of work and tasks we need to do as commissioners.*

\* \* \* \* \*

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

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

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

Sincerely,



Deann Haeffner, CPA  
Assistant Deputy Auditor