

**YORK COUNTY**  
**YORK, NEBRASKA**

**FINANCIAL STATEMENTS**

June 30, 2020

# YORK COUNTY, NEBRASKA

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**YORK COUNTY, NEBRASKA**

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## Independent Auditors' Report

To the County Board of Commissioners  
York County  
York, 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 York County, Nebraska, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of York County, Nebraska, 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 as 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.

### Auditors' 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 auditors' 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 audit opinions.

### **Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of York County, Nebraska, as of June 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

### **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 Supplemental and Other Information**

Our audit was conducted for the purpose of forming opinions on the cash basis financial statements that collectively comprise York County, Nebraska's basic financial statements. The combining statements listed on pages 19-22 as Supplemental Information in the table of contents, and the budgetary comparison schedules, notes and schedule of office activities listed on pages 23-27 as Other Information in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The combining statements 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 combining statements are 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.

The budgetary comparison schedules, notes and schedule of office activities have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2020, on our consideration of York County, Nebraska'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 solely 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 effectiveness of York County, Nebraska's 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 York County, Nebraska's internal control over financial reporting and compliance.

Contryman Associates PC  
Certified Public Accountants  
Grand Island, Nebraska

November 17, 2020

# YORK COUNTY, NEBRASKA

## STATEMENT OF NET POSITION - CASH BASIS

June 30, 2020

	<u>Governmental Activities</u>
ASSETS:	
Cash	7,570,236
Restricted cash	<u>1,703,341</u>
TOTAL ASSETS	<u><u>9,273,577</u></u>
NET POSITION:	
Restricted for:	
Juvenile diversion	14,200
Child support enforcement	53,181
Visitors promotion	131,484
Record preservation and modernization	9,083
Medical relief	21,081
Handi-bus	11,596
Stop program	13,389
Drug law enforcement	17,190
Federal drug law enforcement	223,355
E911 wireless	4,812
E911 wireless holding	240,442
Emergency management	33,797
Ambulance	50,088
911 emergency	301,550
Highway buyback	284,417
Visitors improvement	245,080
Debt service	47,735
Unrestricted	<u>7,571,097</u>
TOTAL NET POSITION	<u><u>9,273,577</u></u>

*See accompanying notes.*

# YORK COUNTY, NEBRASKA

## STATEMENT OF ACTIVITIES - CASH BASIS

Year Ended June 30, 2020

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES:</b>				
General government	3,231,995	704,458	42,023	(2,485,514)
Public safety	5,817,876	535,205	37,894	(5,244,777)
Public works	4,576,055	3,012	0	(4,573,043)
Public welfare and social services	568,359	4,748	221,895	(341,716)
Culture and recreation	367,905	0	0	(367,905)
Debt payments	799,630	0	0	(799,630)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>15,361,820</b>	<b>1,247,423</b>	<b>301,812</b>	<b>(13,812,585)</b>
<b>GENERAL RECEIPTS:</b>				
Taxes				
Property				6,637,403
Motor vehicle				651,017
Inheritance				565,467
Lodging				360,844
Intergovernmental				3,782,457
Interest income				135,694
Miscellaneous				132,478
<b>TOTAL GENERAL RECEIPTS</b>				<b>12,265,360</b>
<b>CHANGE IN NET POSITION</b>				<b>(1,547,225)</b>
Net position - beginning of year				10,820,802
<b>NET POSITION - END OF YEAR</b>				<b>9,273,577</b>

*See accompanying notes.*



**YORK COUNTY, NEBRASKA**

STATEMENT OF ASSETS AND  
FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Road Fund	Law Enforcement 911 Communications Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash	6,834,418	593,401	64,243	78,174	7,570,236
Restricted cash	0	0	0	1,703,341	1,703,341
<b>TOTAL ASSETS</b>	<b>6,834,418</b>	<b>593,401</b>	<b>64,243</b>	<b>1,781,515</b>	<b>9,273,577</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Juvenile diversion	0	0	0	14,200	14,200
Child support enforcement	0	0	0	53,181	53,181
Visitors promotion	0	0	0	131,484	131,484
Record preservation and modernization	0	0	0	9,083	9,083
Medical relief	0	0	0	21,081	21,081
Handi-bus	0	0	0	11,596	11,596
Stop program	0	0	0	13,389	13,389
Drug law enforcement	0	0	0	17,190	17,190
Federal drug law enforcement	0	0	0	223,355	223,355
E911 wireless	0	0	0	5,673	5,673
E911 wireless holding	0	0	0	240,442	240,442
Emergency management	0	0	0	33,797	33,797
Ambulance	0	0	0	50,088	50,088
911 emergency	0	0	0	301,550	301,550
Highway buyback	0	0	0	284,417	284,417
Visitors improvement	0	0	0	245,080	245,080
Debt service	0	0	0	47,735	47,735
Committed to:					
Reappraisal costs	144,457	0	0	0	144,457
Veterans' aid	25,938	0	0	0	25,938
Road maintenance	0	593,401	0	0	593,401
Unemployment payments	0	0	0	36,515	36,515
Senior services	0	0	0	25,080	25,080
Mental health	0	0	0	16,579	16,579
911 communications building	0	0	64,243	0	64,243
Unassigned	6,664,023	0	0	0	6,664,023
<b>Total fund balances</b>	<b>6,834,418</b>	<b>593,401</b>	<b>64,243</b>	<b>1,781,515</b>	<b>9,273,577</b>
<b>TOTAL FUND BALANCES</b>	<b>6,834,418</b>	<b>593,401</b>	<b>64,243</b>	<b>1,781,515</b>	<b>9,273,577</b>

See accompanying notes.

## YORK COUNTY, NEBRASKA

### STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS GOVERNMENTAL FUNDS

Year Ended June 30, 2020

	General Fund	Road Fund	Law Enforcement 911 Communications Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS:</b>					
Taxes	6,317,557	0	0	1,331,707	7,649,264
Inheritance tax	565,467	0	0	0	565,467
Intergovernmental	1,037,369	1,997,154	0	1,049,746	4,084,269
Local	1,036,992	58,321	0	420,282	1,515,595
<b>TOTAL RECEIPTS</b>	<b>8,957,385</b>	<b>2,055,475</b>	<b>0</b>	<b>2,801,735</b>	<b>13,814,595</b>
<b>DISBURSEMENTS:</b>					
<b>Current:</b>					
General government	2,771,390	0	0	5,425	2,776,815
Public safety	2,398,660	0	0	1,149,012	3,547,672
Public works	88,588	3,715,257	0	0	3,803,845
Public welfare and social services	355,335	0	0	207,155	562,490
Culture and recreation	17,500	0	0	215,405	232,905
Capital outlay	665,332	349,931	1,536,995	1,086,205	3,638,463
<b>Debt service:</b>					
Principal and interest	0	0	0	799,630	799,630
<b>TOTAL DISBURSEMENTS</b>	<b>6,296,805</b>	<b>4,065,188</b>	<b>1,536,995</b>	<b>3,462,832</b>	<b>15,361,820</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>2,660,580</b>	<b>(2,009,713)</b>	<b>(1,536,995)</b>	<b>(661,097)</b>	<b>(1,547,225)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers - in	155,000	2,302,814	750,000	674,956	3,882,770
Transfers - out	(3,777,835)	0	0	(104,935)	(3,882,770)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,622,835)</b>	<b>2,302,814</b>	<b>750,000</b>	<b>570,021</b>	<b>0</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)</b>	<b>(962,255)</b>	<b>293,101</b>	<b>(786,995)</b>	<b>(91,076)</b>	<b>(1,547,225)</b>
Fund balances - beginning of year	7,796,673	300,300	851,238	1,872,591	10,820,802
<b>FUND BALANCES - END OF YEAR</b>	<b>6,834,418</b>	<b>593,401</b>	<b>64,243</b>	<b>1,781,515</b>	<b>9,273,577</b>

See accompanying notes.

# YORK COUNTY, NEBRASKA

## STATEMENT OF NET POSITION - CASH BASIS FIDUCIARY FUNDS

June 30, 2020

	<u>Agency Funds</u>
ASSETS:	
Cash	<u>1,453,463</u>
LIABILITIES:	
Due to other governments	<u>1,453,463</u>

*See accompanying notes.*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies utilized in the accounting system of York County, Nebraska.

As discussed further in the Basis of Accounting note below, these financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

#### Government

York County, Nebraska (County) is governed by a five-member Board of Commissioners (Board). Members of the Board are elected by the general public and have financial accountability and control over all activities related to the County. The County acts as an agent in collecting taxes and intergovernmental revenue on behalf of other government entities located in the County. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### Reporting Entity

The basic financial statements report on the County as a whole. There were no component units required to be included in the financial statements.

#### Basis of Accounting

The financial statements are presented on the cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis recognizes assets, liabilities, net position/fund balance, receipts, and disbursements which result from cash transactions. As a result of this basis of accounting, fixed assets, certain other assets and their related revenues (such as accounts receivable and revenue for the billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. Government-wide and fiduciary financial statements would use the accrual basis of accounting.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds.

In the Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and financial position. All assets arising from cash transactions (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported.

The Statement of Activities reports both the gross and net cost of each of the County's governmental functions. The net costs of each governmental function are also supported by general government receipts (property taxes, certain intergovernmental receipts, etc.). The Statement of Activities reduces gross disbursements by related program receipts, operating and capital grants, if any. Program receipts must be directly associated with the governmental function.

#### Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, fund balance, receipts, and disbursements.

The governmental funds utilize a "current financial resources" measurement focus. Only current financial assets arising from cash transactions are generally included on the Statement of Assets and Fund Balances. Capital assets acquired are accounted for as capital outlay. Debt proceeds (if any) are reported as other financing sources and any payments of principal and interest are reported as disbursements. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balances are the measure of available spendable financial resources at the end of the period.

Some individual County offices also maintain accounting records for monies received and disbursed directly by that office. Only that portion of those monies which is remitted by that office to the County Treasurer would be reflected on the County's financial statements.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fund Financial Statements (Continued)

The following fund types are used by the County:

##### Governmental Fund Types

General Fund is the general operating fund of the County. It is used to account for all activities that are not allocated by law, contractual agreement, or administrative action to some other fund.

Special Revenue Funds are used to account for receipts derived from specific sources which are usually required by law, regulation, or administrative action to be accounted for in separate funds.

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

##### Fiduciary Fund Types

The fiduciary fund is used to report assets held in a trust or agency capacity for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 prescribes minimum criteria for the determination of major funds. Some funds may have been reclassified as major and nonmajor from the prior year.

The following funds are considered major funds:

General Fund as previously described.

Road Fund is a special revenue fund that accounts for receipts and disbursements for the maintenance, construction, and improvements of the roads of the County.

Law Enforcement 911 Communications Fund is a capital project fund that accounts for receipts and disbursements for the construction and/or improvement of the 911 communications facility of the County.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Statement Amounts

##### Cash

The County has defined cash to include cash on hand, cash in banks or deposits in other accounts or cash management pools having the general characteristics of demand deposit accounts, and certificates of deposit.

##### Government-wide Net Position

In the government-wide statements, net position is displayed in two components:

- 1) Restricted net position – Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- 2) Unrestricted net position – All other net positions that do not meet the definition of “restricted”.

When a disbursement is incurred for purposes for which both restricted and unrestricted net resources are available, the County typically uses restricted net resources first, followed by unrestricted net resources, but reserves the right to selectively spend unrestricted net resources first to defer the use of these other classified funds.

##### Fund Statements – Fund Balance

In the governmental fund statements, fund balances may be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- 1) Restricted fund balance – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Statement Amounts (Continued)

##### Fund Statements – Fund Balance (Continued)

- 2) Committed fund balance - amounts that can be spent only for specific purposes determined by formal action of the York County Board of Commissioners, which is the highest level of authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Commissioners.
- 3) Assigned fund balance - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Assigned fund balances may be established only by the Board of Commissioners.
- 4) Unassigned fund balance – the portion of the general fund not restricted, committed, or assigned for a specific purpose.

When a disbursement is incurred for purposes for which both restricted and unrestricted fund balances are available, the County typically uses restricted fund balances first, followed by committed and assigned fund balances, but reserves the right to selectively spend unassigned fund balances first to defer the use of these other classified funds.

##### Disbursements

Disbursements are classified by function for government-wide activities. In the governmental fund statements, disbursements are classified by character (current, capital outlay, and debt service).

##### Interfund Activity

Interfund activities are reported as either loans or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers.

### NOTE 2: CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

*(Continued on next page)*



# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

**NOTE 2: CUSTODIAL CREDIT RISK (CONTINUED)**

The County maintains a cash and certificate of deposit pool that is available for use by all funds except those required to maintain separate accounts. Each fund type's portion of these pools is displayed on the Statement of Assets and Fund Balances as "Cash" under each fund's caption. Interest earned on pooled funds is credited to the County General Fund in accordance with state law. State law requires that all funds held in depositories be fully insured or collateralized. At June 30, 2020, the County Clerk had \$97,256 in one financial institution that was not fully insured or collateralized.

**NOTE 3: RESTRICTED ASSETS**

Cash has been restricted in amounts agreeing to restricted net position and fund balances as displayed on the face of the Statement of Net Position and Statement of Assets and Fund Balances.

**NOTE 4: INTERFUND BALANCES AND ACTIVITY**

The transfers listed below are used to move receipts between the funds and are routine in nature. Amounts reported as interfund balances and transfers in the fund financial statements are eliminated in the government-wide Statement of Net Position and Statement of Activities.

Transfers Out	Transfers In				
	Law Enforcement				
	General Fund	Road Fund	911 Comm Fund	Nonmajor Funds	Total
General Fund	95,000	2,302,814	750,000	630,021	3,777,835
Nonmajor Funds	60,000	0	0	44,935	104,935
	155,000	2,302,814	750,000	674,956	3,882,770

**NOTE 5: PROPERTY TAXES**

Real estate and personal property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions of the County based on assessed values as of January 1. These taxes become due and attach as an enforceable lien on property on December 31. The first half of both taxes is delinquent May 1 and the second half delinquent September 1 of the following year.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 5: PROPERTY TAXES (CONTINUED)

State statute limits counties to a levy of \$0.45 per \$100 of valuation, but provides for an additional levy of \$0.05 for expenses incurred in joint agreements. Counties may delegate up to \$0.15 of the total levy to other entities within the County (i.e. fire districts or cemetery districts). Counties may levy taxes in addition to the \$0.50 limitation upon a vote of the people. 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.

The levy set in October, 2019, for the 2019 taxes which will be materially collected by May and September, 2020, was set at \$0.227451 per \$100 of assessed valuation. The levy set in October, 2018, for the 2018 taxes which were materially collected by May and September, 2019 was set at \$0.205308 per \$100 of assessed valuation.

Motor vehicle taxes are due when application is made for registration of a motor vehicle. The amount collected for the motor vehicle tax is outlined in State statute.

### NOTE 6: INTEREST EXPENSE

Interest expense of \$14,630 was charged to debt payments for public works in the Statement of Activities.

### NOTE 7: EMPLOYEE RETIREMENT SYSTEM

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement System. 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. Reve. Stat. § 23-2301 through § 23-2334 (Reissue 2012, Cum. Supp. 2014, Supp. 2015) and may be amended through legislative action.

Participation in the plan is required for all full-time employees. Part-time (working less than one-half the regularly scheduled hours) employees may elect voluntary participation upon reaching the age of 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.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

### NOTE 7: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

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.

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.

The County's total payroll for all employees was \$4,723,836 for the year ended June 30, 2020. Total covered payroll was \$4,713,270. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan.

For the year ended June 30, 2020, 137 employees contributed \$218,795 and the County contributed and expensed \$324,812.

#### Payment of Benefits

Upon termination of employment, including death, disability and retirement, a member may begin taking distributions from their vested account balances. A member is eligible for retirement after attaining age 55 and, if actively employed by a participating county at the time of retirement, is automatically vested, regardless of service.

#### Cash Balance Benefit Options

The normal form of payment under the Cash Balance Benefit Fund is a single life annuity with five-year certain, payable monthly. Members have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually.

Optional forms of payment include a lump sum and the following annuities (with or without a 2.5% COLA): life annuity, modified cash refund, certain and life annuity (5, 10 or 15 years), certain only annuity (5, 10, 15 or 20 years) and joint and survivor annuity (50%, 75% or 100%).

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 7: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Defined Contribution Benefit Options

Members in the Defined Contribution Benefit Fund may elect to defer their benefits until a later date or to receive their benefits in a lump sum distribution, rollover distribution, systematic withdrawal, or monthly annuity. Members may also elect a combination of any of these options.

NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage, 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.

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 is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the pool for additional contributions.

The County has not paid any additional assessments to the pool in the last three fiscal years and no assessments are anticipated for fiscal year 2021. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

NOTE 9: CONTINGENCIES

Environmental

The County is subject to laws and regulations relating to the protection of the environment. The County's policy would be to disclose environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the County's continuing compliance efforts, management believes any possible future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the County.

*(Continued on next page)*

# YORK COUNTY, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 9: CONTINGENCIES (CONTINUED)

Federal and State Award Programs

The County receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

NOTE 10: COMMITMENTS

The County issued Highway Allocation Fund Pledge Bonds, Series 2012 on July 25, 2012, in the principal amount of \$6,055,000 to fund the cost of current and future road projects. The bonds mature July 1, 2020, bearing interest ranging from .350% to 1.800%. The County historically makes their annual principal payment prior to July 1 each year. The bonds were paid in full as of June 30, 2020.

The County entered into a contract on October 9, 2018 for building renovations including an addition to upgrade the 911 Communications Center. The amount of the contract including change orders as of June 30, 2020 is \$2,305,364. The amount remaining as of June 30, 2020 is \$106,645.

NOTE 11: SUBSEQUENT EVENTS

In May, 2020, the Board of Commissioners authorized the issuance of Highway Allocation Fund Pledge Bonds, Series 2020 in the amount of \$8,000,000 to fund the cost of future road projects. Bonds were issued and funds were received in July, 2020. The bonds mature July 1, 2030, bearing interest ranging from 1.45% to 2%.

SUPPLEMENTAL INFORMATION

YORK COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND  
FUND BALANCES - CASH BASIS  
GENERAL FUND

June 30, 2020

	<u>General Fund</u>	<u>Reappraisal Sinking Fund</u>	<u>Inheritance Tax Fund</u>	<u>Veteran's Aid</u>	<u>Total General Fund</u>
ASSETS:					
Cash	<u>1,375,363</u>	<u>144,457</u>	<u>5,288,660</u>	<u>25,938</u>	<u>6,834,418</u>
FUND BALANCES:					
Committed	0	144,457	0	25,938	170,395
Unassigned	<u>1,375,363</u>	<u>0</u>	<u>5,288,660</u>	<u>0</u>	<u>6,664,023</u>
TOTAL FUND BALANCES	<u>1,375,363</u>	<u>144,457</u>	<u>5,288,660</u>	<u>25,938</u>	<u>6,834,418</u>

**YORK COUNTY, NEBRASKA**

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - CASH BASIS  
GENERAL FUND

Year Ended June 30, 2020

	<u>General Fund</u>	<u>Reappraisal Sinking Fund</u>	<u>Inheritance Tax Fund</u>	<u>Veteran's Aid</u>	<u>Total General Fund</u>
<b>RECEIPTS:</b>					
Taxes	6,317,557	0	0	0	6,317,557
Inheritance tax	0	0	565,467	0	565,467
Intergovernmental	1,037,369	0	0	0	1,037,369
Local	1,033,358	0	3,634	0	1,036,992
<b>TOTAL RECEIPTS</b>	<u>8,388,284</u>	<u>0</u>	<u>569,101</u>	<u>0</u>	<u>8,957,385</u>
<b>DISBURSEMENTS:</b>					
Current:					
General government	2,683,445	1,620	86,325	0	2,771,390
Public safety	2,398,660	0	0	0	2,398,660
Public works	88,588	0	0	0	88,588
Public welfare & social services	289,517	0	63,259	2,559	355,335
Culture and recreation	0	0	17,500	0	17,500
Capital outlay	665,332	0	0	0	665,332
<b>TOTAL DISBURSEMENTS</b>	<u>6,125,542</u>	<u>1,620</u>	<u>167,084</u>	<u>2,559</u>	<u>6,296,805</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>2,262,742</u>	<u>(1,620)</u>	<u>402,017</u>	<u>(2,559)</u>	<u>2,660,580</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers - in	70,000	25,000	60,000	0	155,000
Transfers - out	<u>(2,816,835)</u>	<u>0</u>	<u>(961,000)</u>	<u>0</u>	<u>(3,777,835)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,746,835)</u>	<u>25,000</u>	<u>(901,000)</u>	<u>0</u>	<u>(3,622,835)</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)</b>	<u>(484,093)</u>	<u>23,380</u>	<u>(498,983)</u>	<u>(2,559)</u>	<u>(962,255)</u>
Fund balances - beginning of year	<u>1,859,456</u>	<u>121,077</u>	<u>5,787,643</u>	<u>28,497</u>	<u>7,796,673</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>1,375,363</u>	<u>144,457</u>	<u>5,288,660</u>	<u>25,938</u>	<u>6,834,418</u>



		Special Revenue					Capital Projects					Debt Service		
		Federal Drug Law Enforcement Fund - Sheriff		Federal Drug Law Enforcement Fund - Attorney		E911 Wireless Fund	E911 Wireless Holding Fund	Emergency Management Fund	Ambulance Fund	911 Emergency Fund	Highway Buyback	Visitors Improvement Fund	Debt Services Fund	Total Nonmajor Funds
0	0	0	0	0	0	0	0	0	0	0	0	0	0	78,174
17,190	180,301	43,054	43,054	5,673	240,442	33,797	240,442	50,088	301,550	284,417	245,080	47,735	1,703,341	
17,190	180,301	43,054	43,054	5,673	240,442	33,797	240,442	50,088	301,550	284,417	245,080	47,735	1,781,515	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17,190	180,301	43,054	43,054	5,673	240,442	33,797	240,442	50,088	301,550	284,417	245,080	47,735	1,703,341	
0	0	0	0	0	0	0	0	0	0	0	0	0	78,174	
17,190	180,301	43,054	43,054	5,673	240,442	33,797	240,442	50,088	301,550	284,417	245,080	47,735	1,781,515	

YORK COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND  
FUND BALANCES - CASH BASIS  
NONMAJOR FUNDS

June 30, 2020

	Special Revenue											
	Juvenile Diversion Fund	Child Support Enforcement Fund	Visitors Promotion Fund	Register of Deeds Preservation & Modernization Fund	Employment Security Fund	Area Agency on Aging Fund	County Medical Relief Fund	State Institutions Fund	Handi-Bus Fund	Stop Program Fund		
ASSETS:												
Cash	0	0	0	0	36,515	25,080	0	16,579	0	0	0	0
Restricted cash	14,200	53,181	131,484	9,083	0	0	21,081	0	11,596	13,389	13,389	0
TOTAL ASSETS	14,200	53,181	131,484	9,083	36,515	25,080	21,081	16,579	11,596	13,389	13,389	0
FUND BALANCES:												
Restricted	14,200	53,181	131,484	9,083	0	0	21,081	0	11,596	13,389	13,389	0
Committed	0	0	0	0	36,515	25,080	0	16,579	0	0	0	0
TOTAL FUND BALANCES	14,200	53,181	131,484	9,083	36,515	25,080	21,081	16,579	11,596	13,389	13,389	0

(Continued)

YORK COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - CASH BASIS  
NONMAJOR FUNDS

Year Ended June 30, 2020

	Special Revenue										
	Juvenile Diversion Fund	Child Support Enforcement Fund	Visitors Promotion Fund	Register of Deeds Preservation & Modernization Fund	Employment Security Fund	Area Agency on Aging Fund	County Medical Relief Fund	State Institutions Fund	Handi-Bus Fund	Stop Program Fund	
RECEIPTS:											
Taxes	0	0	180,422	0	1	0	11,764	32,062	0	0	
Intergovernmental	42,684	13,292	0	0	0	95,830	1,318	5,131	0	0	
Local	0	0	895	10,483	2	2,152	6	0	1,800	3,650	
TOTAL RECEIPTS	42,684	13,292	181,317	10,483	3	97,982	13,088	37,193	1,800	3,650	
DISBURSEMENTS:											
Current:											
General government	0	0	0	5,000	425	0	0	0	0	0	
Public safety	47,288	0	0	0	0	0	0	0	0	0	
Public welfare and social services	0	0	0	0	0	173,584	9,319	24,252	0	0	
Culture and recreation	0	0	151,725	0	0	0	0	0	0	0	
Capital outlay	0	5,803	0	0	0	2,054	0	0	0	0	
Debt Services:											
Principal payments	0	0	0	0	0	0	0	0	0	0	
Interest charges	0	0	0	0	0	0	0	0	0	0	
TOTAL DISBURSEMENTS	47,288	5,803	151,725	5,000	425	175,638	9,319	24,252	3,638	8,825	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,604)	7,489	29,592	5,483	(422)	(77,656)	3,769	12,941	(1,838)	(5,175)	
OTHER FINANCING SOURCES (USES):											
Transfers - in	4,847	0	0	0	0	81,000	0	0	0	0	
Transfers - out	0	0	0	0	0	0	0	0	0	0	
TOTAL OTHER FINANCING SOURCES (USES)	4,847	0	0	0	0	81,000	0	0	0	0	
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	243	7,489	29,592	5,483	(422)	3,344	3,769	12,941	(1,838)	(5,175)	
Fund balances - beginning of year	13,957	45,692	101,892	3,600	36,937	21,736	17,312	3,638	13,434	18,564	
FUND BALANCE - END OF YEAR	14,200	53,181	131,484	9,083	36,515	25,080	21,081	16,579	11,596	13,389	

(Continued)

		Special Revenue					Capital Projects					Debt Service	Total	
		Federal		E911 Wireless		E911 Wireless	E911 Wireless	Emergency	Ambulance	911	Highway	Visitors	Debt	Total
		Drug Law		E911 Wireless		E911 Wireless	E911 Wireless	Management	Fund	Fund	Buyback	Improvement	Services	Nonmajor
		Enforcement		Fund - Sheriff		Fund - Attorney		Fund	Fund	Fund	Fund	Fund	Fund	Funds
		Fund		Fund		Fund		Fund	Fund	Fund	Fund	Fund	Fund	Funds
0	0	0	0	0	0	0	0	23,449	237,114	0	0	180,422	666,473	1,331,707
7,125	416,430	0	60,413	0	0	0	27,251	34,926	0	252,341	0	93,005	1,049,746	
0	450	0	861	0	0	2,325	0	19	397,522	0	0	117	420,282	
7,125	416,880	0	61,274	0	0	53,025	0	272,059	397,522	252,341	180,422	759,595	2,801,735	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9,400	0	12,095	8,592	0	0	57,209	248,750	0	765,678	0	0	0	5,425	
0	0	0	0	0	0	0	0	0	0	0	0	0	1,149,012	
0	0	0	0	0	0	0	0	0	0	0	0	0	207,155	
0	274,263	0	8,597	0	97,869	0	0	0	133,528	416,628	135,000	0	215,405	
0	0	0	0	0	0	0	0	0	0	0	0	0	1,086,205	
0	0	0	0	0	0	0	0	0	0	0	0	0	785,000	
9,400	274,263	12,095	17,189	0	97,869	57,209	248,750	0	899,206	416,628	198,680	14,630	14,630	
(2,275)	142,617	(12,095)	44,085	(97,869)	(4,184)	23,309	(501,684)	(164,287)	(18,258)	(40,035)	(661,097)			
0	0	0	0	44,935	0	60,000	484,174	0	0	0	0	0	674,956	
0	0	0	(44,935)	0	0	(60,000)	0	0	0	0	0	0	(104,935)	
0	0	0	(44,935)	44,935	0	0	484,174	0	0	0	0	0	570,021	
(2,275)	142,617	(12,095)	(850)	(52,934)	(4,184)	23,309	(17,510)	(164,287)	(18,258)	(40,035)	(91,076)			
19,465	37,684	55,149	6,523	293,376	37,981	26,779	319,060	448,704	263,338	87,770	1,872,591			
17,190	180,301	43,054	5,673	240,442	33,797	50,088	301,550	284,417	245,080	47,735	1,781,515			

OTHER INFORMATION

**YORK COUNTY, NEBRASKA**

BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND

Year Ended June 30, 2020

	Original/ Final Budget	Actual
RECEIPTS:		
Taxes	7,053,274	6,317,557
Intergovernmental	583,127	1,037,369
Local	875,453	1,033,358
TOTAL RECEIPTS	<u>8,511,854</u>	<u>8,388,284</u>
DISBURSEMENTS:		
General Government:		
County Board	168,800	154,203
County Clerk	206,220	161,589
County Treasurer	293,345	257,801
Register of Deeds	73,431	59,142
County Assessor	303,800	260,377
County Superintendent	1,100	1,100
Elections	127,801	73,456
Planning and Zoning	1,250	199
Data Processing	225,700	225,272
Clerk of the District Court	330,851	262,225
County Court	262,881	151,566
Public Defender	219,622	191,701
Child Support/District Court	110,177	94,382
Building and Grounds	349,318	264,634
County Building	555,000	346,183
Extension Agent	169,466	155,300
Miscellaneous	598,682	484,964
Public Safety:		
County Sheriff	1,240,674	1,201,416
County Attorney	400,664	366,801
Drug Testing	11,000	5,273
County Attorney/Child Support	108,865	86,750
County Jail	958,526	927,880
Public Works:		
County Surveyor	25,652	15,427
Noxious Weed	102,771	88,207
Public Welfare and Social Services:		
Veterans Service	131,060	115,387
Handi-Bus	181,169	174,307
TOTAL DISBURSEMENTS	<u>7,157,825</u>	<u>6,125,542</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,354,029</u>	<u>2,262,742</u>
OTHER FINANCING SOURCES (USES):		
Transfers - in	70,000	70,000
Transfers - out	(2,816,835)	(2,816,835)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,746,835)</u>	<u>(2,746,835)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(1,392,806)</u>	(484,093)
Fund balance - beginning of year		<u>1,859,456</u>
FUND BALANCE - END OF YEAR		<u>1,375,363</u>

See accompanying notes to Budgetary Comparison Schedules.

# YORK COUNTY, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - CASH BASIS ROAD FUND

Year Ended June 30, 2020

	<u>Original/ Final Budget</u>	<u>Actual</u>
RECEIPTS:		
Intergovernmental	1,959,100	1,997,154
Local	61,500	58,321
TOTAL RECEIPTS	<u>2,020,600</u>	<u>2,055,475</u>
DISBURSEMENTS:	<u>4,723,714</u>	<u>4,065,188</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,703,114)	(2,009,713)
OTHER FINANCING SOURCES (USES):		
Transfers - in	2,602,814	2,302,814
Transfers - out	(200,000)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,402,814</u>	<u>2,302,814</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(300,300)</u>	293,101
Fund balance - beginning of year		<u>300,300</u>
FUND BALANCE - END OF YEAR		<u><u>593,401</u></u>

*See accompanying notes to Budgetary Comparison Schedules.*

## YORK COUNTY, NEBRASKA

### BUDGETARY COMPARISON SCHEDULE - CASH BASIS LAW ENFORCEMENT / 911 COMMUNICATIONS FUND

Year Ended June 30, 2020

	<u>Original/ Final Budget</u>	<u>Actual</u>
RECEIPTS:		
Local	<u>0</u>	<u>0</u>
DISBURSEMENTS:		
Capital outlay	<u>1,601,238</u>	<u>1,536,995</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,601,238)	(1,536,995)
OTHER FINANCING SOURCES (USES):		
Transfers - in	<u>750,000</u>	<u>750,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(851,238)</u>	<del>(786,995)</del>
Fund balance - beginning of year		<u>851,238</u>
FUND BALANCE - END OF YEAR		<u><u>64,243</u></u>

*See accompanying notes to Budgetary Comparison Schedules.*



# YORK COUNTY, NEBRASKA

## NOTES TO BUDGETARY COMPARISON SCHEDULES

June 30, 2020

### NOTE 1: BUDGET AND BUDGETARY ACCOUNTING

The appropriated budget adopted by the County is prepared on a cash basis. The actual results used in the Budgetary Comparison Schedule – Cash Basis General Fund differ from that used in the Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis General Fund due to *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*. Such perspective differences and their effect on the respective fund are summarized as follows:

Receipts over (under) disbursements and other financing sources (uses) per Budgetary Comparison Schedule – Cash Basis General Fund	(484,093)
Adjustments increase (decrease) for:	
Reappraisal Sinking Fund Transfers In	25,000
Reappraisal Sinking Fund Disbursements	(1,620)
Inheritance Tax Fund Receipts and Transfers In	629,101
Inheritance Tax Fund Disbursements and Transfers Out	(1,128,084)
Veteran's Aid Fund Disbursements	<u>(2,559)</u>
Receipts over (under) disbursements and other financing sources (uses) per Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis	<u>(962,255)</u>

# YORK COUNTY, NEBRASKA

## SCHEDULE OF OFFICE ACTIVITIES

June 30, 2020

	County Clerk	Clerk of the District Court	County Sheriff	Veterans' Service Officer	Total
BALANCES JULY 1, 2019	22,554	169,237	14,455	841	207,087
RECEIPTS					
Licenses and Permits	3,328	0	7,340	0	10,668
Charges for Services	128,581	41,042	392,602	0	562,225
Miscellaneous	434	3,218	10,767	2,559	16,978
State Fees	178,272	30,834	0	0	209,106
Trust	0	908,026	0	0	908,026
Other Liabilities	2,020	3,284	0	0	5,304
<b>TOTAL RECEIPTS</b>	<u>312,635</u>	<u>986,404</u>	<u>410,709</u>	<u>2,559</u>	<u>1,712,307</u>
DISBURSEMENTS					
Payments to County Treasurer	129,798	43,149	62,596	0	235,543
Payments to State Treasurer	177,550	29,985	0	0	207,535
Trust	0	950,745	0	0	950,745
Other Liabilities	1,043	3,079	347,189	1,400	352,711
<b>TOTAL DISBURSEMENTS</b>	<u>308,391</u>	<u>1,026,958</u>	<u>409,785</u>	<u>1,400</u>	<u>1,746,534</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>4,244</u>	<u>(40,554)</u>	<u>924</u>	<u>1,159</u>	<u>(34,227)</u>
Balance - beginning of year	<u>22,554</u>	<u>169,237</u>	<u>14,455</u>	<u>841</u>	<u>207,087</u>
<b>BALANCE - END OF YEAR</b>	<u><u>26,798</u></u>	<u><u>128,683</u></u>	<u><u>15,379</u></u>	<u><u>2,000</u></u>	<u><u>172,860</u></u>

ADDITIONAL INFORMATION



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## 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*

### Independent Auditors' Report

To the York County Board of Commissioners  
York, 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 York County, Nebraska, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 17, 2020. These financial statements were prepared using a special purpose framework of reporting identified as the cash basis of accounting.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered York County, Nebraska's internal control over financial reporting (internal control) as a basis for designing 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 York County, Nebraska'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 a 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 first paragraph of this section 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We

did identify a deficiency in internal control, described in the accompanying Schedule of Finding and Response as 2020-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether York County, Nebraska's financial statements are free from 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 financial statements. 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*.

We noted certain matters that we reported to management of York County, Nebraska in a separate letter dated November 17, 2020.

### **York County, Nebraska's Response to Finding**

York County, Nebraska's responses to the finding identified in our audit is described in the accompanying Schedule of Finding and Response. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Contryman Associates PC*  
Certified Public Accountants  
Grand Island, Nebraska

November 17, 2020

# YORK COUNTY, NEBRASKA

## SCHEDULE OF FINDING AND RESPONSE

June 30, 2020

2020-001 Segregation of Duties

### Criteria

Internal controls should be in place to ensure proper segregation of duties.

### Condition

Presently, in both the treasurer's office and clerk's office, one individual is able to handle all parts of a transaction from initiation to recordkeeping to reconciliation. In addition, only limited oversight is provided in the conduct of daily functions.

During our testing of payroll, we noted a number of employee reimbursements paid during the year within the Sheriff's office that were not approved by the Sheriff, but were remitted and signed only by the employee submitting the request for reimbursement.

### Cause

Due to its size, York County, Nebraska does not have adequate office personnel to perform appropriate supervision and review functions. The limited number of employees results in an inadequate overall internal control structure design.

### Effect or Potential Effect

Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting.

### Recommendation

We recommend York County, Nebraska continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations. We also recommend that the County establish formal procedures for reimbursement requests that would require approval by the appropriate elected official or department head prior to remittance for reimbursement and in addition to approval by the Board of Commissioners.

### Response

The County recognizes it does not have adequate in-house personnel to perform appropriate supervision and review functions because of the cost effectiveness of such actions. The York County, Nebraska Board of Commissioners is aware of this deficiency, and will continue to monitor the situation. The elected officials and staff have implemented some oversight measures to limit exposure where possible.