

YORK COUNTY
YORK, NEBRASKA

FINANCIAL STATEMENTS

June 30, 2018

YORK COUNTY, NEBRASKA

TABLE OF CONTENTS

June 30, 2018

	<u>Page #</u>
INDEPENDENT AUDITORS' REPORT	1-3
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis	4
Statement of Activities – Cash Basis.....	5
Fund Financial Statements:	
Statement of Assets, Liabilities and Fund Balances – Cash Basis – Governmental Funds.....	6
Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Governmental Funds.....	7
Statement of Net Position – Cash Basis - Fiduciary Funds.....	8
Notes to Financial Statements.....	9-18
SUPPLEMENTAL INFORMATION:	
Combining Statement of Assets, Liabilities and Fund Balances – Cash Basis – General Fund	19
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – General Fund.....	20
Combining Statement of Assets and Fund Balances – Cash Basis – Nonmajor Funds	21
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Nonmajor Funds.....	22
OTHER INFORMATION:	
Budgetary Comparison Schedules – Cash Basis:	
General Fund.....	23

(Continued on next page)

YORK COUNTY, NEBRASKA

TABLE OF CONTENTS (CONTINUED)

June 30, 2018

	<u>Page #</u>
OTHER INFORMATION (CONTINUED):	
Road Fund.....	24
Law Enforcement/911 Communications Fund.....	25
Notes to Budgetary Comparison Schedules.....	26
Statements of Accountability:	
Statement of Accountability - Cash Basis – County Clerk.....	27
Statement of Accountability - Cash Basis - County Sheriff.....	28
Statement of Accountability - Cash Basis – Veterans’ Service Office.....	29
Statement of Accountability - Cash Basis – Clerk of the District Court.....	30
ADDITIONAL INFORMATION:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Schedule of Findings and Responses.....	33-34



CONTRYMAN ASSOCIATES, P.C.

Certified Public Accountants

505 North Diers Ave
P.O. Box 700
Grand Island NE 68802
308-382-5720
Fax: 308-382-5945

201 Foundation Place, Suite 100
P.O. Box 2026
Hastings NE 68902
402-463-6711
Fax: 402-463-6713

315 West 60th, Suite 500
P.O. Box 1746
Kearney NE 68848
308-237-5930
Fax: 308-234-4410

707 East Pacific
P.O. Drawer H
Lexington NE 68850
308-324-2368
Fax: 308-324-2360

1001 West 27th Street
P.O. Box 2246
Scottsbluff NE 69363
308-635-7705
Fax: 308-635-0599

1415 16th Street, Suite 201
P.O. Box 191
Central City NE 68826
308-946-3870
Fax: 308-382-5945

826 G Street
Geneva, NE 68361
402-759-3002
Fax: 402-759-4342

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, 2018, 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, 2018, 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 statements of accountability listed on pages 23-30 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 statements of accountability 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 December 31, 2018, 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, P.C.

Certified Public Accountants

Grand Island, Nebraska

December 31, 2018

YORK COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2018

	<u>Governmental Activities</u>
ASSETS:	
Cash	8,244,874
Restricted cash	<u>1,502,952</u>
 TOTAL ASSETS	 <u><u>9,747,826</u></u>
 NET POSITION:	
Restricted for:	
Juvenile diversion	2,514
Child support enforcement	31,939
Visitors promotion	62,910
Record preservation and modernization	3,544
Medical relief	8,681
Handi-bus	12,437
Stop program	13,116
Drug law enforcement	11,636
Federal drug law enforcement	61,400
E911 wireless	80,977
E911 wireless holding	211,850
Emergency management	39,020
Ambulance	65,012
911 emergency	91,916
Highway buyback	364,266
Visitors improvement	228,812
Debt service	212,922
Unrestricted	<u>8,244,874</u>
 TOTAL NET POSITION	 <u><u>9,747,826</u></u>

See accompanying notes.

YORK COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

Year Ended June 30, 2018

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES:				
General government	2,761,308	635,331	25,462	(2,100,515)
Public safety	3,048,507	202,746	24,269	(2,821,492)
Public works	3,813,138	0	12,211	(3,800,927)
Public welfare and social services	537,489	8,191	185,762	(343,536)
Culture and recreation	368,174	0	0	(368,174)
Debt payments	801,895	0	0	(801,895)
TOTAL GOVERNMENTAL ACTIVITIES	11,330,511	846,268	247,704	(10,236,539)
GENERAL RECEIPTS:				
Taxes				
Property				6,482,197
Motor vehicle				627,061
Inheritance				943,668
Lodging				389,580
Intergovernmental				3,047,810
Interest income				74,609
Miscellaneous				126,958
TOTAL GENERAL RECEIPTS				11,691,883
CHANGE IN NET POSITION				1,455,344
Net position - beginning of year				8,292,482
NET POSITION - END OF YEAR				9,747,826

See accompanying notes.

YORK COUNTY, NEBRASKA

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Road Fund	Law Enforcement 911 Communications Fund	Nonmajor Funds	Total Governmental Funds
ASSETS:					
Cash	6,532,091	712,233	940,772	59,778	8,244,874
Restricted cash	0	0	0	1,502,952	1,502,952
Due from other funds	255,299	0	0	0	255,299
TOTAL ASSETS	6,787,390	712,233	940,772	1,562,730	10,003,125
LIABILITIES:					
Due to other funds	5,299	250,000	0	0	255,299
FUND BALANCES:					
Restricted for:					
Juvenile diversion	0	0	0	2,514	2,514
Child support enforcement	0	0	0	31,939	31,939
Visitors promotion	0	0	0	62,910	62,910
Record preservation and modernization	0	0	0	3,544	3,544
Medical relief	0	0	0	8,681	8,681
Handi-bus	0	0	0	12,437	12,437
Stop program	0	0	0	13,116	13,116
Drug law enforcement	0	0	0	11,636	11,636
Federal drug law enforcement	0	0	0	61,400	61,400
E911 wireless	0	0	0	80,977	80,977
E911 wireless holding	0	0	0	211,851	211,851
Emergency management	0	0	0	39,020	39,020
Ambulance	0	0	0	65,012	65,012
911 emergency	0	0	0	91,915	91,915
Highway buyback	0	0	0	364,266	364,266
Visitors improvement	0	0	0	228,812	228,812
Debt service	0	0	0	212,922	212,922
Committed to:					
Reappraisal costs	110,776	0	0	0	110,776
Veterans' aid	28,497	0	0	0	28,497
Road maintenance	0	462,233	0	0	462,233
Unemployment payments	0	0	0	36,747	36,747
Senior services	0	0	0	11,094	11,094
Mental health	0	0	0	11,937	11,937
911 communications building	0	0	940,772	0	940,772
Unassigned	6,642,818	0	0	0	6,642,818
Total fund balances	6,782,091	462,233	940,772	1,562,730	9,747,826
TOTAL LIABILITIES AND FUND BALANCES	6,787,390	712,233	940,772	1,562,730	10,003,125

See accompanying notes.

YORK COUNTY, NEBRASKA

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

Year Ended June 30, 2018

	General Fund	Road Fund	Law Enforcement 911 Communications Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS:					
Taxes	6,044,437	0	0	1,454,401	7,498,838
Inheritance tax	943,668	0	0	0	943,668
Intergovernmental	893,773	1,819,823	0	581,918	3,295,514
Local	933,446	46,934	0	67,455	1,047,835
TOTAL RECEIPTS	8,815,324	1,866,757	0	2,103,774	12,785,855
DISBURSEMENTS:					
Current:					
General government	2,562,100	0	0	35,600	2,597,700
Public safety	2,471,670	0	0	327,027	2,798,697
Public works	76,421	3,223,761	0	0	3,300,182
Public welfare and social services	313,639	0	0	220,857	534,496
Culture and recreation	15,000	0	0	223,781	238,781
Capital outlay	246,900	313,049	59,228	439,583	1,058,760
Debt service:					
Principal and interest	0	0	0	801,895	801,895
TOTAL DISBURSEMENTS	5,685,730	3,536,810	59,228	2,048,743	11,330,511
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,129,594	(1,670,053)	(59,228)	55,031	1,455,344
OTHER FINANCING SOURCES (USES):					
Transfers - in	14,991	1,927,186	0	412,279	2,354,456
Transfers - out	(2,023,177)	(331,279)	0	0	(2,354,456)
TOTAL OTHER FINANCING SOURCES (USES)	(2,008,186)	1,595,907	0	412,279	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	1,121,408	(74,146)	(59,228)	467,310	1,455,344
Fund balances - beginning of year	5,660,683	536,379	1,000,000	1,095,420	8,292,482
FUND BALANCES - END OF YEAR	6,782,091	462,233	940,772	1,562,730	9,747,826

See accompanying notes.

YORK COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS FIDUCIARY FUNDS

June 30, 2018

	<u>Agency Funds</u>
ASSETS:	
Cash	<u><u>809,311</u></u>
LIABILITIES:	
Due to other governments	<u><u>809,311</u></u>

See accompanying notes.

YORK COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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, 2018

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, Liabilities 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, 2018

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, 2018

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, 2018

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, 2018

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, Liabilities 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, 2018, all accounts were 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, Liabilities 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			
	General Fund	Road Fund	Nonmajor Funds	Total
General Fund	14,991	1,927,186	81,000	2,023,177
Road Fund	0	0	331,279	331,279
	14,991	1,927,186	412,279	2,354,456

As of June 30, 2018 the General Fund owed the Inheritance Tax Fund \$5,299 and the Road Fund owed the Inheritance Tax Fund \$250,000. The funds are expected to be repaid in the 2018-2019 fiscal year.

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, 2018

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, 2017, for the 2017 taxes which will be materially collected by May and September, 2018, was set at \$0.208754 per \$100 of assessed valuation. The levy set in October, 2016, for the 2016 taxes which were materially collected by May and September, 2017 was set at \$0.203291 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 \$36,895 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, 2018

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 \$4,262,541 for the year ended June 30, 2018. Total covered payroll was \$4,173,373. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan.

For the year ended June 30, 2018, 123 employees contributed \$193,586 and the County contributed and expensed \$287,477.

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, 2018

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 2019. 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, 2018

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 outstanding principal balance as of June 30, 2018 is \$1,555,000.

NOTE 11: SUBSEQUENT EVENT

On October 9, 2018, the Board awarded a contract in the amount of \$1,943,000 for the communication addition and renovation of the sheriff's office.

SUPPLEMENTAL INFORMATION

YORK COUNTY, NEBRASKA

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

June 30, 2018

	<u>General Fund</u>	<u>Reappraisal Sinking Fund</u>	<u>Inheritance Tax Fund</u>	<u>Noxious Weed Fund</u>	<u>Veteran's Aid</u>	<u>Total General Fund</u>
ASSETS:						
Cash	1,562,135	110,776	4,830,683	0	28,497	6,532,091
Due from other funds	<u>0</u>	<u>0</u>	<u>255,299</u>	<u>0</u>	<u>0</u>	<u>255,299</u>
TOTAL ASSETS	<u><u>1,562,135</u></u>	<u><u>110,776</u></u>	<u><u>5,085,982</u></u>	<u><u>0</u></u>	<u><u>28,497</u></u>	<u><u>6,787,390</u></u>
LIABILITIES:						
Due to other funds	<u>5,299</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,299</u>
FUND BALANCES:						
Committed	0	110,776	0	0	28,497	139,273
Unassigned	1,556,836	0	5,085,982	0	0	6,642,818
Assigned	0	0	0	0	0	0
Restricted	0	0	0	0	0	0
Total fund balances	<u>1,556,836</u>	<u>110,776</u>	<u>5,085,982</u>	<u>0</u>	<u>28,497</u>	<u>6,782,091</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>1,562,135</u></u>	<u><u>110,776</u></u>	<u><u>5,085,982</u></u>	<u><u>0</u></u>	<u><u>28,497</u></u>	<u><u>6,787,390</u></u>

YORK COUNTY, NEBRASKA

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

Year Ended June 30, 2018

	General Fund	Reappraisal Sinking Fund	Inheritance Tax Fund	Noxious Weed Fund	Veteran's Aid	Total General Fund
RECEIPTS:						
Taxes	6,044,437	0	0	0	0	6,044,437
Inheritance tax	0	0	943,668	0	0	943,668
Intergovernmental	893,773	0	0	0	0	893,773
Local	931,095	0	2,351	0	0	933,446
TOTAL RECEIPTS	<u>7,869,305</u>	<u>0</u>	<u>946,019</u>	<u>0</u>	<u>0</u>	<u>8,815,324</u>
DISBURSEMENTS:						
Current:						
General government	2,479,755	2,042	80,303	0	0	2,562,100
Public safety	2,471,670	0	0	0	0	2,471,670
Public works	67,104	0	0	9,317	0	76,421
Public welfare & social services	254,018	0	59,621	0	0	313,639
Culture and recreation	0	0	15,000	0	0	15,000
Capital outlay	246,900	0	0	0	0	246,900
TOTAL DISBURSEMENTS	<u>5,519,447</u>	<u>2,042</u>	<u>154,924</u>	<u>9,317</u>	<u>0</u>	<u>5,685,730</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>2,349,858</u>	<u>(2,042)</u>	<u>791,095</u>	<u>(9,317)</u>	<u>0</u>	<u>3,129,594</u>
OTHER FINANCING SOURCES (USES):						
Transfers - in	4,991	0	0	10,000	0	14,991
Transfers - out	(1,937,186)	0	(81,000)	(4,991)	0	(2,023,177)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,932,195)</u>	<u>0</u>	<u>(81,000)</u>	<u>5,009</u>	<u>0</u>	<u>(2,008,186)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	417,663	(2,042)	710,095	(4,308)	0	1,121,408
Fund balances - beginning of year	1,139,173	112,818	4,375,887	4,308	28,497	5,660,683
FUND BALANCES - END OF YEAR	<u>1,556,836</u>	<u>110,776</u>	<u>5,085,982</u>	<u>0</u>	<u>28,497</u>	<u>6,782,091</u>

YORK COUNTY, NEBRASKA

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

June 30, 2018

	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	36,747	11,094	0	11,937	0	0
Restricted cash	2,514	31,939	62,910	3,544	0	0	8,681	0	12,437	13,116
TOTAL ASSETS	<u>2,514</u>	<u>31,939</u>	<u>62,910</u>	<u>3,544</u>	<u>36,747</u>	<u>11,094</u>	<u>8,681</u>	<u>11,937</u>	<u>12,437</u>	<u>13,116</u>
FUND BALANCES:										
Restricted	2,514	31,939	62,910	3,544	0	0	8,681	0	12,437	13,116
Committed	0	0	0	0	36,747	11,094	0	11,937	0	0
TOTAL FUND BALANCES	<u>2,514</u>	<u>31,939</u>	<u>62,910</u>	<u>3,544</u>	<u>36,747</u>	<u>11,094</u>	<u>8,681</u>	<u>11,937</u>	<u>12,437</u>	<u>13,116</u>

(Continued)

Special Revenue							Capital Projects		Debt Service		Total Nonmajor Funds
Drug Law Enforcement Fund	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	
0	0	0	0	0	0	0	0	0	0	0	59,778
11,636	13,285	48,115	80,977	211,850	39,020	65,012	91,916	364,266	228,812	212,922	1,502,952
<u>11,636</u>	<u>13,285</u>	<u>48,115</u>	<u>80,977</u>	<u>211,850</u>	<u>39,020</u>	<u>65,012</u>	<u>91,916</u>	<u>364,266</u>	<u>228,812</u>	<u>212,922</u>	<u>1,562,730</u>
11,636	13,285	48,115	80,977	211,850	39,020	65,012	91,916	364,266	228,812	212,922	1,502,952
0	0	0	0	0	0	0	0	0	0	0	59,778
<u>11,636</u>	<u>13,285</u>	<u>48,115</u>	<u>80,977</u>	<u>211,850</u>	<u>39,020</u>	<u>65,012</u>	<u>91,916</u>	<u>364,266</u>	<u>228,812</u>	<u>212,922</u>	<u>1,562,730</u>

YORK COUNTY, NEBRASKA

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

Year Ended June 30, 2018

	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	194,790	0	2,319	0	7,911	20,906	0	0
Intergovernmental	0	577	0	0	91	98,951	1,223	2,504	0	0
Local	0	0	149	10,175	1	1,780	255	5	1,833	7,524
TOTAL RECEIPTS	0	577	194,939	10,175	2,411	100,731	9,389	23,415	1,833	7,524
DISBURSEMENTS:										
Current:										
General government	0	0	0	35,600	0	0	0	0	0	0
Public safety	0	0	0	0	0	0	0	0	0	0
Public welfare and social services	0	0	0	0	0	176,491	17,579	26,787	0	0
Culture and recreation	0	0	179,366	0	0	0	0	0	0	0
Capital outlay	0	0	1,285	0	0	2,728	165	0	0	3,000
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	0	0	180,651	35,600	0	179,219	17,744	26,787	0	3,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	577	14,288	(25,425)	2,411	(78,488)	(8,355)	(3,372)	1,833	4,524
OTHER FINANCING SOURCES (USES):										
Transfers - in	0	0	0	0	0	81,000	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0	81,000	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	0	577	14,288	(25,425)	2,411	2,512	(8,355)	(3,372)	1,833	4,524
Fund balances - beginning of year	2,514	31,362	48,622	28,969	34,336	8,582	17,036	15,309	10,604	8,592
FUND BALANCE - END OF YEAR	2,514	31,939	62,910	3,544	36,747	11,094	8,681	11,937	12,437	13,116

(Continued)

Special Revenue						Capital Projects			Debt Service		Total
Drug Law Enforcement Fund	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	Nonmajor Funds
0	0	0	0	0	17,872	199,548	0	0	194,790	816,265	1,454,401
0	0	36,658	59,815	0	26,668	21,793	0	232,894	0	100,744	581,918
0	0	0	0	0	2	67	45,473	0	0	191	67,455
0	0	36,658	59,815	0	44,542	221,408	45,473	232,894	194,790	917,200	2,103,774
0	0	0	0	0	0	0	0	0	0	0	35,600
2,722	31,486	0	0	0	52,842	221,251	18,726	0	0	0	327,027
0	0	0	0	0	0	0	0	0	0	0	220,857
0	0	0	0	0	0	0	0	0	44,415	0	223,781
0	0	0	5,958	0	0	0	98,432	199,907	128,108	0	439,583
0	0	0	0	0	0	0	0	0	0	765,000	765,000
0	0	0	0	0	0	0	0	0	0	36,895	36,895
2,722	31,486	0	5,958	0	52,842	221,251	117,158	199,907	172,523	801,895	2,048,743
(2,722)	(31,486)	36,658	53,857	0	(8,300)	157	(71,685)	32,987	22,267	115,305	55,031
0	0	0	0	0	0	0	0	331,279	0	0	412,279
0	0	0	0	0	0	0	0	331,279	0	0	412,279
(2,722)	(31,486)	36,658	53,857	0	(8,300)	157	(71,685)	364,266	22,267	115,305	467,310
14,358	44,771	11,457	27,120	211,850	47,320	64,855	163,601	0	206,545	97,617	1,095,420
11,636	13,285	48,115	80,977	211,850	39,020	65,012	91,916	364,266	228,812	212,922	1,562,730

OTHER INFORMATION

YORK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND

Year Ended June 30, 2018

	Original/ Final Budget	Actual
RECEIPTS:		
Taxes	6,564,680	6,044,437
Intergovernmental	613,264	893,773
Local	768,836	931,095
TOTAL RECEIPTS	<u>7,946,780</u>	<u>7,869,305</u>
DISBURSEMENTS:		
General Government:		
County Board	160,400	153,191
County Clerk	216,284	187,351
County Treasurer	275,993	253,157
Register of Deeds	85,550	63,556
County Assessor	253,168	239,600
County Superintendent	1,100	1,100
Elections	132,310	76,382
Planning and Zoning	3,575	2,339
Data Processing	200,133	124,802
Clerk of the District Court	240,711	226,162
County Court	229,720	185,528
Public Defender	170,130	138,886
Child Support/District Court	109,205	98,257
Building and Grounds	305,228	261,161
County Building	182,000	95,239
Extension Agent	171,241	154,557
Miscellaneous	461,452	408,232
Public Safety:		
County Sheriff	1,436,938	1,333,221
County Attorney	375,918	349,755
Drug Testing	11,500	1,583
County Attorney/Child Support	105,139	88,391
County Jail	887,743	755,775
Public Works:		
County Surveyor	13,500	13,453
Noxious Weed	81,400	53,651
Public Welfare and Social Services:		
Veterans Service	119,887	111,039
Handi-Bus	163,476	143,079
TOTAL DISBURSEMENTS	<u>6,393,701</u>	<u>5,519,447</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,553,079</u>	<u>2,349,858</u>
OTHER FINANCING SOURCES (USES):		
Transfers - in	24,308	4,991
Transfers - out	<u>(2,162,296)</u>	<u>(1,937,186)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,137,988)</u>	<u>(1,932,195)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(584,909)</u>	417,663
Fund balance - beginning of year		<u>1,139,173</u>
FUND BALANCE - END OF YEAR		<u><u>1,556,836</u></u>

See accompanying notes to Budgetary Comparison Schedules.

YORK COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS ROAD FUND

Year Ended June 30, 2018

	<u>Original/ Final Budget</u>	<u>Actual</u>
RECEIPTS:		
Intergovernmental	1,761,887	1,819,823
Local	47,500	46,934
TOTAL RECEIPTS	<u>1,809,387</u>	<u>1,866,757</u>
DISBURSEMENTS:	<u>4,376,483</u>	<u>3,536,810</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,567,096)	(1,670,053)
OTHER FINANCING SOURCES (USES):		
Transfers - in	2,111,996	1,927,186
Transfers - out	<u>(581,279)</u>	<u>(331,279)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,530,717</u>	<u>1,595,907</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u><u>(1,036,379)</u></u>	(74,146)
Fund balance - beginning of year		<u>536,379</u>
FUND BALANCE - END OF YEAR		<u><u>462,233</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, 2018

	Original/ Final Budget	Actual
RECEIPTS:	<u>0</u>	<u>0</u>
DISBURSEMENTS:		
Capital outlay	<u>1,000,000</u>	<u>59,228</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,000,000)</u>	(59,228)
Fund balance - beginning of year		<u>1,000,000</u>
FUND BALANCE - END OF YEAR		<u>940,772</u>

See accompanying notes to Budgetary Comparison Schedules.

YORK COUNTY, NEBRASKA

NOTES TO BUDGETARY COMPARISON SCHEDULES

June 30, 2018

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	417,663
Adjustments increase (decrease) for:	
Reappraisal Sinking Fund Disbursements	(2,042)
Inheritance Tax Fund Receipts	946,019
Inheritance Tax Fund Disbursements and Transfers Out	(235,924)
Noxious Weed Fund Transfers In	10,000
Noxious Weed Fund Disbursements and Transfers Out	<u>(14,308)</u>
Receipts over (under) disbursements and other financing sources (uses) per Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis	<u>1,121,408</u>

YORK COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS COUNTY CLERK

Year Ended June 30, 2018

RECEIPTS:

Marriage licenses	3,815
Documentary stamps	184,075
Register of Deeds fees	57,660
Modernization and preservation fees	10,071
Filing fees, copies, sales tax	2,551
Petty cash reimbursements	479
Miscellaneous	5
TOTAL RECEIPTS	<u>258,656</u>

DISBURSEMENTS:

State Treasurer	151,234
County Treasurer	107,976
Modernization and preservation fees	10,176
Petty cash	755
TOTAL DISBURSEMENTS	<u>270,141</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS (11,485)

Balance - beginning of year 33,169

BALANCE - END OF YEAR 21,684

YORK COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS COUNTY SHERIFF

Year Ended June 30, 2018

RECEIPTS:

Commissary	353,085
Service fees	79,007
Vehicle inspections	6,950
Handgun applications	765
United Way - DARE program	1,700
Miscellaneous	1,398
TOTAL RECEIPTS	<u>442,905</u>

DISBURSEMENTS:

Commissary	359,432
Remittance to County Treasurer	54,929
Civil process	6,634
DARE program	1,984
Miscellaneous	2,793
TOTAL DISBURSEMENTS	<u>425,772</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS 17,133

Balance - beginning of year 38,615

BALANCE - END OF YEAR 55,748

YORK COUNTY NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS VETERANS' SERVICE OFFICE

Year Ended June 30, 2018

RECEIPTS	0
DISBURSEMENTS	<u>250</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)
Balance - beginning of year	<u>1,915</u>
BALANCE - END OF YEAR	<u><u>1,665</u></u>

YORK COUNTY, NEBRASKA

STATEMENT OF ACCOUNTABILITY - CASH BASIS CLERK OF THE DISTRICT COURT

Year Ended June 30, 2018

RECEIPTS:

State fees	28,342
Judge retirement	2,593
County treasurer	56,252
Trust	691,716
Adjustments	<u>(16,634)</u>
TOTAL RECEIPTS	<u>762,269</u>

DISBURSEMENTS:

State fees	27,637
Judge retirement	2,610
County treasurer	55,638
Trust	<u>658,400</u>
TOTAL DISBURSEMENTS	<u>744,285</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS 17,984

Balance - beginning of year 115,224

BALANCE - END OF YEAR 133,208

ADDITIONAL INFORMATION



CONTRYMAN ASSOCIATES, P.C.

Certified Public Accountants

505 North Diers Ave P.O. Box 700 Grand Island NE 68802 308-382-5720 Fax: 308-382-5945	201 Foundation Place, Suite 100 P.O. Box 2026 Hastings NE 68902 402-463-6711 Fax: 402-463-6713	315 West 60 th , Suite 500 P.O. Box 1746 Kearney NE 68848 308-237-5930 Fax: 308-234-4410	707 East Pacific P.O. Drawer H Lexington NE 68850 308-324-2368 Fax: 308-324-2360	1001 West 27 th Street P.O. Box 2246 Scottsbluff NE 69363 308-635-7705 Fax: 308-635-0599	1415 16 th Street, Suite 201 P.O. Box 191 Central City NE 68826 308-946-3870 Fax: 308-382-5945	826 G Street Geneva, NE 68361 402-759-3002 Fax: 402-759-4342
---	--	---	--	---	---	---

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2018. 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) 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 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

www.capc.com

did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2018-001 and 2018-002 that we consider to be significant deficiencies.

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 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*.

We noted certain matters that we reported to management of York County, Nebraska in a separate letter dated December 31, 2018.

York County, Nebraska's Response to Findings

York County, Nebraska's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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, P.C.

Certified Public Accountants
Grand Island, Nebraska

December 31, 2018

YORK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2018

2018-001 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.

There is also only a limited understanding of the MIPS software by anyone in the Clerk's office other than the Deputy Clerk. While employees are cross-trained in basic functions such as claim processing, only the Deputy Clerk is trained in areas of budget preparation and payroll processing.

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 additional training be conducted in the MIPS software to provide for appropriate cross-training and continuation of operations.

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 officers and staff have implemented some oversight measures to limit exposure where possible.

YORK COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2018

2018-002 Improper Oversight of Sheriff's Office

Criteria

The State of Nebraska has assigned the responsibility for managing County funds and business to the Board of Commissioners.

Condition

The Board of Commissioners has not provided adequate oversight of the funds and business occurring within the Sheriff's office to ensure proper reporting of fees earned within the Sheriff's office or adequate reconciliation of bank accounts.

Cause

The Board of Commissioners has not established an adequate process to monitor the reporting of fees earned, adequate reconciliation of bank accounts, or corrective actions which were previously agreed to.

Effect or Potential Effect

Failure to provide adequate oversight of County funds and business results in an increased risk for loss or misuse of County funds or noncompliance with laws and regulations.

Recommendation

We recommend the Board of Commissioners of York County, Nebraska establish a written process to provide regular review and approval by both the County Sheriff and Board of Commissioners of monthly fee reports and bank reconciliations for all accounts managed by the County Sheriff.

Response

The Board of Commissioners will work with the County Sheriff to develop a written process for the management of funds within the Sheriff's office including monthly fee reports and bank reconciliations by March 31, 2019.