

SALINE COUNTY, NEBRASKA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

SALINE COUNTY
TABLE OF CONTENTS

	<u>Page</u>
Financial Section	
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 Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds	8
Notes to the Financial Statements	9 – 18
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	19
Budgetary Comparison Schedule - Budget and Actual - Major Funds	20 – 21
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	22 – 31
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	32 – 33
Schedule of Office Activities	34
Government Auditing Standards Section	
Independent Auditors' 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>	35 – 36

SCHULZ & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

106 Eastside Blvd
Beatrice, NE 68310-3477
Phone (402) 223-3598
Fax (402) 228-4731

E-mail: contactus@schulzcpas.com
Website: www.schulzcpas.com

300 6th Street, P.O. Box 535
Fairbury, NE 68352-0535
Phone (402) 729-6137
Fax (402) 729-6337

INDEPENDENT AUDITORS' REPORT

County Board of Commissioners
Saline County, Nebraska
Wilber, 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 Saline County, Nebraska as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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.

Auditors' Responsibility, continued

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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Saline County, Nebraska, as of June 30, 2021, and the respective changes in cash basis financial position 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Saline County, Nebraska's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, and schedule of office activities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, and schedule of office activities 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 nonmajor fund financial statement, budgetary comparison information, and schedule of office activities are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the cash basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of Saline 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 the County'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 Saline County, Nebraska's internal control over financial reporting and compliance.

Schulz & Associates

Schulz & Associates, P.C.
Certified Public Accountants
June 30, 2022

SALINE COUNTY
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2021

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ <u>10,956,614</u>
Total Assets	\$ <u><u>10,956,614</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	86,674
Emergency Services	487,652
Law Enforcement	1,868
Preservation of Records	12,361
Debt Service	639,955
Bridge/Road Projects	635,103
Child Support Enforcement	104,111
Infrastructure and Covid Relief	1,381,427
Unrestricted	<u>7,607,463</u>
Total Net Position	\$ <u><u>10,956,614</u></u>

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

SALINE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (4,642,953)	\$ 894,377	\$ 832,203	\$ (2,916,373)
Public Safety	(3,878,842)	1,856,956	59,392	(1,962,494)
Public Works	(4,912,300)	34,843	2,639,444	(2,238,013)
Public Welfare and Social Services	(346,911)		1,458,912	1,112,001
Culture and Recreation	(17,120)			(17,120)
Debt Service	<u>(1,014,503)</u>			<u>(1,014,503)</u>
 Total Governmental Activities	 <u>(14,812,629)</u>	 <u>2,786,176</u>	 <u>4,989,951</u>	 <u>(7,036,502)</u>
 General Receipts:				
Taxes				8,145,634
Intergovernmental				720,414
Interest Income				88,189
Licenses and Permits				81,448
Miscellaneous				<u>511,825</u>
 Total General Receipts				 <u>9,547,510</u>
 Change in Net Position				 2,511,008
 Net Position - Beginning				 <u>8,445,606</u>
 Net Position - Ending				 <u>\$ 10,956,614</u>

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

SALINE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2021

	<u>Total Governmental Funds</u>	<u>General Fund</u>	<u>Inheritance Tax Fund</u>	<u>Road Fund</u>	<u>Covid American Rescue Plan</u>	<u>Other Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 10,956,614	\$ 902,354	\$ 4,091,943	\$ 1,856,968	\$ 1,381,427	\$ 2,723,922
Total Assets	<u>\$ 10,956,614</u>	<u>\$ 902,354</u>	<u>\$ 4,091,943</u>	<u>\$ 1,856,968</u>	<u>\$ 1,381,427</u>	<u>\$ 2,723,922</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	86,674					86,674
Emergency Services	487,652					487,652
Law Enforcement and Crime Prevention	1,868					1,868
Preservation of Records	12,361					12,361
Debt Service	639,955					639,955
Bridge/Road Projects	635,103					635,103
Child Support Enforcement	104,111					104,111
Infrastructure and Covid Relief	1,381,427				1,381,427	
Committed to:						
Law Enforcement	454,897					454,897
Bridge/Road Maintenance	2,002,353			1,856,968		145,385
Aid and Assistance	142,508					142,508
Bailiff Services	13,015					13,015
Employee Wellness	393					393
Assigned to:						
Other Purposes	4,091,943		4,091,943			
Unassigned	902,354	902,354				
Total Cash Basis Fund Balances	<u>\$ 10,956,614</u>	<u>902,354</u>	<u>4,091,943</u>	<u>1,856,968</u>	<u>1,381,427</u>	<u>2,723,922</u>

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

SALINE COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Total Governmental Funds	General Fund	Inheritance Tax Fund	Road Fund	Covid American Rescue Plan	Other Governmental Funds
Receipts						
Taxes	\$ 8,145,634	\$ 6,889,507	\$ 541,272	\$	\$	\$ 714,855
Licenses and Permits	81,448	69,348		12,100		
Intergovernmental	5,710,365	1,387,666		1,900,680	1,381,427	1,040,592
Charges for Services	2,786,176	2,511,453		7,083		267,640
Interest	88,189	85,984	2,205			
Miscellaneous	511,825	179,921		255,188		76,716
Total Receipts	<u>17,323,637</u>	<u>11,123,879</u>	<u>543,477</u>	<u>2,175,051</u>	<u>1,381,427</u>	<u>2,099,803</u>
Disbursements						
General Government	4,642,953	4,590,589	21,609			30,755
Public Safety	3,878,842	3,439,610				439,232
Public Works	4,912,300	233,578		4,584,645		94,077
Public Assistance	346,911	154,592				192,319
Culture and Recreation	17,120					17,120
Debt Service:						
Principal Payments	433,807					433,807
Interest Payments	580,696					580,696
Total Disbursements	<u>14,812,629</u>	<u>8,418,369</u>	<u>21,609</u>	<u>4,584,645</u>	<u>0</u>	<u>1,788,006</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>2,511,008</u>	<u>2,705,510</u>	<u>521,868</u>	<u>(2,409,594)</u>	<u>1,381,427</u>	<u>311,797</u>
Other Financing Sources (Uses)						
Transfers from Other Funds	11,746,478	4,673,090	4,257,680	2,567,917		247,791
Transfers to Other Funds	<u>(11,746,478)</u>	<u>(6,937,803)</u>	<u>(4,746,405)</u>	<u>(380)</u>		<u>(61,890)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(2,264,713)</u>	<u>(488,725)</u>	<u>2,567,537</u>	<u>0</u>	<u>185,901</u>
Net Change in Fund Balances	2,511,008	440,797	33,143	157,943	1,381,427	497,698
Cash Basis Fund Balance - Beginning	<u>8,445,606</u>	<u>461,557</u>	<u>4,058,800</u>	<u>1,699,025</u>	<u>0</u>	<u>2,226,224</u>
Cash Basis Fund Balance - Ending	<u>\$ 10,956,614</u>	<u>\$ 902,354</u>	<u>\$ 4,091,943</u>	<u>\$ 1,856,968</u>	<u>\$ 1,381,427</u>	<u>\$ 2,723,922</u>

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

SALINE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
ASSETS:				
Cash and Deposits	\$ 955,111	\$ 36,560,669	\$ 36,676,937	\$ 838,843
Total Assets	<u>955,111</u>	<u>36,560,669</u>	<u>36,676,937</u>	<u>838,843</u>
LIABILITIES:				
Due to Other Governments:				
State	431,471	3,986,067	4,069,106	348,432
Schools	383,536	24,548,859	24,599,240	333,155
Educational Service Units	3,470	367,433	367,629	3,274
Technical Colleges	20,894	2,214,089	2,215,284	19,699
Natural Resources Districts	5,348	537,052	537,764	4,636
Fire Districts	1,979	314,261	312,820	3,420
Municipalities	95,275	3,086,502	3,060,436	121,341
Airport Authority	560	25,289	25,415	434
Agricultural Society	1,043	110,329	110,386	986
Historical Society	238	25,527	25,536	229
Hospital	499	152,320	151,232	1,587
Others	<u>10,798</u>	<u>1,192,941</u>	<u>1,202,089</u>	<u>1,650</u>
Total Liabilities	<u>955,111</u>	<u>36,560,669</u>	<u>36,676,937</u>	<u>838,843</u>
TOTAL NET POSITION	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies and procedures adopted by Saline County, Nebraska:

A. Reporting Entity

Saline County, Nebraska (County) is a governmental entity established under and governed by the laws of the state of Nebraska (State). A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Saline County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of appointing a voting majority of an organization's governing body and 1) the ability of the county to impose its will on that organization or 2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the county.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county are presented in page 34 of this report.

B. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the activities of the County (the primary government), and are in the format of government-wide financial statements as required by GASB Statement Number 34. These statements include all the financial activities of the County except for fiduciary activities. Internal activities in these statements have not been eliminated. Governmental GAAP would require internal activity to be eliminated to minimize double counting. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities illustrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include:

1) Charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grant contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

B. Basis of Presentation (Continued):

Fund Financial Statements:

During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at the more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Saline County's major governmental funds:

General Fund:

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

Inheritance Tax Fund:

The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

Road Fund:

This Road fund is a special revenue fund that accounts for revenues and expenditures for the maintenance, construction, and improvements of the roads of the county.

Covid American Rescue Plan:

This fund is a special revenue fund that accounts for revenues and expenditures to facilitate the recovery from the economic and health effects of the Covid-19 pandemic.

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

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

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

Debt Service Funds. These funds account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as:

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

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

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

B. Basis of Presentation (Concluded):

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

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

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The County's only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Measurement Focus and Basis of Accounting:

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

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which require governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Disbursements generally are recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. Assets and Net Position:

Cash and Cash Equivalents:

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

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):

E. Assets and Net Position (Concluded):

Investments:

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

Capital Assets:

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

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

Compensated Absences:

Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an expenditure of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions.

Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Restricted Net Position

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

NOTE 2: PROPERTY TAXES:

Property taxes are levied by the County by October 15 of each year for all political subdivisions in the County. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of Motor Vehicle.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2: PROPERTY TAXES (CONCLUDED):

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-Local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people.

The levy set in October for 2020 taxes which will be materially collected in May and September, 2021, was set at \$.350337/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State Statute.

In addition, there is currently a legislative imposed lid limitation, which limits taxation to the prior year's level with provisions for growth. It may be increased by 1% by a three-fourths majority of the County Board.

NOTE 3: DEPOSITS AND INVESTMENTS:

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the combined statement of assets and other debits, liabilities, and fund balances arising from cash transactions as "equity in pooled cash and investments". Interest earned on pooled funds is credited to County General Fund in accordance with Section 77-2315, (Reissue 2009). Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest.

At year end, the County's carrying amount of deposits was \$10,956,614 and \$838,843 for Fiduciary funds. The bank balance for all funds totaled \$ 11,709,283. For purposes of classifying categories of custodial risk, the bank balances of deposits as of June 30, 2021 were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County had \$3,531,427 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 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 of all full-time employees upon the completion of 12 months of continuous service and of all full time elected officials upon taking office.

Full or part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 25 and completing a total of 12 months service within a five-year period. Part time elected officials may exercise the option to join. County employees and elected officials contribute 4.5% of their total compensation except for Certified Law Enforcement employees who contribute 5.5%. In addition, the County contributes an amount equal to 150% of the employee's contribution.

The contribution rates are established by Neb. Rev. Stat. Sections 23-2307 and 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system, including the twelve-month eligibility period or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

For the year ended June 30, 2021, the employees contributed \$250,370 and the County contributed \$369,801, which consisted of cash contributions. Lastly, the County paid \$96 directly to two retired employees for prior service benefits.

NOTE 5: DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. The plan is recorded as an agency fund of the county.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the County (without being restricted to the revisions of the plan) subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5: DEFERRED COMPENSATION PLAN (CONCLUDED):

The following is a summary of the increases and decreases of the fund for the year ended June 30, 2021:

Fund Assets (at market value), July 1, 2020	\$ 782,616
Deferrals of compensation	58,328
Withdrawals	(95,409)
Net earnings and adjustments to market value	<u>358,902</u>
Fund Assets (at market value), June 30, 2021	<u>\$ 1,104,437</u>

NOTE 6: INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund		380	4,671,750	960	4,673,090
Road Fund	2,567,917				2,567,917
Inheritance Fund	4,196,750			60,930	4,257,680
Nonmajor Funds	173,136		74,655		247,791
Total	<u>6,937,803</u>	<u>380</u>	<u>4,746,405</u>	<u>61,890</u>	<u>11,746,478</u>

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the fiscal year, the County made multiple transfers from the General Fund and Inheritance Fund to other nonmajor funds, which were eventually repaid back to the General and Inheritance Funds.

NOTE 7: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursements.

It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2021.

NOTE 8: RELATED PARTY TRANSACTIONS:

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2021.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 9: ACCUMULATED COMPENSATED ABSENCES:

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's services, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

NOTE 10: JOINT VENTURE:

Saline County has entered into an agreement with the other counties in Region V in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region V consists of sixteen counties. Separate agreements were established under the authority of the Inter-Local Cooperation Act for services to be provided under each of the acts. The governing boards for Region V services are established by Statute and the agreements and include representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing boards and as required by the Acts. Funding is provided by a combination of federal, state, local, and private funding. Saline County contributed \$67,317 towards the operation of Region V during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

NOTE 11: LONG-TERM DEBT:

Bonds

Highway Allocation Bond

The County issued bonds in 2021, in the amount of \$3,895,000 for the purpose of refinancing the old highway bond within Saline County. The bond payable, as of June 30, 2021, was \$3,895,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Courthouse Building Bond

The County originally issued bonds for the purpose of paying the costs of renovating and improving its existing courthouse and constructing an addition. The original amount of the refunding bonds was \$7,410,000. The bond payable balance, as of June 30, 2021, was \$7,410,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax payments will be used to pay off these bonds.

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 11: LONG-TERM DEBT (CONCLUDED):

Total Future Payments on All Bonds:

<u>Fiscal Year</u> <u>End June 30</u>		<u>Principal</u>		<u>Interest</u>		<u>Totals</u>
2022	\$	645,000	\$	124,395	\$	769,395
2023		785,000		114,494		899,494
2024		785,000		103,713		888,713
2025		800,000		92,619		892,619
2026		810,000		81,185		891,185
2027-31		4,170,000		303,320		4,473,320
2032-36		3,310,000		97,387		3,407,387
Total		<u>11,305,000</u>		<u>917,113</u>		<u>12,222,113</u>

NOTE 12: RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 68 counties throughout Nebraska.

The County pays an annual deposit premium as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire Pool.

If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be sent to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each county shall remain liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such county's period of membership.

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

	<u>NIRMA Coverage</u>	<u>Maximum Coverage</u>
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost
General Liability Claim	300,000	5,000,000
Worker's Compensation Claim	550,000	Statutory Limits

**SALINE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 12: RISK MANAGEMENT (CONCLUDED):

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 13: COMMITMENTS:

The County has four capital projects for which bids have been accepted but not paid entirely. These projects are paid up to date for the work done with remaining total commitments of \$ 1,072,364. These capital projects are expected to be finished in 2022 budget year and paid.

NOTE 14: SUBSEQUENT EVENTS:

Upon evaluation, the County notes that there were no material subsequent events between the date of the financial statements and June 30, 2022, the date the financial statements were issued or available to be issued.

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
RECEIPTS				
Taxes	\$ 7,419,475	\$ 7,419,475	\$ 6,889,507	\$ (529,968)
Licenses and Permits	39,000	39,000	69,348	30,348
Intergovernmental	67,150	67,150	1,387,666	1,320,516
Charges for Services	2,219,000	2,219,000	2,511,453	292,453
Interest	160,200	160,200	85,984	(74,216)
Miscellaneous	26,800	26,800	179,921	153,121
TOTAL RECEIPTS	9,931,625	9,931,625	11,123,879	1,192,254
DISBURSEMENTS				
General Government:				
Board of Supervisors	165,263	165,263	158,707	6,556
Clerk	204,645	204,645	194,010	10,635
Treasurer	314,612	314,612	266,925	47,687
Assessor	351,450	351,450	279,723	71,727
Election Commissioner	55,850	55,850	47,222	8,628
Planning & Zoning	14,406	14,406	15,665	(1,259)
Data Processing	28,800	28,800	29,249	(449)
Administrative Services	57,742	57,742	45,308	12,434
Clerk of District Court	111,755	111,755	100,106	11,649
County Court System	16,500	16,500	9,952	6,548
Building & Grounds	698,966	698,966	319,517	379,449
Agricultural Extension Agent	178,116	178,116	164,657	13,459
Miscellaneous	3,139,134	3,139,134	2,959,548	179,586
Public Safety:				
Sheriff	997,134	997,134	951,842	45,292
County Attorney	254,865	254,865	220,005	34,860
Attorney-Child Support	119,498	119,498	92,670	26,828
CDC-Child Support	345,047	345,047	60,358	284,689
County Jail	1,904,564	1,904,564	1,745,090	159,474
911 Emergency	295,697	295,697	273,204	22,493
Emergency Management	109,535	109,535	96,441	13,094
Public Works:				
Highway Superintendent	149,550	149,550	133,119	16,431
Surveyor	33,675	33,675	31,281	2,394
Noxious Weed	74,326	74,326	69,178	5,148
Public Assistance:				
Veterans' Service Officer	57,606	57,606	42,154	15,452
Aging Services Payroll	0	0	112,438	(112,438)
TOTAL DISBURSEMENTS	9,678,736	9,678,736	8,418,369	1,260,367
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	252,889	252,889	2,705,510	2,452,621
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,046,000	2,046,000	4,673,090	2,627,090
Transfers to Other Funds	(2,384,988)	(2,384,988)	(6,937,803)	(4,552,815)
Net Change in Fund Balance	(86,099)	(86,099)	440,797	526,896
FUND BALANCES - BEGINNING	461,557	461,557	461,557	0
FUND BALANCES - ENDING	\$ 375,458	\$ 375,458	\$ 902,354	\$ 526,896

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>INHERITANCE TAX</u>				
Receipts				
Taxes	\$ 250,000	\$ 250,000	\$ 541,272	\$ 291,272
Interest	0	0	2,205	2,205
Total Receipts	250,000	250,000	543,477	293,477
Disbursements	2,262,800	2,262,800	21,609	2,241,191
Excess (Deficiency) of Receipts Over Disbursements	(2,012,800)	(2,012,800)	521,868	2,534,668
Other Financing Sources				
Transfer from Other Fund	0	0	4,257,680	4,257,680
Transfer to Other Fund	(2,046,000)	(2,046,000)	(4,746,405)	(2,700,405)
Total Other Financing Sources (Uses)	(2,046,000)	(2,046,000)	(488,725)	1,557,275
Net Change in Fund Balance	(4,058,800)	(4,058,800)	33,143	4,091,943
Fund Balance at Beginning of Year	4,058,800	4,058,800	4,058,800	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 4,091,943	\$ 4,091,943
<u>ROAD FUND</u>				
Receipts				
License and Permits	\$ 6,000	\$ 6,000	\$ 12,100	\$ 6,100
Intergovernmental	2,025,152	2,025,152	1,900,680	(124,472)
Charges for Services	0	0	7,083	7,083
Miscellaneous	65,000	65,000	255,188	190,188
Total Receipts	2,096,152	2,096,152	2,175,051	78,899
Disbursements	5,715,600	5,715,600	4,584,645	1,130,955
Excess (Deficiency) of Receipts Over Disbursements	(3,619,448)	(3,619,448)	(2,409,594)	1,209,854
Other Financing Sources:				
Transfer from Other Fund	2,221,000	2,221,000	2,567,917	346,917
Transfer to Other Fund	0	0	(380)	(380)
Net Change in Fund Balance	(1,398,448)	(1,398,448)	157,943	1,556,391
Fund Balance at Beginning of Year	1,699,025	1,699,025	1,699,025	0
Fund Balance at End of Year	\$ 300,577	\$ 300,577	\$ 1,856,968	\$ 1,556,391

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

COVID AMERICAN RESCUE PLAN	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Receipts	\$ 0	\$ 0	\$ 1,381,427	\$ 1,381,427
Disbursements	0	0	0	0
Net Change in Fund Balance	0	0	1,381,427	1,381,427
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,381,427	\$ 1,381,427

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>DISTRICT COURT - BALIFF FUND</u>				
Receipts				
Intergovernmental	\$ 49,628	\$ 49,628	\$ 49,628	\$ 0
Disbursements	81,524	81,524	74,897	6,627
Transfer from Other Funds	27,977	27,977	37,577	9,600
Transfer to Other Funds	0	0	(9,600)	(9,600)
Net Change in Fund Balance	(3,919)	(3,919)	2,708	6,627
Fund Balance at Beginning of Year	10,307	10,307	10,307	0
Fund Balance at End of Year	<u>\$ 6,388</u>	<u>\$ 6,388</u>	<u>\$ 13,015</u>	<u>\$ 6,627</u>
<u>CHILD SUPPORT ENFORCEMENT FUND</u>				
Receipts				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 0	\$ (16,000)
Disbursements	120,111	120,111	0	120,111
Net Change in Fund Balance	(104,111)	(104,111)	0	104,111
Fund Balance at Beginning of Year	104,111	104,111	104,111	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,111</u>	<u>\$ 104,111</u>
<u>VISITOR PROMOTION FUND</u>				
Receipts				
Taxes	\$ 12,788	\$ 12,788	\$ 23,941	\$ 11,153
Disbursements	43,000	43,000	2,843	40,157
Net Change in Fund Balance	(30,212)	(30,212)	21,098	51,310
Fund Balance at Beginning of Year	30,212	30,212	30,212	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,310</u>	<u>\$ 51,310</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>VISITORS IMPROVEMENT FUND</u>				
Receipts				
Taxes	\$ 12,300	\$ 12,300	\$ 23,941	\$ 11,641
Disbursements	38,000	38,000	14,277	23,723
Net Change in Fund Balance	(25,700)	(25,700)	9,664	35,364
Fund Balance at Beginning of Year	25,700	25,700	25,700	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 35,364	\$ 35,364
<u>JUVENILE SERVICES AND GRANT</u>				
Receipts				
Intergovernmental	\$ 70,178	\$ 70,178	\$ 59,381	\$ (10,797)
Miscellaneous	0	0	1,300	1,300
Disbursements	71,498	71,498	59,173	12,325
Transfer from Other Funds	0	0	37,060	37,060
Transfer to Other Funds	0	0	(38,020)	(38,020)
Net Change in Fund Balance	(1,320)	(1,320)	548	1,868
Fund Balance at Beginning of Year	1,320	1,320	1,320	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,868	\$ 1,868
<u>WIRELESS SERVICE-HOLDING</u>				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	296,952	296,952	13,236	283,716
Transfer from Other Fund	93,889	93,889	0	(93,889)
Net Change in Fund Balance	(203,063)	(203,063)	(13,236)	189,827
Fund Balance at Beginning of Year	203,063	203,063	203,063	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 189,827	\$ 189,827

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>VETERAN'S AID FUND</u>				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 2	\$ 2
Disbursements	3,334	3,334	0	3,334
Net Change in Fund Balance	(3,334)	(3,334)	2	3,336
Fund Balance at Beginning of Year	3,334	3,334	3,334	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,336</u>	<u>\$ 3,336</u>
<u>DRUG LAW ENFORCEMENT</u>				
Receipts				
Miscellaneous	\$ 100	\$ 100	\$ 0	\$ (100)
Disbursements	100	100	0	100
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>JAIL BOND</u>				
Receipts				
Property Taxes	\$ 0	\$ 0	\$ 12,614	\$ 12,614
Intergovernmental	12,896	12,896	166	(12,730)
Disbursements				
Principal	145,000	145,000	135,000	10,000
Interest	1,249	1,249	1,249	0
Net Change in Fund Balance	(133,353)	(133,353)	(123,469)	9,884
Fund Balance at Beginning of Year	133,353	133,353	133,353	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,884</u>	<u>\$ 9,884</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>AGING SERVICES FUND</u>				
Receipts				
Intergovernmental	\$ 77,785	\$ 77,785	\$ 77,483	(302)
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>72,394</u>	<u>\$ 12,394</u>
Disbursements	<u>263,095</u>	<u>263,095</u>	<u>192,319</u>	<u>70,776</u>
Transfer from Other Fund	<u>99,000</u>	<u>99,000</u>	<u>125,314</u>	<u>26,314</u>
Net Change in Fund Balance	(26,310)	(26,310)	82,872	109,182
Fund Balance at Beginning of Year	<u>46,800</u>	<u>46,800</u>	<u>46,800</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,490</u>	<u>\$ 20,490</u>	<u>\$ 129,672</u>	<u>\$ 109,182</u>
<u>JUVENILE DIVERSION</u>				
Receipts				
Charges for Services	\$ 200	\$ 200	\$ 0	(200)
Disbursements	<u>9,462</u>	<u>9,462</u>	<u>1,380</u>	<u>8,082</u>
Net Change in Fund Balance	(9,262)	(9,262)	(1,380)	7,882
Fund Balance at Beginning of Year	<u>9,262</u>	<u>9,262</u>	<u>9,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,882</u>	<u>\$ 7,882</u>
<u>HIGHWAY BOND</u>				
Receipts				
Intergovernmental	\$ 402,767	\$ 402,767	\$ 402,767	0
Disbursements				
Principal Payments	515,652	515,652	275,000	240,652
Interest Payments	<u>125,426</u>	<u>125,426</u>	<u>161,407</u>	<u>(35,981)</u>
Net Change in Fund Balance	(238,311)	(238,311)	(33,640)	204,671
Fund Balance at Beginning of Year	<u>238,311</u>	<u>238,311</u>	<u>238,311</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 204,671</u>	<u>\$ 204,671</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
DRUG COURT FUND				
Receipts				
Intergovernmental	\$ 19,220	\$ 19,220	\$ 8,161	\$ (11,059)
Miscellaneous	0	0	3,022	3,022
Disbursements	26,500	26,500	20,146	6,354
Transfer from Other Fund	3,899	3,899	1,500	(2,399)
Transfer to Other Fund	0	0	0	0
Net Change in Fund Balance	(3,381)	(3,381)	(7,463)	(4,082)
Fund Balance at Beginning of Year	7,646	7,646	7,646	0
Fund Balance at End of Year	<u>\$ 4,265</u>	<u>\$ 4,265</u>	<u>\$ 183</u>	<u>\$ (4,082)</u>
GRANT FUND				
Receipts				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 17,560	\$ (82,440)
Disbursements	102,850	102,850	22,980	79,870
Transfer to Other Fund	0	0	(9,675)	(9,675)
Transfer from Other Fund	0	0	21,745	21,745
Net Change in Fund Balance	(2,850)	(2,850)	6,650	9,500
Fund Balance at Beginning of Year	2,850	2,850	2,850	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,500</u>	<u>\$ 9,500</u>
EMPLOYEE WELLNESS FUND				
Receipts				
Charges for Service	\$ 3,100	\$ 3,100	\$ 3,474	\$ 374
Disbursements	36,686	36,686	23,555	13,131
Transfer to Other Fund	0	0	(4,595)	(4,595)
Transfer from Other Fund	33,112	33,112	24,595	(8,517)
Net Change in Fund Balance	(474)	(474)	(81)	393
Fund Balance at Beginning of Year	474	474	474	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 393</u>	<u>\$ 393</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>HOMELAND SECURITY FUND</u>				
Receipts				
Intergovernmental	\$ 26,373	\$ 26,373	\$ 0	\$ (26,373)
Disbursements	27,000	27,000	0	27,000
Net Change in Fund Balance	(627)	(627)	0	627
Fund Balance at Beginning of Year	627	627	627	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 627	\$ 627
<u>EMERGENCY PREPAREDNESS FUND</u>				
Receipts				
Intergovernmental	\$ 33,650	\$ 33,650	\$ 30,000	\$ (3,650)
Disbursements	53,633	53,633	5,610	48,023
Net Change in Fund Balance	(19,983)	(19,983)	24,390	44,373
Fund Balance at Beginning of Year	19,983	19,983	19,983	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 44,373	\$ 44,373
<u>911 WIRELESS SERVICE FUND</u>				
Receipts				
Intergovernmental	\$ 63,497	\$ 63,497	\$ 63,498	\$ 1
Disbursements	162,435	162,435	18,626	143,809
Net Change in Fund Balance	(98,938)	(98,938)	44,872	143,810
Fund Balance at Beginning of Year	98,938	98,938	98,938	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 143,810	\$ 143,810

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
911 EMERGENCY MANAGEMENT FUND				
Receipts				
Charges for Service	\$ 28,000	\$ 28,000	\$ 27,760	\$ (240)
Disbursements	126,265	126,265	17,010	109,255
Net Change in Fund Balance	(98,265)	(98,265)	10,750	109,015
Fund Balance at Beginning of Year	98,265	98,265	98,265	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 109,015	\$ 109,015
COMMISSARY FUND				
Receipts				
Charges for Services	\$ 181,530	\$ 181,530	\$ 201,797	\$ 20,267
Disbursements	450,000	450,000	200,203	249,797
Net Change in Fund Balance	(268,470)	(268,470)	1,594	270,064
Fund Balance at Beginning of Year	268,470	268,470	268,470	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 270,064	\$ 270,064
HIGHWAY BRIDGE BUYBACK				
Receipts				
Intergovernmental	\$ 336,191	\$ 336,191	\$ 336,190	\$ (1)
Disbursements	555,890	555,890	94,077	461,813
Net Change in Fund Balance	(219,699)	(219,699)	242,113	461,812
Fund Balance at Beginning of Year	219,699	219,699	219,699	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 461,812	\$ 461,812

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>CRIME PREVENTION FUND</u>				
Receipts				
Charges for Service	\$ 26,176	\$ 26,176	\$ 23,915	\$ (2,261)
Disbursements	185,000	185,000	5,971	179,029
Net Change in Fund Balance	(158,824)	(158,824)	17,944	176,768
Fund Balance at Beginning of Year	158,824	158,824	158,824	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176,768</u>	<u>\$ 176,768</u>
<u>INFRA DAMAGE/DISASTER FUND</u>				
Receipts	\$ 0	\$ 0	\$ 0	\$ 0
Disbursements	1,100	1,100	0	1,100
Net Change in Fund Balance	(1,100)	(1,100)	0	1,100
Fund Balance at Beginning of Year	1,100	1,100	1,100	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
<u>FED DRUG LAW ENFORCEMENT</u>				
Receipts				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Disbursements	2,000	2,000	0	2,000
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>REGISTER OF DEEDS PRESERVATION & MODERNIZATION</u>				
Receipts				
Charges for Services	\$ 9,133	\$ 9,133	\$ 10,694	\$ 1,561
Disbursements	18,000	18,000	7,200	10,800
Net Change in Fund Balance	(8,867)	(8,867)	3,494	12,361
Fund Balance at Beginning of Year	8,867	8,867	8,867	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 12,361	\$ 12,361
<u>EMERGENCY BRIDGE FUND</u>				
Receipts				
Intergovernmental	\$ 0	\$ 0	\$ 11	\$ 11
Disbursements	173,280	173,280	0	173,280
Net Change in Fund Balance	(173,280)	(173,280)	11	173,291
Fund Balance at Beginning of Year	173,280	173,280	173,280	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 173,291	\$ 173,291
<u>COURTHOUSE BUILDING BOND</u>				
Receipts				
Taxes	\$ 643,000	\$ 643,000	\$ 590,861	\$ (52,139)
Intergovernmental	1,800	1,800	59,243	57,443
Total Receipts	644,800	644,800	650,104	5,304
Disbursements				
Principal Payments	265,000	265,000	23,807	241,193
Interest Payments	596,943	596,943	418,040	178,903
Net Change in Fund Balance	(217,143)	(217,143)	208,257	425,400
Fund Balance at Beginning of Year	217,143	217,143	217,143	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 425,400	\$ 425,400

SALINE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>SPECIAL ROAD FUND</u>				
Receipts				
Intergovernmental	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Disbursements	<u>144,285</u>	<u>144,285</u>	<u>0</u>	<u>144,285</u>
Net Change in Fund Balance	(144,285)	(144,285)	0	144,285
Fund Balance at Beginning of Year	<u>144,285</u>	<u>144,285</u>	<u>144,285</u>	<u>0</u>
Fund Balance at End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>144,285</u></u>	\$ <u><u>144,285</u></u>

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Total Nonmajor Governmental Funds	District Court - Bailliff Fund	Child Support Enforcement Fund	Visitors Promotion Fund	Visitor Improvement Fund
Receipts:					
Intergovernmental	\$ 1,040,592	\$ 49,628	\$ 0		\$ 23,941
Taxes	714,855			23,941	23,941
Charges for Service	267,640				
Miscellaneous	76,716				
Total Receipts	<u>2,099,803</u>	<u>49,628</u>	<u>0</u>	<u>23,941</u>	<u>23,941</u>
Disbursements:					
General Government	30,755				
Public Safety	439,232	74,897	0		
Public Works	94,077				
Public Assistance	192,319				
Culture and Recreation	17,120			2,843	14,277
Debt Service: Principal Payments	433,807				
Interest Payments	580,696				
Total Disbursement	<u>1,788,006</u>	<u>74,897</u>	<u>0</u>	<u>2,843</u>	<u>14,277</u>
Other Financing Sources					
Transfers In	247,791	37,577		0	0
Transfers Out	<u>(61,890)</u>	<u>(9,600)</u>			
Total Other Financing Sources	<u>185,901</u>	<u>27,977</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	497,698	2,708	0	21,098	9,664
Fund Balances at Beginning of Year	<u>2,226,224</u>	<u>10,307</u>	<u>104,111</u>	<u>30,212</u>	<u>25,700</u>
Fund Balances at End of Year	<u>\$ 2,723,922</u>	<u>\$ 13,015</u>	<u>\$ 104,111</u>	<u>\$ 51,310</u>	<u>\$ 35,364</u>

<u>Veterans' Aid Fund</u>	<u>Aging Services Fund</u>	<u>Juvenile Diversion</u>	<u>Drug Court Fund</u>	<u>Grant Fund</u>	<u>Homeland Security Fund</u>	<u>Emergency Preparedness Fund</u>	<u>911 Emergency Management Fund</u>	<u>Commissary Fund</u>	<u>Crime Prevention Fund</u>
\$ 2	\$ 77,483	\$ 0	\$ 8,161	\$ 17,560	\$ 0	\$ 30,000	\$ 27,760	\$ 201,797	\$ 23,915
	<u>72,394</u>		<u>3,022</u>	<u>0</u>					
<u>2</u>	<u>149,877</u>	<u>0</u>	<u>11,183</u>	<u>17,560</u>	<u>0</u>	<u>30,000</u>	<u>27,760</u>	<u>201,797</u>	<u>23,915</u>
		1,380	20,146	22,980	0	5,610	17,010	200,203	5,971
0	192,319								
<u>0</u>	<u>192,319</u>	<u>1,380</u>	<u>20,146</u>	<u>22,980</u>	<u>0</u>	<u>5,610</u>	<u>17,010</u>	<u>200,203</u>	<u>5,971</u>
	125,314		1,500	21,745		0			
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,675)</u>		<u>0</u>			
<u>0</u>	<u>125,314</u>	<u>0</u>	<u>1,500</u>	<u>12,070</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2	82,872	(1,380)	(7,463)	6,650	0	24,390	10,750	1,594	17,944
<u>3,334</u>	<u>46,800</u>	<u>9,262</u>	<u>7,646</u>	<u>2,850</u>	<u>627</u>	<u>19,983</u>	<u>98,265</u>	<u>268,470</u>	<u>158,824</u>
<u>\$ 3,336</u>	<u>\$ 129,672</u>	<u>\$ 7,882</u>	<u>\$ 183</u>	<u>\$ 9,500</u>	<u>\$ 627</u>	<u>\$ 44,373</u>	<u>\$ 109,015</u>	<u>\$ 270,064</u>	<u>\$ 176,768</u>

<u>Infra Damage/ Disaster Fund</u>	<u>Jail Bond Fund</u>	<u>Register of Deeds Preservation and Modernization</u>	<u>Emergency Bridge Fund</u>	<u>Special Road Fund</u>	<u>Fed Drug Law Enforcement Fund</u>	<u>Highway Bond</u>	<u>Highway Bridge Buyback</u>	<u>Employee Wellness</u>
\$ 0	\$ 166 12,614	\$ 10,694	\$ 11	\$ 0	\$ 0	\$ 402,767	\$ 336,190	\$ 3,474
0	12,780	10,694	11	0	0	402,767	336,190	3,474
0		7,200	0	0	0		94,077	23,555
	135,000 1,249					275,000 161,407		
0	136,249	7,200	0	0	0	436,407	94,077	23,555
0	0	0	0	0	0	0	0	20,000
0	(123,469)	3,494	11	0	0	(33,640)	242,113	(81)
1,100	133,353	8,867	173,280	144,285	0	238,311	219,699	474
<u>\$ 1,100</u>	<u>\$ 9,884</u>	<u>\$ 12,361</u>	<u>\$ 173,291</u>	<u>\$ 144,285</u>	<u>\$ 0</u>	<u>\$ 204,671</u>	<u>\$ 461,812</u>	<u>\$ 393</u>

911 Wireless Services	Wireless Service-Holding	Juvenile Services and Grant	Courthouse Building Bond Fund
\$ 63,498	\$	\$ 59,381	\$ 59,243
			590,861
		1,300	
63,498	0	60,681	650,104
18,626	13,236	59,173	
			23,807
			418,040
18,626	13,236	59,173	441,847
0	0	37,060	0
0		(38,020)	0
0	0	(960)	0
44,872	(13,236)	548	208,257
98,938	203,063	1,320	217,143
\$ 143,810	\$ 189,827	\$ 1,868	\$ 425,400

**SALINE COUNTY
SCHEDULE OF OFFICE ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Aid	County Planning and Zoning	County Aging Service	UNL Extension	County Wellness Program	Total Memorandum Only
BALANCE, JULY 1, 2020	\$ 28,583	\$ 69,756	\$ 31,827	\$ 3,359	\$ 4,468	\$ 3,578	\$ 0	\$ 100	\$ 7,202	\$ 0	\$ 148,873
RECEIPTS											
License and Permits			9,035		13,300		1,125				23,460
Intergovernmental					613,892			9,291			623,183
Charges for Services	119,177	34,753	237,060	200	436,886			58,161	10,303	2,361	896,540
State Fees	141,183	18,597						82,384			242,164
Other Liabilities		162,646	222,963	19,826							405,435
Miscellaneous				3,300						1,105	3,300
Total Receipts	260,360	215,996	469,058	23,326	1,064,078	0	1,125	149,836	10,303	3,466	2,194,082
DISBURSEMENTS											
Payments to County Treasurer	121,054	32,447		200	873,090		1,125	129,399	10,952	3,466	1,168,267
Payments to State Treasurer	144,006	19,768	242,271								406,045
Other Liabilities		131,627	211,789	23,937							367,353
Total Disbursements	265,060	183,842	454,060	24,137	873,090	0	1,125	129,399	10,952	3,466	1,941,665
BALANCE, JUNE 30, 2021	\$ 23,883	\$ 101,910	\$ 46,825	\$ 2,548	\$ 195,456	\$ 3,578	\$ 0	\$ 20,537	\$ 6,553	\$ 0	\$ 401,290
BALANCE CONSISTS OF:											
Petty Cash				2,500				100	75		2,675
Due to County Treasurer	11,369	3,344	7,606	48	195,456	3,578		20,437	6,478		248,316
Due to State Treasurer	12,514	1,359									13,873
Due to Others		97,207	39,219								136,426
BALANCE, JUNE 30, 2021	\$ 23,883	\$ 101,910	\$ 46,825	\$ 2,548	\$ 195,456	\$ 3,578	\$ 0	\$ 20,537	\$ 6,553	\$ 0	\$ 401,290

SCHULZ & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

106 Eastside Blvd
Beatrice, NE 68310-3477
Phone (402) 223-3598
Fax (402) 228-4731

E-mail: contactus@schulzcpas.com
Website: www.schulzcpas.com

300 6th Street, P.O. Box 535
Fairbury, NE 68352-0535
Phone (402) 729-6137
Fax (402) 729-6337

INDEPENDENT AUDITORS' 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

County Board of Commissioners
Saline County, Nebraska
Wilber, Nebraska

We have audited, in accordance with the 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 Saline County, Nebraska as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2022. The report states that the financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saline 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 Saline County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Saline County, Nebraska'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 that we consider to be material weaknesses.

Internal Control over Financial Reporting, continued

We did identify the following deficiency in internal control described below that we consider to be a significant deficiency:

- The County offices had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost.

County's Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saline 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*.

Additional Items

We also noted matters that we reported to the management of Saline County, Nebraska in a separate letter dated June 30, 2022.

Saline County, Nebraska's Response to Findings

Saline County, Nebraska's response to the findings identified in our audit is described above. 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 Saline County, Nebraska'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.

Schulz & Associates

SCHULZ & ASSOCIATES, P.C.
Certified Public Accountants
June 30, 2022

SCHULZ & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

106 Eastside Blvd
Beatrice, NE 68310-3477
Phone (402) 223-3598
Fax (402) 228-4731

E-mail: contactus@schulzcpas.com
Website: www.schulzcpas.com

300 6th Street, P.O. Box 535
Fairbury, NE 68352-0535
Phone (402) 729-6137
Fax (402) 729-6337

MANAGEMENT LETTER

Board of Supervisors
Saline County
Wilber, Nebraska

During the course of our audit of the financial statements of Saline County for the fiscal year ended June 30, 2021, we noted the following items we wish to bring to your attention:

COUNTY OVERALL

Vacation & Sick Leave

For fiscal year ended June 30, 2021, we inquired about and calculated vacation and sick leave and there were many employees with the incorrect amount of vacation and sick leave accrued and used for the year. This resulted in employees using more vacation and sick leave than they were entitled to. It appears that no one was tracking this information correctly. It is recommended that the elected officials view their employees' timesheets and keep track of vacation and sick leave used and earned. The elected official should give the timesheets directly to the Clerk once the timesheets are approved so there is not a chance the employees can change anything. This issue was brought to the Clerks attention during our audit fieldwork and many policies were changed to correct this issue going forward.

Segregation of Duties

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

During our examination we noted the following:

- The offices of the County each had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. This was also noted in prior audits.

A lack of segregation of duties contributes to an increased risk of loss, theft, or misuse of funds.

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

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

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Schulz & Associates

SCHULZ & ASSOCIATES, P.C.
Certified Public Accountants
June 30, 2022

SCHULZ & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

106 Eastside Blvd
Beatrice, NE 68310-3477
Phone (402) 223-3598
Fax (402) 228-4731

E-mail: contactus@schulzcpas.com
Website: www.schulzcpas.com

300 6th Street, P.O. Box 535
Fairbury, NE 68352-0535
Phone (402) 729-6137
Fax (402) 729-6337

County Board of Commissioners
Saline County
Wilber, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saline County for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 26, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Saline County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Kerby Cunningham, CPA – Christy Haddan, CPA – Colt Feighner, CPA
Wayne M. Schulz, CPA – Susan K. Robinson, CPA

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2022.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Saline County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting described in Note 1 of the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the County Board of Commissioners and management of Saline County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Schulz & Associates

Schulz & Associates, P.C.
Certified Public Accountants
June 30, 2022