WEST CENTRAL DISTRICT HEALTH DEPARTMENT

NORTH PLATTE, NEBRASKA

FINANCIAL STATEMENTS

JUNE 30, 2021

DANA F. COLE & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
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DANA F. COLE & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
West Central District Health Department
North Platte, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of West Central District Health Department as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Department'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 modified cash basis of accounting described in Note 1; this includes determining that the modified 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 error or fraud.

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 entity'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 entity'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 above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund of West Central District Health Department as of June 30, 2021, and the respective changes in financial position - modified cash basis thereof for the year then ended in accordance with the basis of accounting as 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 modified 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 Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Central District Health Department's basic financial statements. The supplementary information on pages 15 - 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021, on our consideration of West Central District Health Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 West Central District Health Department's internal control over financial reporting and compliance.

Dana J. Cole + Company, LLP

North Platte, Nebraska
December 27, 2021

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Disburse-ments	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental activities				
Administration/disease prevention	1,236,177	3,175	1,045,924	(187,078)
Health services	174,884	202,540		27,656
Total governmental activities	1,411,061	205,715	1,045,924	(159,422)
General revenues				
State funds - LB 1060/692				375,127
Rent and other receipts				1,884
Total general revenues				377,011
CHANGE IN NET POSITION				217,589
NET POSITION, beginning of year				(54,261)
NET POSITION, end of year				163,328
ASSETS				
Cash in bank and on hand				165,853
LIABILITIES				
Payroll taxes withheld				2,525
NET POSITION				
Unrestricted				163,328

The accompanying notes are an integral part of these financial statements.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE
MODIFIED CASH BASIS
JUNE 30, 2021

ASSETS

ASSETS	
Cash in bank and on hand	165,853

LIABILITIES AND FUND BALANCE

LIABILITIES	
Payroll taxes withheld	2,525
FUND BALANCE	
Unassigned	163,328
TOTAL LIABILITIES AND FUND BALANCE	165,853

The accompanying notes are an integral part of these financial statements.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2021

REVENUES	
LB 692	182,208
LB 1060	192,919
Grants	1,045,924
Clinic fees	202,540
Donations	3,175
Rent and other receipts	1,884
Total revenues	1,628,650
EXPENDITURES	
Advertising	13,098
Automobile expenses	948
Communications	14,654
Computer expenses	21,810
Conference and continuing education	10,326
Contract labor	105,336
Dues and subscriptions	6,506
Capital outlay	26,354
Insurance	21,447
Lab fees	4,054
Licenses and permits	926
Maintenance	1,771
Miscellaneous	9,020
Office expense	61,172
Payroll expenses	841,608
Professional fees	1,061
Rent	65,856
Supplies	85,392
Travel and lodging	8,236
Vaccine	111,486
Total expenditures	1,411,061
CHANGE IN FUND BALANCE	217,589
FUND BALANCE, beginning of year	(54,261)
FUND BALANCE, end of year	163,328

The accompanying notes are an integral part of these financial statements.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the West Central District Health Department (the Department).

Reporting Entity

West Central District Health Department is a public health department created by Nebraska Revised Statutes 71-1626 to 71-1636. The Department serves counties in western Nebraska. The Department's financial statements include all funds over which the Board of Directors exercises oversight responsibility. Oversight responsibility includes such aspects as designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The Department is not includable as a component unit within another reporting entity. Board members consist of one County Commissioner and one public-spirit-minded person selected from each county in the district, plus a physician and a dentist.

Basic Financial Statements - Government-Wide Statements

The Department utilizes the provisions of Statement 34 of the Government Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement 34 established standards for external financial reporting for all state and local government entities, which include government-wide financial statements, fund financial statements, and the classification of net assets into three components: invested in capital assets, net of related debt; restricted; and unrestricted.

The statement of net position and statement of activities report information on the Department as a whole. They include all funds of the Department. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Department does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are 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 or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general receipts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

The financial transactions of the Department are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and expenditures.

Fund Types

The accounts of the Department are organized on the basis of funds, which are grouped into the following fund type:

Governmental Fund Types

General Fund - This fund accounts for financial resources in use for general types of operations. Any fund balances are considered as resources available for use. This fund accounts for all financing resources except for those required to be accounted for in other funds.

Basis of Accounting

The Department prepares its financial statements on the modified cash basis of accounting, which is consistent with the State of Nebraska Auditor of Public Accounts and Nebraska statutes. Under the modified cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous transactions (other than proceeds from a bond issue) are recorded as liabilities of a particular fund. Accordingly, the Department's financial statements are not intended to present financial position and results of operation in conformity with accounting principles generally accepted in the United States of America.

The Department does not use the encumbrance method of accounting for expenditures.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The Department expenses supply items and materials when paid for.

Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provision or enabling legislation.

Unrestricted net position does not meet the definition of restricted.

It is the Department's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for purposes in which both restricted and unrestricted net position are available.

Fund Financial Statements

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Department is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The Department currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The Department currently has no amounts classified in this category.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Department. These amounts cannot be used for any other purpose unless the Department Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Department currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the Department's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Department Board or through the Department Board delegating this responsibility to the Department administrator through the budgetary process. The Department currently has no amounts classified in this category.

Unassigned

This classification includes the residual fund balance for the General Fund.

The Department would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Budget Process and Property Taxes

The Department was required by state law to adopt an annual budget for each year ending June 30, 2006, and thereafter.

State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditures and/or tax levy limitations. The Department will not levy any taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Process and Property Taxes (Continued)

The Department follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

The Department submits to the Board of Directors a proposed operating budget, on the cash basis, for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the resources available to finance them.

The budget is published with subsequent public hearings to obtain comments.

Prior to September 20, the Board of Directors adopts the budget, which is then filed with the appropriate state and county officials.

Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end, and any revisions to the budget require Board of Directors approval.

Compensated Absences

The Department allows employees who are determined to be eligible to accrue paid time off if they are regular full time or regular part time employees. The amount of days accrued per year increases with length of service. The years of service is based on the employee's anniversary date with the Department and not a calendar year. Paid time off is accrued bi-weekly and the employees can only accrue up to a certain amount based on their years of employment using their anniversary date.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the Department requires management to make estimates and assumptions that affect certain reported amounts and disclosures, and accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In January 2017, GASB issued Statement 84, *Fiduciary Activities*. This statement is effective for fiscal years beginning after December 15, 2019. The Department did not early implement this statement. GASB 84 establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Certain fiduciary activities meeting the new criteria will be reported as custodial funds and a statement of changes will be a required financial statement. When adopted, GASB 84 had no significant effect on the Department's financial reporting.

NOTE 2. CASH AND INVESTMENTS

For the following disclosures required by Governmental Accounting Standards Board Statement 3, deposits include checking accounts, savings accounts, money market accounts, and certificates of deposit.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned to it. The Department maintains deposits in one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2021, the Department had no uninsured cash balances.

Investments

The Department may, by and with the consent of the Board of Directors, invest the funds of the Department in securities, the nature of which individuals with prudence, discretion, and intelligence acquire or retain in dealing with the property of another. The Department held no investments during the year.

NOTE 3. CAPITAL ASSETS

The Department expenses property and equipment within the fund or grant making the purchase in the year of the purchase. Current year purchases per the financial data of the Department are as follows:

Office furniture and equipment	26,354

NOTE 4. RISK MANAGEMENT

The Department 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 Department has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three fiscal years.

NOTE 5. CONCENTRATION OF RISK

West Central District Health Department receives the majority of its funding from state and federal contracts that are renewable annually. Legislative budgets could significantly impact West Central District Health Department's ability to start new programs and to continue existing programs.

NOTE 6. LEASES

The Department leases its operating areas, dental clinic space, and storage units under operating leases. The leases for the operating areas and dental clinic space currently call for monthly lease payments totaling $5,700.

At June 30, 2021, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending June 30,	
2022	68,400

The Department leases its operating areas and dental clinic space under operating leases. The leases for the operating areas and dental clinic space currently call for monthly lease payments totaling $3,300 through April of 2022.

At June 30, 2021, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending June 30,	
2022	33,000

The Department leases storage space under an operating lease. The lease currently calls for lease payments totaling $5,400 annually. This lease is an annual lease and there are no future lease terms.

The Department leases its vehicles under an operating lease. The lease for the 2021 Ford Explorer currently calls for monthly lease payments totaling $570.35.

At June 30, 2021, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending June 30,	
2022	5,133
2023	6,844
2024	6,844
2025	1,711

The Department leases its vehicles under an operating lease. The lease for the 2021 Ford F-150 currently calls for monthly lease payments totaling $697.52.

NOTE 6. LEASES (Continued)

At June 30, 2021, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending June 30,	
2022	5,580
2023	8,370
2024	8,370
2025	2,790

NOTE 7. RETIREMENT PLAN

Plan Description

West Central District Health Department contributes to the Nebraska County Employees Retirement System Cash Balance Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The County Employees Retirement Act establishes benefit provisions.

The Nebraska Public Employees Retirement Board (NPERS) was created in 1971 to administer the Nebraska retirement plans. In 1973, the state legislature brought the County Employees Retirement Plan under the administration of NPERS. During the NPERS plan year ended December 31, 2018, there were 108 participating county employer entities. These were the employers that made contributions during the calendar year. All regular county employees in Nebraska are members of the Plan.

Benefits Provided

A member is eligible for retirement after attaining age 55. Upon an employee's attainment of age 55, regardless of service, the retirement allowance shall be equal to the accumulated employee and employer cash balance accounts including interest credits, annuitized for payment in the normal form. Also available are additional forms of payment allowed under the Plan, which are actuarially equivalent to the normal form, including the option of a full lump sum or partial lump sum.

The normal form of payment under the Cash Balance Benefit Fund is a single life annuity with 5-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. This monthly benefit and all other options allowed under the Plan will be of actuarial equivalence to the accumulated employee and employer cash balance accounts including interest credits.

NOTE 7. RETIREMENT PLAN (Continued)

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%).

Contributions

Contribution provisions are established by State law and may be amended only by the Nebraska legislature. The State contribution is considered a nonemployer contribution since school employees are not employees of the State. The contribution rates (as a percentage of covered payroll for the year) were as follows:

- Members (employees): Each member contributed 1.50% of annual compensation.
- District: The District contributed 150% of the member contributions.
- State: The State is required to make a contribution if the regular payroll-related contributions by employees and the counties are insufficient to meet the actuarial required contribution for the plan year.

The District's contribution to the Plan for its year ended June 30, 2021, was $43,965.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816; by calling 1.800.245.5712; or via the Internet at http://www.auditors.nebraska.gov/APA_Reports.

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

The Department has entered into several grant agreements for which the Department is liable for carrying out the provisions of each grant and its subsequent funding.

NOTE 9. LINE OF CREDIT

The Department has a $90,000 revolving line of credit with First National Bank of North Platte which requires monthly interest payments at the bank's prime rate, currently 6.1%. The line is collateralized by a Security Agreement dated January 13, 2016, and any and all other security agreements or documents and any and all other collateral agreements or documents associated with this loan or note whether now existing or hereafter arising. The balance of the line of credit was $59,603 and $ - 0 - at June 30, 2020 and 2021, respectively.

NOTE 10. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement 87, *Leases*. This statement is effective for fiscal years beginning after June 15, 2021. The Department did not early implement this statement. When adopted, GASB 87 will require disclosure of the timing significance, and purpose of a government's leasing arrangements. When adopted, GASB 87 will not have a material effect on the financial statements other than possible disclosures in the notes.

NOTE 11. SUBSEQUENT EVENT

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through December 27, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN CASH RESERVES
ACTUAL AND BUDGET - CASH BASIS
YEAR ENDED JUNE 30, 2021

	General Fund		
	Budgeted Amounts		Variance
	Original and Final	Actual	Over (Under)
REVENUES			
State funds	375,127	375,127	
Grants	1,173,050	1,045,924	(127,126)
Clinic fees	289,980	202,540	(87,440)
Donations	3,048	3,175	127
Rent and other receipts	121,150	1,884	(119,266)
Total revenues	1,962,355	1,628,650	(333,705)
EXPENDITURES			
Operating expenses	1,882,509	1,449,468	(433,041)
Capital outlay	2,160	26,354	24,194
Total expenditures	1,884,669	1,475,822	(408,847)
EXCESS OF REVENUES OVER EXPENDITURES	77,686	152,828	75,142
CASH RESERVE, beginning of year	13,025	13,025	
CASH RESERVE, end of year	90,711	165,853	75,142

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
NOTES TO SUPPLEMENTARY INFORMATION

NOTE 1. SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN CASH RESERVES - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedule of revenues, expenditures, and changes in cash reserves - budget and actual is presented on the cash basis of accounting. This basis is not consistent with the basis of accounting used in presenting the basic financial statements, which are presented using the modified cash basis of accounting.

Reconciliation of the two different bases of accounting is as follows:

Change in net assets and fund balance	217,589
Decrease in bank line of credit due	(59,603)
Decrease in payroll taxes withheld	(5,158)
Deficiency of revenues under expenditures	152,828

DANA F. COLE & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Directors
West Central District Health Department
North Platte, 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 and each major fund of West Central District Health Department as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise West Central District Health Department's basic financial statements, and have issued our report thereon dated December 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Central District Health Department'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 West Central District Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of West Central District Health Department'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 entity'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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a significant deficiency, which we have listed as item 2021-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Central District Health Department'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*.

West Central District Health Department's Response to Findings

West Central District Health Department's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. West Central District Health Department's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana Cole + Company, LLP

North Platte, Nebraska
December 27, 2021

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021

2021-001 FINANCIAL REPORTING PROCESSES

Criteria

Management requested that the auditors prepare the financial statements and related disclosures of the Department. Management reviewed the financial statement and related disclosures and accepted the responsibility for them.

Condition

The Department does not have controls over the selection of accounting disclosures in the financial statements. The Department utilizes the expertise of the auditor to propose disclosures of the financial statements.

Cause

The Department does not have the resources to have a highly trained accounting professional on staff to perform these services.

Potential Effect

The potential exists that a material misstatement of the financial statements and related disclosures could occur and not be identified by the Department.

Recommendation

Management should carefully review the financial statements and related disclosures.

Department's Response

The Department relies on the auditors to prepare the financial statements and disclosures. The Department carefully reviews and approves such financial statements and disclosures.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30 2021

2020-001 FINANCIAL REPORTING PROCESSES

The Department does not have controls over the selection of accounting disclosures in the financial statements and utilizes the expertise of the auditor to propose disclosures of the financial statements. We recommended that the Department carefully review the financial statements and related disclosures. This is a continuing finding, as noted in the schedule of findings and responses as item 2021-001, and is considered to be a significant deficiency for the year ended June 30, 2021.