

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
FINANCIAL STATEMENTS
JUNE 30, 2022



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
 NORTH PLATTE, NEBRASKA
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**DANA F. COLE
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audited Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Central District Health Department, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise West Central District Health Department, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Central District Health Department, Inc., as of June 30, 2022, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Central District Health Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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 that matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 West Central District Health Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Central District Health Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Central District Health Departments basic financial statements. The supplementary information on pages 16 - 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 18 - 19 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, and is also not a required part of the basic financial statements.

The supplementary information on pages 16 - 17 and the schedule of expenditures of federal awards on pages 18 - 19 is the responsibility of management and was derived from and relate 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 on pages 16 - 17, and schedule of expenditures of federal awards on pages 18 - 19 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, 2022, 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 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 West Central District Health Departments 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, 2022

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
 NORTH PLATTE, NEBRASKA
 STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2022

	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	1,720,742	5,100	1,212,070	(503,572)
Health services	<u>174,884</u>	<u>277,525</u>		<u>102,641</u>
Total governmental activities	<u><u>1,895,626</u></u>	<u><u>282,625</u></u>	<u><u>1,212,070</u></u>	<u><u>(400,931)</u></u>
General revenues				
State funds - LB 1060/692				375,127
Rent and other receipts				<u>12,075</u>
Total general revenues				<u><u>387,202</u></u>
CHANGE IN NET POSITION				(13,729)
NET POSITION, beginning of year				<u>163,328</u>
NET POSITION, end of year				<u><u>149,599</u></u>
ASSETS				
Cash in bank and on hand				<u>152,889</u>
LIABILITIES				
Payroll taxes withheld				<u>3,290</u>
NET POSITION				
Unrestricted				<u><u>149,599</u></u>

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, 2022

ASSETS

ASSETS	
Cash in bank and on hand	<u>152,889</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Payroll taxes withheld	<u>3,290</u>
FUND BALANCE	
Unassigned	<u>149,599</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>152,889</u>

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, 2022

REVENUES	
LB 692	182,208
LB 1060	192,919
Grants	1,212,070
Clinic fees	277,525
Donations	5,100
Rent and other receipts	12,075
Total revenues	<u>1,881,897</u>
EXPENDITURES	
Advertising	56,183
Automobile expenses	2,332
Bank Fees	1,158
Communications	15,148
Computer expenses	24,107
Conference and continuing education	15,568
Contract labor	60,060
Dues and subscriptions	5,335
Capital outlay	190,628
Insurance	28,096
Lab fees	3,510
Licenses and permits	60
Maintenance	18,063
Other indirect costs	15,621
Office expense	180,978
Payroll expenses	932,720
Prevention & wellness	851
Professional fees	5,736
Rent	105,830
Supplies	89,931
Travel and lodging	21,290
Vaccine	122,421
Total expenditures	<u>1,895,626</u>
CHANGE IN FUND BALANCE	(13,729)
FUND BALANCE, beginning of year	<u>163,328</u>
FUND BALANCE, end of year	<u><u>149,599</u></u>

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 west central 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.

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

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.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
NOTES TO 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.

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

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.

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

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

GASB Statement 87, *Leases*, was implemented in the current year. Under the standard a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Since the District reports on the modified cash basis of accounting there was no effect on the financial statements other than note disclosures. Leases that transfer ownership (formerly disclosed as capital leases) are now disclosed in the footnote for long-term debt and other leases are disclosed in a separate footnote. Disclosure of terms and lease obligations are disclosed to maturity for leases with the exception of those leases meeting the criteria of short-term leases. Short term leases are those with maximum possible terms at inception of 12 months or less. No disclosures are required for these leases. The standard does not apply to intangible assets including subscription-based technology arrangements.

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

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. As of June 30, 2022, the Department had deposits with financial institutions that were not insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts in the amount of \$28,842. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits.

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:

Vehicles	91,421
Vaccine refrigeration/freezer units	58,402
Building improvements	<u>37,529</u>
Total capital asset purchases	<u><u>187,352</u></u>

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.

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

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 and storage units under operating leases. The leases for the operating areas currently call for monthly lease payments totaling \$5,700. The payments for the storage units total \$9,156 per year. The Department is currently renting on a month to month basis.

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.

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

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 4.50% 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, 2022, was \$48,889.

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. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

GASB Statement 96, *Subscription-based Information Technology Arrangements (SBITAs)*, was issued in May 2020, and is effective for fiscal years beginning after June 15, 2022. The standard provides guidance related to accounting and financial reporting for SBITAs. The standard generally requires the recording of a right-to-use subscription asset (intangible asset) and a corresponding liability. There is an exception for short-term SBITAs defined as those with maximum possible terms of 12 months or less including options to extend, regardless of their probability of being exercised. Since the District is on the modified cash basis of accounting there will be no effect on the financial statements other than expanded disclosures regarding these agreements.

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

NOTE 10. SUBSEQUENT EVENT

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through December 27, 2022, 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, 2022

	General Fund		
	Budgeted Amounts	Actual	Variance Over (Under)
	Original and Final		
REVENUES			
State funds	302,000	375,127	73,127
Grants	2,196,109	1,212,070	(984,039)
Clinic fees	280,000	277,525	(2,475)
Donations	6,000	5,100	(900)
Rent and other receipts	15,000	12,075	(2,925)
Total revenues	<u>2,799,109</u>	<u>1,881,897</u>	<u>(917,212)</u>
EXPENDITURES			
Operating expenses	2,709,040	1,704,233	(1,004,807)
Capital outlay	81,949	190,628	108,679
Total expenditures	<u>2,790,989</u>	<u>1,894,861</u>	<u>(896,128)</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,120	(12,964)	(21,084)
CASH RESERVE, beginning of year	<u>166,272</u>	<u>165,853</u>	<u>(419)</u>
CASH RESERVE, end of year	<u>174,392</u>	<u>152,889</u>	<u>(21,503)</u>

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	(13,729)
Increase in payroll taxes withheld	<u>765</u>
Deficiency of revenues under expenditures	<u>(12,964)</u>

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
 NORTH PLATTE, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2022

Federal Grantor/Program Title	Pass-through Identifying Number	Assistance Listing Number	Expendi- tures
<u>U.S. Department of Health and Human Services</u>			
Passed through Nebraska Department of Health and Human Services			
Public Health Emergency Preparedness	57183 Y3	93.069	91,038
Childhood Lead Poisoning Prevention	67199 Y3	93.197	1,199
Immunization Cooperative Agreements	62277 Y3	93.268	564,183
Epidemiology and Laboratory Capacity for Infectious Diseases	67997 Y3	93.323	5,383
Health Department Response to Public Health or Healthcare Crisis	62505 Y3	93.391	34,975
Chronic Disease Self-Management Education Programs		93.734	2,078
Cancer Prevention and Control Programs	46991 Y3	93.898	19,657
Preventive Health and Health Services Block Grant	64482 Y3	93.991	<u>18,658</u>
Total U.S. Department of Health and Human Services			<u>737,171</u>
<u>U.S. Department of the Treasury</u>			
Passed through Nebraska Department of Health and Human Services			
Coronavirus Relief Fund		21.019	<u>86,627</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>823,798</u>

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of West Central District Health Department, under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of West Central District Health Department, it is not intended to and does not present the financial position, changes in net assets, or cash flows of West Central District Health Department.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. SUBRECIPIENTS

There are no subrecipients to the federal awards of West Central District Health Department.

NOTE 4. INDIRECT COST RATE

The Department did not elect to use the 10% de minimis cost rate.



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Health
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, 2022, 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, 2022.

Report on 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be a significant deficiency.

Report on 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 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

West Central District Health Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on West Central District Health Department's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. West Central District Health Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 F Cole + Company, LLP

North Platte, Nebraska
December 27, 2022



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited West Central District Health Department's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of West Central District Health Department's major federal programs for the year ended June 30, 2022. West Central District Health Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, West Central District Health Department, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of West Central District Health Department, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination West Central District Health Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts and grant agreements applicable to West Central District Health Department's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on West Central District Health Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about West Central District Health Department's compliance with the requirements for each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding West Central District Health Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of West Central District Health Departments internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of West Central District Health Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance

is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on those requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dana F Cole + Company, LLP

North Platte, Nebraska
December 27, 2022

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
 NORTH PLATTE, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2022

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified: ___Yes X No

Significant deficiencies identified that are not considered to be a material weakness: X Yes ___None reported

Noncompliance matter to the financial statements disclosed: ___Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified: ___Yes X No

Significant deficiencies identified that are not considered to be a material weakness: ___Yes X No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a): ___Yes X No

Identification of major programs:

Immunization Cooperative Agreements 93.268

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: ___Yes X No

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SECTION II. FINANCIAL STATEMENT FINDINGS

2022-001 ESTABLISH INTERNAL CONTROL OVER FINANCIAL STATEMENT PREPARATION AND REVIEW

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements in conformity with the modified cash basis of accounting.

Condition

Management is responsible for establishing and maintaining internal control and for the fair presentation of the financial statements, supplementary information, and disclosures in the financial statements, in conformity with the modified cash basis of accounting. The District does not have a system of internal control that would provide management with reasonable assurance that the District's financial statements and related disclosures are complete and presented in accordance with the modified cash basis of accounting. As such, management requested us to compile the trial balance from the general ledger and prepare a draft of the financial statements, including the related note disclosures.

Cause

The small staff of the District does not allow the District to have the expertise in this area.

Potential Effect

Errors in the financial statements or disclosures could occur and not be detected by management.

Recommendations

Management should carefully review financial statements including disclosures and understand the relationship to the underlying data. All proposed adjustments should be understood and approved.

District's Response

The District relies on the auditor to propose the adjustments necessary to prepare the financial statements, including the related disclosures and supplementary schedules. The District reviews such financial statements, disclosures, and schedules.

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

2022-001 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.

SECTION III. FEDERAL AWARD FINDINGS

None noted

WEST CENTRAL DISTRICT HEALTH DEPARTMENT
NORTH PLATTE, NEBRASKA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

2021-001 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.