

**AUDIT REPORT  
OF  
DAKOTA COUNTY**

**JULY 1, 2018, THROUGH JUNE 30, 2019**

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the Auditor of Public Accounts.**

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**Issued on March 16, 2020**

DAKOTA COUNTY

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DAKOTA COUNTY  
1601 Broadway Street  
Dakota City, NE 68731

**LIST OF COUNTY OFFICIALS**  
At June 30, 2019

| <u>Title</u>  | <u>Name</u>       | <u>Term Expires</u> |
|---|-------------------|---------------------|
| Board of Commissioners                              | Larry Albenesius  | Jan. 2023           |
|   | Janet Gill        | Jan. 2023           |
|   | Antonio Gomez     | Jan. 2021           |
|   | Martin Hohenstein | Jan. 2021           |
|   | Kevin Rohde       | Jan. 2021           |
| Assessor  | Jeff Curry        | Jan. 2023           |
| Attorney  | Kimberly Watson   | Jan. 2023           |
| Clerk<br>Election Commissioner<br>Register of Deeds | Joan Spencer      | Jan. 2023           |
| Clerk of the District Court                         | Phyllis Obermeyer | Jan. 2023           |
| Public Defender                                     | Lou Hunter        | Jan. 2023           |
| Sheriff   | Chris Kleinberg   | Jan. 2023           |
| Treasurer   | Robert Giese      | Jan. 2023           |
| Veterans' Service Officer                           | Bill Johnston     | Appointed           |
| Weed Superintendent                                 | Matt Roost        | Appointed           |
| Highway Superintendent                              | Fred Kellogg      | Appointed           |
| Emergency Manager                                   | Deanna Hagberg    | Appointed           |
| Health Director                                     | Tiffany Hansen    | Appointed           |
| Planning and Zoning                                 | Joseph O'Neill    | Appointed           |
| Surveyor  | Tim Lamprecht     | Appointed           |



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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DAKOTA COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Dakota County, 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 Dakota County, as of and for the year ended June 30, 2019, 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.

### Auditor's 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 auditor's 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 aggregate remaining fund information of Dakota County as of June 30, 2019, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

## **Emphasis of Matters – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, 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, schedule of office activity, and schedule of taxes certified and collected, pages 19-32, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2020, on our consideration of Dakota County'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 the 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 Dakota County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 5, 2020

DAKOTA COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2019

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Cash and Cash Equivalents (Note 1.D) | \$ 2,069,129               |
| Investments (Note 1.D)               | 2,406,267                  |
| <b>TOTAL ASSETS</b>                  | <b>\$ 4,475,396</b>        |
| <br>                                 |                            |
| <b>NET POSITION</b>                  |                            |
| Restricted for:                      |                            |
| 911 Emergency Services               | \$ 10,779                  |
| Drug Education                       | 1,673                      |
| Law Enforcement                      | 9,784                      |
| Preservation of Records              | 5,710                      |
| Debt Service                         | 21,524                     |
| Road & Bridge Maintenance            | 181,263                    |
| Health Planning & Assistance         | 133,547                    |
| Aid & Assistance                     | 2,808                      |
| Unrestricted                         | 4,108,308                  |
| <b>TOTAL NET POSITION</b>            | <b>\$ 4,475,396</b>        |

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

DAKOTA COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2019

| <b>Functions:</b>                    | Cash<br>Disbursements                | Program Cash Receipts                       |  | Net (Disbursement)<br>Receipts and<br>Changes in<br>Net Position |
|--------------------------------------|--------------------------------------|---|--|--|
|                                      |                                      | Fees, Fines,<br>and Charges<br>for Services | Operating<br>Grants and<br>Contributions |  |
| <b>Governmental Activities:</b>      |                                      |   |  |  |
| General Government                   | \$ (3,451,004)                       | \$ 578,688                                  | \$ 32,631                                | \$ (2,839,685)   |
| Public Safety                        | (4,746,780)                          | 301,410                                     | 128,034                                  | (4,317,336)  |
| Public Works                         | (2,717,554)                          | -   | 1,987,827                                | (729,727)  |
| Health and Sanitation                | (313,606)                            | 2,849                                       | 144,129                                  | (166,628)  |
| Public Assistance                    | (64,843)                             | -   | -  | (64,843)   |
| Culture and Recreation               | (205,639)                            | -   | -  | (205,639)  |
| Debt Payments                        | (311,955)                            | -   | -  | (311,955)  |
| <b>Total Governmental Activities</b> | <b><u><u>\$ (11,811,381)</u></u></b> | <b><u><u>\$ 882,947</u></u></b>             | <b><u><u>\$ 2,292,621</u></u></b>        | <b><u><u>(8,635,813)</u></u></b>                                 |

General Receipts:

|   |                                   |
|---|-----------------------------------|
| Property Taxes  | 7,550,259                         |
| Grants and Contributions Not Restricted to<br>Specific Programs | 1,475,055                         |
| Investment Income   | 71,110                            |
| Licenses and Permits  | 70,941                            |
| Bond Proceeds   | 1,484,250                         |
| Miscellaneous   | 254,848                           |
| <b>Total General Receipts</b>                                   | <b><u><u>10,906,463</u></u></b>   |
| <br>Increase in Net Position                                    | <br>2,270,650                     |
| Net Position - Beginning of year                                | 2,204,746                         |
| Net Position - End of year                                      | <b><u><u>\$ 4,475,396</u></u></b> |

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

DAKOTA COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**

June 30, 2019

|                                       | General Fund        | Road Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------|---------------------|-------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                         |                     |                   |                                |                                |
| Cash and Cash Equivalents (Note 1.D)  | \$ 943,524          | \$ 174,771        | \$ 950,834                     | \$ 2,069,129                   |
| Investments (Note 1.D)                | 2,406,267           | -                 | -                              | 2,406,267                      |
| <b>TOTAL ASSETS</b>                   | <b>\$ 3,349,791</b> | <b>\$ 174,771</b> | <b>\$ 950,834</b>              | <b>\$ 4,475,396</b>            |
| <br><b>FUND BALANCES</b>              |                     |                   |                                |                                |
| Restricted for:                       |                     |                   |                                |                                |
| 911 Emergency Services                | -                   | -                 | 10,779                         | 10,779                         |
| Drug Education                        | -                   | -                 | 1,673                          | 1,673                          |
| Law Enforcement                       | -                   | -                 | 9,784                          | 9,784                          |
| Preservation of Records               | -                   | -                 | 5,710                          | 5,710                          |
| Debt Service                          | -                   | -                 | 21,524                         | 21,524                         |
| Road & Bridge Maintenance             | -                   | -                 | 181,263                        | 181,263                        |
| Health Planning & Assistance          | -                   | -                 | 133,547                        | 133,547                        |
| Aid & Assistance                      | -                   | -                 | 2,808                          | 2,808                          |
| Committed to:                         |                     |                   |                                |                                |
| Law Enforcement                       | -                   | -                 | 62,780                         | 62,780                         |
| Road & Bridge Maintenance             | -                   | 174,771           | 176                            | 174,947                        |
| Aid & Assistance                      | -                   | -                 | 2,150                          | 2,150                          |
| Health Insurance                      | -                   | -                 | 189,241                        | 189,241                        |
| Assigned to:                          |                     |                   |                                |                                |
| Other Purposes                        | -                   | -                 | 329,399                        | 329,399                        |
| Unassigned                            | 3,349,791           | -                 | -                              | 3,349,791                      |
| <b>TOTAL CASH BASIS FUND BALANCES</b> | <b>\$ 3,349,791</b> | <b>\$ 174,771</b> | <b>\$ 950,834</b>              | <b>\$ 4,475,396</b>            |

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

DAKOTA COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

|   | General<br>Fund     | Road Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-------------------|--------------------------------|--------------------------------|
| <b>RECEIPTS</b>   |                     |                   |                                |                                |
| Property Taxes  | \$ 6,760,445        | \$ -              | \$ 789,814                     | \$ 7,550,259                   |
| Licenses and Permits  | 70,591              | 350               | -                              | 70,941                         |
| Investment Income   | 70,873              | -                 | 237                            | 71,110                         |
| Intergovernmental   | 2,018,601           | 1,436,003         | 313,072                        | 3,767,676                      |
| Charges for Services  | 869,495             | -                 | 13,452                         | 882,947                        |
| Miscellaneous   | 1,493,434           | 7,568             | 238,096                        | 1,739,098                      |
| <b>TOTAL RECEIPTS</b>   | <u>11,283,439</u>   | <u>1,443,921</u>  | <u>1,354,671</u>               | <u>14,082,031</u>              |
| <b>DISBURSEMENTS</b>  |                     |                   |                                |                                |
| General Government  | 2,363,829           | -                 | 1,087,175                      | 3,451,004                      |
| Public Safety   | 4,586,279           | -                 | 160,501                        | 4,746,780                      |
| Public Works  | 73,602              | 1,922,748         | 721,204                        | 2,717,554                      |
| Health and Sanitation   | 216,976             | -                 | 96,630                         | 313,606                        |
| Public Assistance   | 64,843              | -                 | -                              | 64,843                         |
| Culture and Recreation  | -                   | -                 | 205,639                        | 205,639                        |
| Debt Service:   |                     |                   |                                |                                |
| Principal Payments  | 235,000             | -                 | -                              | 235,000                        |
| Interest and Fiscal Charges                                   | 76,955              | -                 | -                              | 76,955                         |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>7,617,484</u>    | <u>1,922,748</u>  | <u>2,271,149</u>               | <u>11,811,381</u>              |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>3,665,955</u>    | <u>(478,827)</u>  | <u>(916,478)</u>               | <u>2,270,650</u>               |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                     |                     |                   |                                |                                |
| Transfers in  | 24,514              | 722,205           | 1,432,457                      | 2,179,176                      |
| Transfers out   | (1,670,872)         | (73,450)          | (434,854)                      | (2,179,176)                    |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>(1,646,358)</u>  | <u>648,755</u>    | <u>997,603</u>                 | <u>-</u>                       |
| Net Change in Fund Balances                                   | 2,019,597           | 169,928           | 81,125                         | 2,270,650                      |
| <b>CASH BASIS FUND<br/>BALANCES - BEGINNING</b>               |                     |                   |                                |                                |
|   | <u>1,330,194</u>    | <u>4,843</u>      | <u>869,709</u>                 | <u>2,204,746</u>               |
| <b>CASH BASIS FUND<br/>BALANCES - ENDING</b>                  |                     |                   |                                |                                |
|   | <u>\$ 3,349,791</u> | <u>\$ 174,771</u> | <u>\$ 950,834</u>              | <u>\$ 4,475,396</u>            |

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

DAKOTA COUNTY  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**  
 June 30, 2019

|                             | Agency Funds     |
|-----------------------------|------------------|
| <b>ASSETS</b>               |                  |
| Cash and Cash Equivalents   | \$ 1,119,583     |
| <br><b>LIABILITIES</b>      |                  |
| Due to other governments    |                  |
| State                       | 343,092          |
| Schools                     | 434,984          |
| Educational Service Units   | 4,189            |
| Technical College           | 26,514           |
| Natural Resource Districts  | 10,466           |
| Fire Districts              | 4,128            |
| Municipalities              | 105,479          |
| Agricultural Society        | 2,075            |
| Drainage Districts          | 167              |
| Joint Public Agencies       | 45,857           |
| Historical Society          | 480              |
| Others                      | 142,152          |
| <b>TOTAL LIABILITIES</b>    | <b>1,119,583</b> |
| <br><b>TOTAL NET ASSETS</b> | <br><b>\$ -</b>  |

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies utilized in the accounting system of Dakota County.

**A. Reporting Entity**

Dakota County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include 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 financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**Joint Organization.**

Behavioral Health Region IV – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region IV (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

The governing board for the Region includes 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 board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$58,362 toward the operation of the Region during fiscal year 2019. 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 Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Law Enforcement Center – The County has entered into an agreement with the City of South Sioux City to participate in a joint Law Enforcement Center (Center). Agreements were established under the authority of the Interlocal Cooperation Act to share costs for the construction, staffing, equipping, maintenance, and upkeep of the Center. The governing board for the Center includes representatives from the participating county and municipality boards. Further, combined services of the Center are regulated by the Joint

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

Communications Committee established by the agreement. Funding is provided by a combination of State, local, and private funding. The County contributed \$478,522 toward the operation of the Center during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Center is not a separate legal entity. The City of South Sioux City and the County report their share of activity for the Center in their respective financial statements.

Dakota County Public Safety Services Agency – The County has entered into an agreement with Dakota City, Village of Homer, Village of Emerson, Dakota Covington Rural Fire Protection District, Homer Rural Fire Protection District, and Emerson Rural Fire Protection District to create a joint entity named the Dakota County Public Safety Services Agency (Agency). Agreements were established under the authority of the Interlocal Cooperation Act with the sole purpose of facilitating certain improvements to fire and other emergency protection services for each of its members. The governing board for the Agency includes representatives from the participating political subdivisions. The Agency’s operations include the administration of a County-issued sales and use tax and bond proceeds in accordance with the agreement. The County distributed \$135,735 of sales and use taxes to the Agency during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Agency is required to be audited annually in accordance with State statute. Financial information for the Agency is available in those audit reports.

South Sioux City Convention and Visitors Bureau – The County has entered into an agreement with the South Sioux City Convention and Visitors Bureau (Bureau) to provide services to carry out the provisions of the Nebraska Visitors’ Development Act. The Bureau provides convention and tourism promotional activities and services within the County. The County levies and collects a lodging tax to subsidize the Bureau operations. The County distributed \$205,639 of lodging taxes collected to the Bureau during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Bureau is a separate legal entity organized as a 501(c)(3) not-for-profit entity.

**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 and are in the format of government-wide 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 were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of Net Position presents the County’s non-fiduciary assets in two categories:

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. 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.

**Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates 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 the following: 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 receipts are reported instead as general receipts.

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following 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.

**Road Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

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.

The County designates fund balances as follows:

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

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

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

**Unassigned.** This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

**C. Measurement Focus, 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. Receipts are recognized when received, and disbursements 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, receipts are recorded when earned, and disbursements 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 requires 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 are generally 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.

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) 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.** 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 reflected 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.

Depreciation expenses on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expenses 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.

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement 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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Concluded)

**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 its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$367,087 of restricted net position, which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$2,069,129 for County funds and \$1,119,583 for Fiduciary funds. The bank balances for all funds totaled \$3,207,935. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County did not have sufficient collateral securities to protect deposits at all times during the fiscal year.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$2,406,267 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-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 business 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 participants 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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

**3. Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.384546/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.361480/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

**4. Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2018) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

For the year ended June 30, 2019, 119 employees contributed \$210,411, and the County contributed \$310,467. Contributions included \$10,303 in cash contributions towards the supplemental law enforcement plan for 21 law enforcement employees. Lastly, the County paid \$2,396 directly to 23 retired employees for prior service benefits.

**5. Risk Management**

The County is exposed to various risks of loss related to the following: 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 96 counties and local governments 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 otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

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

|                             | NIRMA<br>Coverage | Maximum<br>Coverage                  |
|-----------------------------|-------------------|--------------------------------------|
| General Liability Claim     | \$ 300,000        | \$ 5,000,000                         |
| Workers' Compensation Claim | \$ 550,000        | Statutory Limits                     |
| Property Damage Claim       | \$ 250,000        | Insured Value at<br>Replacement Cost |

The County has not paid any additional assessments to the pool or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2019, consisted of the following:

| <b>Transfers to</b> | Transfers from  |           |                   | Total        |
|---------------------|-----------------|-----------|-------------------|--------------|
|                     | General<br>Fund | Road Fund | Nonmajor<br>Funds |              |
| General Fund        | \$ -            | \$ -      | \$ 24,514         | \$ 24,514    |
| Road Fund           | 597,205         | -         | 125,000           | 722,205      |
| Nonmajor Funds      | 1,073,667       | 73,450    | 285,340           | 1,432,457    |
| Total               | \$ 1,670,872    | \$ 73,450 | \$ 434,854        | \$ 2,179,176 |

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**6. Interfund Transfers** (Concluded)

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.

In the fiscal year ended June 30, 2019, the County made a one-time transfer of \$6,099 from the Minority Health Initiative Grant Fund to the General Fund for reimbursement of certain payroll costs of the Minority Health Director and Nurse. Additionally, the County made a one-time transfer of \$11,641 from the Juvenile Service Aid Fund to the General Fund for reimbursement of certain payroll costs of the School Resource Officer. Lastly, the County made a one-time transfer of \$6,774 from the Law Enforcement Equipment Grant Fund to the General Fund to correct a prior year recording error.

**7. Capital Leases Payable**

Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are as follows:

|   | Three Motor<br>Graders | Kensworth<br>Tractor | Komatsu<br>Excavator | Bobcat &<br>Trailer | Sheriff<br>Vehicles | Two-Way<br>Radios | Total               |
|---|------------------------|----------------------|----------------------|---------------------|---------------------|-------------------|---------------------|
| Balance July 1, 2018                              | \$ 380,867             | \$ 35,803            | \$ 41,681            | \$ 64,397           | \$ 66,728           | \$ 186,761        | \$ 776,237          |
| Purchases   | -                      | -                    | -                    | -                   | 74,490              | -                 | 74,490              |
| Payments  | 134,839                | 23,779               | 27,683               | 25,423              | 45,172              | 14,787            | 271,683             |
| Balance June 30, 2019                             | <u>\$ 246,028</u>      | <u>\$ 12,024</u>     | <u>\$ 13,998</u>     | <u>\$ 38,974</u>    | <u>\$ 96,046</u>    | <u>\$ 171,974</u> | <u>\$ 579,044</u>   |
| Future Payments:                                  |                        |                      |                      |                     |                     |                   |                     |
| <b>Year</b>                                       |                        |                      |                      |                     |                     |                   |                     |
| 2020  | \$ 118,870             | \$ 12,114            | \$ 14,103            | \$ 26,439           | \$ 35,527           | \$ 33,030         | \$ 240,083          |
| 2021  | 53,515                 | -                    | -                    | 13,219              | 25,779              | 33,030            | 125,543             |
| 2022  | 53,515                 | -                    | -                    | -                   | 16,303              | 33,029            | 102,574             |
| 2023  | 26,757                 | -                    | -                    | -                   | 16,030              | 33,030            | 75,817              |
| 2024  | -                      | -                    | -                    | -                   | 8,015               | 33,030            | 41,045              |
| 2025-2029   | -                      | -                    | -                    | -                   | -                   | 16,515            | 16,515              |
| Total Payments                                    | <u>252,657</u>         | <u>12,114</u>        | <u>14,103</u>        | <u>39,658</u>       | <u>101,381</u>      | <u>181,664</u>    | <u>601,577</u>      |
| Less Interest                                     | <u>6,629</u>           | <u>90</u>            | <u>105</u>           | <u>684</u>          | <u>5,335</u>        | <u>9,690</u>      | <u>22,533</u>       |
| Present Value of Future<br>Minimum Lease Payments | <u>\$ 246,028</u>      | <u>\$ 12,024</u>     | <u>\$ 13,998</u>     | <u>\$ 38,974</u>    | <u>\$ 96,046</u>    | <u>\$ 171,974</u> | <u>\$ 579,044</u>   |
| Carrying Value of the Related<br>Fixed Asset      | <u>\$ 777,421</u>      | <u>\$ 116,224</u>    | <u>\$ 135,306</u>    | <u>\$ 125,856</u>   | <u>\$ 265,538</u>   | <u>\$ 199,977</u> | <u>\$ 1,620,322</u> |

**8. Long-Term Debt**

**Highway Allocation Bond 1.** The County issued bonds on June 14, 2010, in the amount of \$580,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. On September 3, 2015, Reissue 2015 bonds were issued in the amount of \$315,000 for the purpose of refinancing the 2010 bonds. The bond payable balance, as of June 30, 2019, was \$130,000. 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 and Highway Allocation funds will be used to pay off the bonds.

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**8. Long-Term Debt** (Continued)

Future Payments:

| <b>Year</b>    | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|----------------|-------------------|-----------------|-------------------|
| 2020           | \$ 65,000         | \$ 1,446        | \$ 66,446         |
| 2021           | 65,000            | 504             | 65,504            |
| Total Payments | <u>\$ 130,000</u> | <u>\$ 1,950</u> | <u>\$ 131,950</u> |

**Highway Allocation Bond 2.** The County issued bonds on May 24, 2012, in the amount of \$1,330,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. On October 31, 2017, Reissue 2017 bonds were issued in the amount of \$1,265,000 for the purpose of refinancing the 2012 bonds. The bond payable balance, as of June 30, 2019, was \$1,240,000. 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 and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

| <b>Year</b>    | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|----------------|---------------------|-------------------|---------------------|
| 2020           | \$ 30,000           | \$ 28,985         | \$ 58,985           |
| 2021           | 30,000              | 28,595            | 58,595              |
| 2022           | 90,000              | 27,717            | 117,717             |
| 2023           | 90,000              | 26,300            | 116,300             |
| 2024           | 95,000              | 24,679            | 119,679             |
| 2025-2029      | 500,000             | 91,125            | 591,125             |
| 2030-2034      | 405,000             | 24,425            | 429,425             |
| Total Payments | <u>\$ 1,240,000</u> | <u>\$ 251,826</u> | <u>\$ 1,491,826</u> |

**Highway Allocation Bond 3.** The County issued bonds on February 17, 2015, in the amount of \$1,470,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. The bond payable balance, as of June 30, 2019, was \$1,285,000. 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 and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

| <b>Year</b>    | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|----------------|---------------------|-------------------|---------------------|
| 2020           | \$ 65,000           | 32,221            | \$ 97,221           |
| 2021           | 65,000              | 31,360            | 96,360              |
| 2022           | 65,000              | 30,369            | 95,369              |
| 2023           | 65,000              | 29,247            | 94,247              |
| 2024           | 65,000              | 28,029            | 93,029              |
| 2025-2029      | 360,000             | 116,623           | 476,623             |
| 2030-2034      | 415,000             | 63,410            | 478,410             |
| 2035-2036      | 185,000             | 6,000             | 191,000             |
| Total Payments | <u>\$ 1,285,000</u> | <u>\$ 337,259</u> | <u>\$ 1,622,259</u> |

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**8. Long-Term Debt** (Concluded)

**Veterans Drive Bond.** The County issued bonds on June 6, 2016, in the amount of \$850,000 for the purpose of paying the costs in connection with the construction of improvements to certain roads in the County. The bond payable balance, as of June 30, 2019, was \$690,000. 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 and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

| <b>Year</b>    | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|----------------|-------------------|------------------|-------------------|
| 2020           | \$ 80,000         | \$ 12,710        | \$ 92,710         |
| 2021           | 80,000            | 11,530           | 91,530            |
| 2022           | 85,000            | 10,187           | 95,187            |
| 2023           | 85,000            | 8,679            | 93,679            |
| 2024           | 85,000            | 7,043            | 92,043            |
| 2025-2027      | 275,000           | 9,586            | 284,586           |
| Total Payments | <u>\$ 690,000</u> | <u>\$ 59,735</u> | <u>\$ 749,735</u> |

On June 21, 2004, the County entered into an interlocal agreement with South Sioux City to provide funds for the paving and related appurtenances of certain streets located in the City. The County issued a bond, as denoted in Highway Allocation Bond 1 above, to help pay for this project. In addition, the County reimbursed the City in 10 installments for costs previously incurred. As of June 30, 2019, the County still owed one installment, totaling \$31,612. Future tax resources will be used to pay off the outstanding debt.

**County Road Bond.** The County issued bonds on June 20, 2019, in the amount of \$1,500,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements within the County related to the extreme flooding. The bond payable balance, as of June 30, 2019, was \$1,500,000. 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.

Future Payments:

| <b>Year</b>    | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|----------------|---------------------|-------------------|---------------------|
| 2020           | \$ 85,000           | \$ 36,701         | \$ 121,701          |
| 2021           | 85,000              | 35,645            | 120,645             |
| 2022           | 90,000              | 34,073            | 124,073             |
| 2023           | 90,000              | 32,407            | 122,407             |
| 2024           | 90,000              | 30,742            | 120,742             |
| 2025-2029      | 495,000             | 121,745           | 616,745             |
| 2030-2034      | 565,000             | 51,900            | 616,900             |
| Total Payments | <u>\$ 1,500,000</u> | <u>\$ 343,213</u> | <u>\$ 1,843,213</u> |

**DAKOTA COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2019

|                              | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------|--------------------|-------------------|-------------------|---|
| <b>RECEIPTS</b>              |                    |                   |                   |   |
| Taxes                        | \$ 7,530,565       | \$ 7,530,565      | \$ 6,760,445      | \$ (770,120)  |
| Licenses and Permits         | 69,545             | 69,545            | 70,591            | 1,046   |
| Interest                     | 7,000              | 7,000             | 70,873            | 63,873  |
| Intergovernmental            | 774,750            | 774,750           | 2,018,601         | 1,243,851   |
| Charges for Services         | 837,046            | 837,046           | 869,495           | 32,449  |
| Miscellaneous                | 1,224,000          | 1,224,000         | 1,493,434         | 269,434   |
| <b>TOTAL RECEIPTS</b>        | <b>10,442,906</b>  | <b>10,442,906</b> | <b>11,283,439</b> | <b>840,533</b>  |
| <b>DISBURSEMENTS</b>         |                    |                   |                   |   |
| General Government:          |                    |                   |                   |   |
| County Board                 | 164,730            | 164,730           | 156,129           | 8,601   |
| County Clerk                 | 174,764            | 174,764           | 152,944           | 21,820  |
| County Treasurer             | 341,981            | 341,981           | 287,559           | 54,422  |
| Register of Deeds            | 41,188             | 41,188            | 34,144            | 7,044   |
| County Assessor              | 343,361            | 343,361           | 268,685           | 74,676  |
| Election Commissioner        | 37,296             | 37,296            | 33,999            | 3,297   |
| Building and Zoning          | 12,145             | 12,145            | 11,268            | 877   |
| Data Processing Department   | 75,900             | 75,900            | 70,917            | 4,983   |
| Clerk of the District Court  | 133,004            | 133,004           | 115,326           | 17,678  |
| County Court System          | 16,000             | 16,000            | 13,326            | 2,674   |
| District Judge               | 5,615              | 5,615             | 4,792             | 823   |
| Public Defender              | 221,663            | 206,663           | 174,194           | 32,469  |
| Legal Services               | 242,950            | 227,950           | 217,650           | 10,300  |
| Child Support                | 45,704             | 45,704            | 29,271            | 16,433  |
| Building and Grounds         | 177,668            | 177,668           | 138,312           | 39,356  |
| Agricultural Extension Agent | 65,723             | 65,723            | 58,625            | 7,098   |
| County Law Library           | 7,600              | 7,600             | 7,531             | 69  |
| Miscellaneous                | 487,443            | 487,443           | 515,870           | (28,427)  |
| Miscellaneous - Flooding     | 38,812             | 163,812           | 73,287            | 90,525  |
| Public Safety                |                    |                   |                   |   |
| County Sheriff               | 1,422,365          | 1,447,880         | 1,317,702         | 130,178   |
| County Attorney              | 493,519            | 493,519           | 420,840           | 72,679  |
| Communication Center         | 489,415            | 489,415           | 478,522           | 10,893  |
| Law Enforcement Grant        | 50,000             | 50,000            | 23,104            | 26,896  |
| County Jail                  | 2,417,478          | 2,421,963         | 2,225,341         | 196,622   |
| District Probation Office    | 59,000             | 59,000            | 58,736            | 264   |
| Emergency Management         | 73,349             | 73,349            | 62,034            | 11,315  |
| Public Works                 |                    |                   |                   |   |
| County Surveyor              | 15,000             | 15,000            | 6,537             | 8,463   |
| Noxious Weed Control         | 28,962             | 28,762            | 12,174            | 16,588  |
| Highway Department           | 61,510             | 61,710            | 54,891            | 6,819   |

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget    | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---------------------|---|
| <b>DISBURSEMENTS (Continued)</b>                              |                    |                    |                     |   |
| Public Health   |                    |                    |                     |   |
| County Health Department                                      | 260,444            | 260,444            | 216,976             | 43,468  |
| Public Assistance   |                    |                    |                     |   |
| Veterans' Service Officer                                     | 75,487             | 75,487             | 64,843              | 10,644  |
| Debt Service  |                    |                    |                     |   |
| Principal Payments  | 1,265,000          | 1,140,000          | 235,000             | 905,000   |
| Interest and Charges  | 256,955            | 256,955            | 76,955              | 180,000   |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>9,602,031</u>   | <u>9,602,031</u>   | <u>7,617,484</u>    | <u>1,984,547</u>  |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>840,875</u>     | <u>840,875</u>     | <u>3,665,955</u>    | <u>2,825,080</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                    |                    |                     |   |
| Transfers in  | 6,000              | 6,000              | 24,514              | 18,514  |
| Transfers out   | <u>(1,245,010)</u> | <u>(1,245,010)</u> | <u>(1,670,872)</u>  | <u>(425,862)</u>  |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>(1,239,010)</u> | <u>(1,239,010)</u> | <u>(1,646,358)</u>  | <u>(407,348)</u>  |
| Net Change in Fund Balance                                    | (398,135)          | (398,135)          | 2,019,597           | 2,417,732   |
| <b>FUND BALANCE - BEGINNING</b>                               | <u>1,237,509</u>   | <u>1,237,509</u>   | <u>1,330,194</u>    | <u>92,685</u>   |
| <b>FUND BALANCE - ENDING</b>                                  | <u>\$ 839,374</u>  | <u>\$ 839,374</u>  | <u>\$ 3,349,791</u> | <u>\$ 2,510,417</u>                                     |

(Concluded)

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-------------------|---|
| <b>ROAD FUND</b>  |                    |                   |                   |   |
| <b>RECEIPTS</b>   |                    |                   |                   |   |
| Licenses and Permits  | \$ -               | \$ -              | \$ 350            | \$ 350  |
| Intergovernmental   | 1,291,065          | 1,291,065         | 1,436,003         | 144,938   |
| Miscellaneous   | 1,000              | 1,000             | 7,568             | 6,568   |
| <b>TOTAL RECEIPTS</b>   | <u>1,292,065</u>   | <u>1,292,065</u>  | <u>1,443,921</u>  | <u>151,856</u>  |
| <b>DISBURSEMENTS</b>  | <u>1,894,448</u>   | <u>2,019,448</u>  | <u>1,922,748</u>  | <u>96,700</u>   |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>(602,383)</u>   | <u>(727,383)</u>  | <u>(478,827)</u>  | <u>248,556</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                    |                   |                   |   |
| Transfers in  | 697,540            | 822,540           | 722,205           | (100,335)   |
| Transfers out   | -                  | -                 | (73,450)          | (73,450)  |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>697,540</u>     | <u>822,540</u>    | <u>648,755</u>    | <u>(173,785)</u>  |
| Net Change in Fund Balance                                    | 95,157             | 95,157            | 169,928           | 74,771  |
| FUND BALANCE - BEGINNING                                      | 4,843              | 4,843             | 4,843             | -   |
| FUND BALANCE - ENDING   | <u>\$ 100,000</u>  | <u>\$ 100,000</u> | <u>\$ 174,771</u> | <u>\$ 74,771</u>  |

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|-------------------|---|
| <b>HARD SURFACE ROAD FUND</b>                  |                    |                 |                   |   |
| Receipts                                       | \$ -               | \$ -            | \$ -              | \$ -  |
| Disbursements                                  | (21,524)           | (21,524)        | -                 | 21,524  |
| Net Change in Fund Balance                     | (21,524)           | (21,524)        | -                 | 21,524  |
| Fund Balance - Beginning                       | 21,524             | 21,524          | 21,524            | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 21,524</u>  | <u>\$ 21,524</u>  |
| <b>HIGHWAY STREET BUYBACK PROGRAM<br/>FUND</b> |                    |                 |                   |   |
| Receipts                                       | \$ 73,800          | \$ 73,800       | \$ 75,512         | \$ 1,712  |
| Disbursements                                  | (231,494)          | (231,494)       | (186,459)         | 45,035  |
| Net Change in Fund Balance                     | (157,694)          | (157,694)       | (110,947)         | 46,747  |
| Fund Balance - Beginning                       | 157,694            | 157,694         | 157,694           | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 46,747</u>  | <u>\$ 46,747</u>  |
| <b>HIGHWAY BRIDGE BUYBACK PROGRAM<br/>FUND</b> |                    |                 |                   |   |
| Receipts                                       | \$ 38,750          | \$ 38,750       | \$ 40,885         | \$ 2,135  |
| Disbursements                                  | (144,797)          | (144,797)       | (12,416)          | 132,381   |
| Net Change in Fund Balance                     | (106,047)          | (106,047)       | 28,469            | 134,516   |
| Fund Balance - Beginning                       | 106,047            | 106,047         | 106,047           | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 134,516</u> | <u>\$ 134,516</u>                                       |
| <b>ROAD &amp; BRIDGE IMPROVEMENT FUND</b>      |                    |                 |                   |   |
| Receipts                                       | \$ -               | \$ -            | \$ -              | \$ -  |
| Disbursements                                  | (547,646)          | (547,646)       | (522,329)         | 25,317  |
| Transfers in                                   | 547,470            | 547,470         | 522,329           | (25,141)  |
| Transfers out                                  | -                  | -               | -                 | -   |
| Net Change in Fund Balance                     | (176)              | (176)           | -                 | 176   |
| Fund Balance - Beginning                       | 176                | 176             | 176               | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 176</u>     | <u>\$ 176</u>   |
| <b>VISITOR'S PROMOTION FUND</b>                |                    |                 |                   |   |
| Receipts                                       | \$ 235,000         | \$ 235,000      | \$ 205,639        | \$ (29,361)   |
| Disbursements                                  | (235,000)          | (235,000)       | (205,639)         | 29,361  |
| Net Change in Fund Balance                     | -                  | -               | -                 | -   |
| Fund Balance - Beginning                       | -                  | -               | -                 | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ -</u>       | <u>\$ -</u>   |

(Continued)

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|-------------------|---|
| <b>REGISTER OF DEEDS PRESERVATION &amp;<br/>MODERNIZATION FUND</b> |                    |                 |                   |   |
| Receipts   | \$ 12,000          | \$ 12,000       | \$ 9,483          | \$ (2,517)  |
| Disbursements  | (16,469)           | (16,469)        | (8,242)           | 8,227   |
| Net Change in Fund Balance   | (4,469)            | (4,469)         | 1,241             | 5,710   |
| Fund Balance - Beginning   | 4,469              | 4,469           | 4,469             | -   |
| Fund Balance - Ending  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 5,710</u>   | <u>\$ 5,710</u>   |
| <b>HEALTH INSURANCE FUND</b>                                       |                    |                 |                   |   |
| Receipts   | \$ 935,450         | \$ 935,450      | \$ 238,064        | \$ (697,386)  |
| Disbursements  | (1,055,432)        | (1,120,432)     | (1,078,933)       | 41,499  |
| Transfers in   | -                  | 65,000          | 910,128           | 845,128   |
| Transfers out  | -                  | -               | -                 | -   |
| Net Change in Fund Balance   | (119,982)          | (119,982)       | 69,259            | 189,241   |
| Fund Balance - Beginning   | 119,982            | 119,982         | 119,982           | -   |
| Fund Balance - Ending  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 189,241</u> | <u>\$ 189,241</u>                                       |
| <b>STOP FUND</b>   |                    |                 |                   |   |
| Receipts   | \$ 778             | \$ 778          | \$ 1,120          | \$ 342  |
| Disbursements  | (5,000)            | (5,000)         | -                 | 5,000   |
| Net Change in Fund Balance   | (4,222)            | (4,222)         | 1,120             | 5,342   |
| Fund Balance - Beginning   | 4,222              | 4,222           | 4,222             | -   |
| Fund Balance - Ending  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 5,342</u>   | <u>\$ 5,342</u>   |
| <b>COUNTY DRUG LAW ENFORCEMENT &amp;<br/>EDUCATION FUND</b>        |                    |                 |                   |   |
| Receipts   | \$ 3,327           | \$ 3,327        | \$ -              | \$ (3,327)  |
| Disbursements  | (5,000)            | (5,000)         | -                 | 5,000   |
| Net Change in Fund Balance   | (1,673)            | (1,673)         | -                 | 1,673   |
| Fund Balance - Beginning   | 1,673              | 1,673           | 1,673             | -   |
| Fund Balance - Ending  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 1,673</u>   | <u>\$ 1,673</u>   |
| <b>FEDERAL DRUG LAW ENFORCEMENT<br/>FUND</b>                       |                    |                 |                   |   |
| Receipts   | \$ 2,284           | \$ 2,284        | \$ -              | \$ (2,284)  |
| Disbursements  | (5,000)            | (5,000)         | -                 | 5,000   |
| Net Change in Fund Balance   | (2,716)            | (2,716)         | -                 | 2,716   |
| Fund Balance - Beginning   | 2,716              | 2,716           | 2,716             | -   |
| Fund Balance - Ending  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 2,716</u>   | <u>\$ 2,716</u>   |

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|------------------|---|
| <b>HEALTH PLANNING GRANT FUND</b>                |                    |                 |                  |   |
| Receipts   | \$ 37,500          | \$ 37,500       | \$ 55,702        | \$ 18,202   |
| Disbursements                                    | (112,950)          | (112,950)       | (37,280)         | 75,670  |
| Transfers in                                     | -                  | -               | -                | -   |
| Transfers out                                    | -                  | -               | (6,780)          | (6,780)   |
| Net Change in Fund Balance                       | (75,450)           | (75,450)        | 11,642           | 87,092  |
| Fund Balance - Beginning                         | 75,450             | 75,450          | 75,450           | -   |
| Fund Balance - Ending                            | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 87,092</u> | <u>\$ 87,092</u>  |
| <b>MINORITY HEALTH INITIATIVE GRANT<br/>FUND</b> |                    |                 |                  |   |
| Receipts   | \$ 80,000          | \$ 80,000       | \$ 67,053        | \$ (12,947)   |
| Disbursements                                    | (125,631)          | (125,631)       | (59,350)         | 66,281  |
| Transfers in                                     | -                  | -               | -                | -   |
| Transfers out                                    | (6,000)            | (6,000)         | (12,879)         | (6,879)   |
| Net Change in Fund Balance                       | (51,631)           | (51,631)        | (5,176)          | 46,455  |
| Fund Balance - Beginning                         | 51,631             | 51,631          | 51,631           | -   |
| Fund Balance - Ending                            | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 46,455</u> | <u>\$ 46,455</u>  |
| <b>LAW ENFORCEMENT EQUIPMENT<br/>GRANT FUND</b>  |                    |                 |                  |   |
| Receipts   | \$ -               | \$ -            | \$ -             | \$ -  |
| Disbursements                                    | (22,539)           | (22,539)        | (8,697)          | 13,842  |
| Transfers in                                     | -                  | -               | -                | -   |
| Transfers out                                    | -                  | -               | (6,774)          | (6,774)   |
| Net Change in Fund Balance                       | (22,539)           | (22,539)        | (15,471)         | 7,068   |
| Fund Balance - Beginning                         | 22,539             | 22,539          | 22,539           | -   |
| Fund Balance - Ending                            | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 7,068</u>  | <u>\$ 7,068</u>   |
| <b>JUVENILE SERVICES AID FUND</b>                |                    |                 |                  |   |
| Receipts   | \$ 87,898          | \$ 87,898       | \$ 76,968        | \$ (10,930)   |
| Disbursements                                    | (104,730)          | (104,730)       | (73,038)         | 31,692  |
| Transfers in                                     | -                  | -               | -                | -   |
| Transfers out                                    | -                  | -               | (18,421)         | (18,421)  |
| Net Change in Fund Balance                       | (16,832)           | (16,832)        | (14,491)         | 2,341   |
| Fund Balance - Beginning                         | 16,832             | 16,832          | 16,832           | -   |
| Fund Balance - Ending                            | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 2,341</u>  | <u>\$ 2,341</u>   |

(Continued)

DAKOTA COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-----------------|-------------------|---|
| <b><u>INHERITANCE TAX FUND</u></b>            |                    |                 |                   |   |
| Receipts                                      | \$ 500,000         | \$ 500,000      | \$ 538,494        | \$ 38,494   |
| Disbursements                                 | (615,905)          | (490,905)       | -                 | 490,905   |
| Transfers in                                  | -                  | -               | -                 | -   |
| Transfers out                                 | -                  | (125,000)       | (325,000)         | (200,000)   |
| Net Change in Fund Balance                    | (115,905)          | (115,905)       | 213,494           | 329,399   |
| Fund Balance - Beginning                      | 115,905            | 115,905         | 115,905           | -   |
| Fund Balance - Ending                         | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 329,399</u> | <u>\$ 329,399</u>                                       |
| <b><u>E-911 EMERGENCY MANAGEMENT FUND</u></b> |                    |                 |                   |   |
| Receipts                                      | \$ 73,203          | \$ 73,203       | \$ 45,681         | \$ (27,522)   |
| Disbursements                                 | (100,000)          | (100,000)       | (52,535)          | 47,465  |
| Net Change in Fund Balance                    | (26,797)           | (26,797)        | (6,854)           | 19,943  |
| Fund Balance - Beginning                      | 26,797             | 26,797          | 17,633            | -   |
| Fund Balance - Ending                         | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 10,779</u>  | <u>\$ 19,943</u>  |
| <b><u>HUNT MEMORIAL FUND</u></b>              |                    |                 |                   |   |
| Receipts                                      | \$ -               | \$ -            | \$ -              | \$ -  |
| Disbursements                                 | (467)              | (467)           | -                 | 467   |
| Net Change in Fund Balance                    | (467)              | (467)           | -                 | 467   |
| Fund Balance - Beginning                      | 467                | 467             | 467               | -   |
| Fund Balance - Ending                         | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 467</u>     | <u>\$ 467</u>   |
| <b><u>JAIL BOND SALES TAX FUND</u></b>        |                    |                 |                   |   |
| Receipts                                      | \$ 25              | \$ 25           | \$ 70             | \$ 45   |
| Disbursements                                 | (58,304)           | (58,304)        | (26,231)          | 32,073  |
| Net Change in Fund Balance                    | (58,279)           | (58,279)        | (26,161)          | 32,118  |
| Fund Balance - Beginning                      | 58,279             | 58,279          | 58,279            | -   |
| Fund Balance - Ending                         | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 32,118</u>  | <u>\$ 32,118</u>  |
| <b><u>JAIL PROPERTY BOND FUND</u></b>         |                    |                 |                   |   |
| Receipts                                      | \$ -               | \$ -            | \$ -              | \$ -  |
| Disbursements                                 | (90,320)           | (25,320)        | -                 | 25,320  |
| Transfers in                                  | -                  | -               | -                 | -   |
| Transfers out                                 | -                  | (65,000)        | (65,000)          | -   |
| Net Change in Fund Balance                    | (90,320)           | (90,320)        | (65,000)          | 25,320  |
| Fund Balance - Beginning                      | 90,320             | 90,320          | 90,320            | -   |
| Fund Balance - Ending                         | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 25,320</u>  | <u>\$ 25,320</u>  |

(Continued)

**DAKOTA COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|-----------------|---|
| <b><u>HANDICAPPED ACCESSIBILITY FUND</u></b> |                    |                 |                 |   |
| Receipts                                     | \$ -               | \$ -            | \$ -            | \$ -  |
| Disbursements                                | (2,150)            | (2,150)         | -               | 2,150   |
| Net Change in Fund Balance                   | (2,150)            | (2,150)         | -               | 2,150   |
| Fund Balance - Beginning                     | 2,150              | 2,150           | 2,150           | -   |
| Fund Balance - Ending                        | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 2,150</u> | <u>\$ 2,150</u>   |

(Concluded)

DAKOTA COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

|   | Hard<br>Surface<br>Road Fund | Highway Street<br>Buyback<br>Program Fund | Highway<br>Bridge<br>Buyback<br>Program Fund | Road &<br>Bridge<br>Improvement<br>Fund | Visitor's<br>Promotion<br>Fund |
|---|------------------------------|---|--|---|--------------------------------|
| <b>RECEIPTS</b>   |                              |   |  |   |                                |
| Property Taxes  | \$ -                         | \$ -                                      | \$ -   | \$ -                                    | \$ 205,639                     |
| Investment Income   | -                            | -   | -  | -                                       | -                              |
| Intergovernmental   | -                            | 75,512                                    | 40,885                                       | -                                       | -                              |
| Charges for Services  | -                            | -   | -  | -                                       | -                              |
| Miscellaneous   | -                            | -   | -  | -                                       | -                              |
| <b>TOTAL RECEIPTS</b>   | <u>-</u>                     | <u>75,512</u>                             | <u>40,885</u>                                | <u>-</u>                                | <u>205,639</u>                 |
| <b>DISBURSEMENTS</b>  |                              |   |  |   |                                |
| General Government  | -                            | -   | -  | -                                       | -                              |
| Public Safety   | -                            | -   | -  | -                                       | -                              |
| Public Works  | -                            | 186,459                                   | 12,416                                       | 522,329                                 | -                              |
| Health and Sanitation   | -                            | -   | -  | -                                       | -                              |
| Culture and Recreation  | -                            | -   | -  | -                                       | 205,639                        |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>-</u>                     | <u>186,459</u>                            | <u>12,416</u>                                | <u>522,329</u>                          | <u>205,639</u>                 |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>-</u>                     | <u>(110,947)</u>                          | <u>28,469</u>                                | <u>(522,329)</u>                        | <u>-</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                              |   |  |   |                                |
| Transfers in  | -                            | -   | -  | 522,329                                 | -                              |
| Transfers out   | -                            | -   | -  | -                                       | -                              |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>                     | <u>-</u>                                  | <u>-</u>                                     | <u>522,329</u>                          | <u>-</u>                       |
| Net Change in Fund Balances                                   | -                            | (110,947)                                 | 28,469                                       | -                                       | -                              |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>21,524</u>                | <u>157,694</u>                            | <u>106,047</u>                               | <u>176</u>                              | <u>-</u>                       |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 21,524</u>             | <u>\$ 46,747</u>                          | <u>\$ 134,516</u>                            | <u>\$ 176</u>                           | <u>\$ -</u>                    |
| <b>FUND BALANCES:</b>   |                              |   |  |   |                                |
| Restricted for:   |                              |   |  |   |                                |
| 911 Emergency Services  | -                            | -   | -  | -                                       | -                              |
| Drug Education  | -                            | -   | -  | -                                       | -                              |
| Law Enforcement   | -                            | -   | -  | -                                       | -                              |
| Preservation of Records                                       | -                            | -   | -  | -                                       | -                              |
| Debt Service  | 21,524                       | -   | -  | -                                       | -                              |
| Road & Bridge Maintenance                                     | -                            | 46,747                                    | 134,516                                      | -                                       | -                              |
| Health Planning & Assistance                                  | -                            | -   | -  | -                                       | -                              |
| Aid & Assistance  | -                            | -   | -  | -                                       | -                              |
| Committed to:   |                              |   |  |   |                                |
| Law Enforcement   | -                            | -   | -  | -                                       | -                              |
| Road & Bridge Maintenance                                     | -                            | -   | -  | 176                                     | -                              |
| Aid & Assistance  | -                            | -   | -  | -                                       | -                              |
| Health Insurance  | -                            | -   | -  | -                                       | -                              |
| Assigned to:  |                              |   |  |   |                                |
| Other Projects  | -                            | -   | -  | -                                       | -                              |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 21,524</u>             | <u>\$ 46,747</u>                          | <u>\$ 134,516</u>                            | <u>\$ 176</u>                           | <u>\$ -</u>                    |

(Continued)

DAKOTA COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

|   | Register of Deeds<br>Preservation &<br>Modernization<br>Fund | Health<br>Insurance<br>Fund | STOP<br>Fund    | County Drug<br>Law<br>Enforcement &<br>Education Fund | Federal Drug<br>Law<br>Enforcement<br>Fund | Health<br>Planning<br>Grant<br>Fund |
|---|--|-----------------------------|-----------------|---|--|-------------------------------------|
| <b>RECEIPTS</b>   |  |                             |                 |   |  |                                     |
| Property Taxes  | \$ -   | \$ -                        | \$ -            | \$ -  | \$ -                                       | \$ -                                |
| Investment Income   | -  | 167                         | -               | -   | -  | -                                   |
| Intergovernmental   | -  | -                           | -               | -   | -  | 53,803                              |
| Charges for Services  | 9,483  | -                           | 1,120           | -   | -  | 1,899                               |
| Miscellaneous   | -  | 237,897                     | -               | -   | -  | -                                   |
| <b>TOTAL RECEIPTS</b>   | <u>9,483</u>   | <u>238,064</u>              | <u>1,120</u>    | <u>-</u>  | <u>-</u>                                   | <u>55,702</u>                       |
| <b>DISBURSEMENTS</b>  |  |                             |                 |   |  |                                     |
| General Government  | 8,242  | 1,078,933                   | -               | -   | -  | -                                   |
| Public Safety   | -  | -                           | -               | -   | -  | -                                   |
| Public Works  | -  | -                           | -               | -   | -  | -                                   |
| Health and Sanitation   | -  | -                           | -               | -   | -  | 37,280                              |
| Culture and Recreation  | -  | -                           | -               | -   | -  | -                                   |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>8,242</u>   | <u>1,078,933</u>            | <u>-</u>        | <u>-</u>  | <u>-</u>                                   | <u>37,280</u>                       |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>1,241</u>   | <u>(840,869)</u>            | <u>1,120</u>    | <u>-</u>  | <u>-</u>                                   | <u>18,422</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |  |                             |                 |   |  |                                     |
| Transfers in  | -  | 910,128                     | -               | -   | -  | -                                   |
| Transfers out   | -  | -                           | -               | -   | -  | (6,780)                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>   | <u>910,128</u>              | <u>-</u>        | <u>-</u>  | <u>-</u>                                   | <u>(6,780)</u>                      |
| Net Change in Fund Balances                                   | 1,241  | 69,259                      | 1,120           | -   | -  | 11,642                              |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>4,469</u>   | <u>119,982</u>              | <u>4,222</u>    | <u>1,673</u>  | <u>2,716</u>                               | <u>75,450</u>                       |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 5,710</u>  | <u>\$ 189,241</u>           | <u>\$ 5,342</u> | <u>\$ 1,673</u>                                       | <u>\$ 2,716</u>                            | <u>\$ 87,092</u>                    |
| <b>FUND BALANCES:</b>   |  |                             |                 |   |  |                                     |
| Restricted for:   |  |                             |                 |   |  |                                     |
| 911 Emergency Services  | -  | -                           | -               | -   | -  | -                                   |
| Drug Education  | -  | -                           | -               | 1,673   | -  | -                                   |
| Law Enforcement   | -  | -                           | -               | -   | 2,716                                      | -                                   |
| Preservation of Records                                       | 5,710  | -                           | -               | -   | -  | -                                   |
| Debt Service  | -  | -                           | -               | -   | -  | -                                   |
| Road & Bridge Maintenance                                     | -  | -                           | -               | -   | -  | -                                   |
| Health Planning & Assistance                                  | -  | -                           | -               | -   | -  | 87,092                              |
| Aid & Assistance  | -  | -                           | -               | -   | -  | -                                   |
| Committed to:   |  |                             |                 |   |  |                                     |
| Law Enforcement   | -  | -                           | 5,342           | -   | -  | -                                   |
| Road & Bridge Maintenance                                     | -  | -                           | -               | -   | -  | -                                   |
| Aid & Assistance  | -  | -                           | -               | -   | -  | -                                   |
| Health Insurance  | -  | 189,241                     | -               | -   | -  | -                                   |
| Assigned to:  |  |                             |                 |   |  |                                     |
| Other Projects  | -  | -                           | -               | -   | -  | -                                   |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 5,710</u>  | <u>\$ 189,241</u>           | <u>\$ 5,342</u> | <u>\$ 1,673</u>                                       | <u>\$ 2,716</u>                            | <u>\$ 87,092</u>                    |

(Continued)

DAKOTA COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2019

|   | Minority<br>Health<br>Initiative<br>Grant Fund | Law<br>Enforcement<br>Equipment Grant<br>Fund | Juvenile<br>Services<br>Aid Fund | Inheritance<br>Tax Fund | E-911<br>Emergency<br>Management<br>Fund |
|---|--|---|----------------------------------|-------------------------|--|
| <b>RECEIPTS</b>   |  |   |                                  |                         |  |
| Property Taxes  | \$ -   | \$ -  | \$ -                             | \$ 538,494              | \$ 45,681                                |
| Investment Income   | -  | -   | -                                | -                       | -  |
| Intergovernmental   | 65,904   | -   | 76,968                           | -                       | -  |
| Charges for Services  | 950  | -   | -                                | -                       | -  |
| Miscellaneous   | 199  | -   | -                                | -                       | -  |
| <b>TOTAL RECEIPTS</b>   | <u>67,053</u>                                  | <u>-</u>                                      | <u>76,968</u>                    | <u>538,494</u>          | <u>45,681</u>                            |
| <b>DISBURSEMENTS</b>  |  |   |                                  |                         |  |
| General Government  | -  | -   | -                                | -                       | -  |
| Public Safety   | -  | 8,697   | 73,038                           | -                       | 52,535                                   |
| Public Works  | -  | -   | -                                | -                       | -  |
| Health and Sanitation   | 59,350   | -   | -                                | -                       | -  |
| Culture and Recreation  | -  | -   | -                                | -                       | -  |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>59,350</u>                                  | <u>8,697</u>                                  | <u>73,038</u>                    | <u>-</u>                | <u>52,535</u>                            |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>7,703</u>                                   | <u>(8,697)</u>                                | <u>3,930</u>                     | <u>538,494</u>          | <u>(6,854)</u>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |  |   |                                  |                         |  |
| Transfers in  | -  | -   | -                                | -                       | -  |
| Transfers out   | (12,879)                                       | (6,774)                                       | (18,421)                         | (325,000)               | -  |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>(12,879)</u>                                | <u>(6,774)</u>                                | <u>(18,421)</u>                  | <u>(325,000)</u>        | <u>-</u>                                 |
| Net Change in Fund Balances                                   | (5,176)  | (15,471)                                      | (14,491)                         | 213,494                 | (6,854)                                  |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>51,631</u>                                  | <u>22,539</u>                                 | <u>16,832</u>                    | <u>115,905</u>          | <u>17,633</u>                            |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 46,455</u>                               | <u>\$ 7,068</u>                               | <u>\$ 2,341</u>                  | <u>\$ 329,399</u>       | <u>\$ 10,779</u>                         |
| <b>FUND BALANCES:</b>   |  |   |                                  |                         |  |
| Restricted for:   |  |   |                                  |                         |  |
| 911 Emergency Services  | -  | -   | -                                | -                       | 10,779                                   |
| Drug Education  | -  | -   | -                                | -                       | -  |
| Law Enforcement   | -  | 7,068   | -                                | -                       | -  |
| Preservation of Records                                       | -  | -   | -                                | -                       | -  |
| Debt Service  | -  | -   | -                                | -                       | -  |
| Road & Bridge Maintenance                                     | -  | -   | -                                | -                       | -  |
| Health Planning & Assistance<br>Aid & Assistance              | 46,455   | -   | 2,341                            | -                       | -  |
| Committed to:   |  |   |                                  |                         |  |
| Law Enforcement   | -  | -   | -                                | -                       | -  |
| Road & Bridge Maintenance                                     | -  | -   | -                                | -                       | -  |
| Aid & Assistance  | -  | -   | -                                | -                       | -  |
| Health Insurance  | -  | -   | -                                | -                       | -  |
| Assigned to:  |  |   |                                  |                         |  |
| Other Projects  | -  | -   | -                                | 329,399                 | -  |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 46,455</u>                               | <u>\$ 7,068</u>                               | <u>\$ 2,341</u>                  | <u>\$ 329,399</u>       | <u>\$ 10,779</u>                         |

(Continued)

DAKOTA COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

|   | Hunt<br>Memorial<br>Fund | Jail Bond<br>Sales Tax<br>Fund | Jail Property<br>Bond Fund | Handicapped<br>Accessibility<br>Fund | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------|--------------------------------|----------------------------|--------------------------------------|---|
| <b>RECEIPTS</b>   |                          |                                |                            |                                      |   |
| Property Taxes  | \$ -                     | \$ -                           | \$ -                       | \$ -                                 | \$ 789,814                              |
| Investment Income   | -                        | 70                             | -                          | -                                    | 237                                     |
| Intergovernmental   | -                        | -                              | -                          | -                                    | 313,072                                 |
| Charges for Services  | -                        | -                              | -                          | -                                    | 13,452                                  |
| Miscellaneous   | -                        | -                              | -                          | -                                    | 238,096                                 |
| <b>TOTAL RECEIPTS</b>   | <b>-</b>                 | <b>70</b>                      | <b>-</b>                   | <b>-</b>                             | <b>1,354,671</b>                        |
| <b>DISBURSEMENTS</b>  |                          |                                |                            |                                      |   |
| General Government  | -                        | -                              | -                          | -                                    | 1,087,175                               |
| Public Safety   | -                        | 26,231                         | -                          | -                                    | 160,501                                 |
| Public Works  | -                        | -                              | -                          | -                                    | 721,204                                 |
| Health and Sanitation   | -                        | -                              | -                          | -                                    | 96,630                                  |
| Culture and Recreation  | -                        | -                              | -                          | -                                    | 205,639                                 |
| <b>TOTAL DISBURSEMENTS</b>                                    | <b>-</b>                 | <b>26,231</b>                  | <b>-</b>                   | <b>-</b>                             | <b>2,271,149</b>                        |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <b>-</b>                 | <b>(26,161)</b>                | <b>-</b>                   | <b>-</b>                             | <b>(916,478)</b>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                          |                                |                            |                                      |   |
| Transfers in  | -                        | -                              | -                          | -                                    | 1,432,457                               |
| Transfers out   | -                        | -                              | (65,000)                   | -                                    | (434,854)                               |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <b>-</b>                 | <b>-</b>                       | <b>(65,000)</b>            | <b>-</b>                             | <b>997,603</b>                          |
| Net Change in Fund Balances                                   | -                        | (26,161)                       | (65,000)                   | -                                    | 81,125                                  |
| <b>FUND BALANCES - BEGINNING</b>                              | <b>467</b>               | <b>58,279</b>                  | <b>90,320</b>              | <b>2,150</b>                         | <b>869,709</b>                          |
| <b>FUND BALANCES - ENDING</b>                                 | <b>\$ 467</b>            | <b>\$ 32,118</b>               | <b>\$ 25,320</b>           | <b>\$ 2,150</b>                      | <b>\$ 950,834</b>                       |
| <b>FUND BALANCES:</b>   |                          |                                |                            |                                      |   |
| Restricted for:   |                          |                                |                            |                                      |   |
| 911 Emergency Services  | -                        | -                              | -                          | -                                    | 10,779                                  |
| Drug Education  | -                        | -                              | -                          | -                                    | 1,673                                   |
| Law Enforcement   | -                        | -                              | -                          | -                                    | 9,784                                   |
| Preservation of Records                                       | -                        | -                              | -                          | -                                    | 5,710                                   |
| Debt Service  | -                        | -                              | -                          | -                                    | 21,524                                  |
| Road & Bridge Maintenance                                     | -                        | -                              | -                          | -                                    | 181,263                                 |
| Health Planning & Assistance                                  | -                        | -                              | -                          | -                                    | 133,547                                 |
| Aid & Assistance  | 467                      | -                              | -                          | -                                    | 2,808                                   |
| Committed to:   |                          |                                |                            |                                      |   |
| Law Enforcement   | -                        | 32,118                         | 25,320                     | -                                    | 62,780                                  |
| Road & Bridge Maintenance                                     | -                        | -                              | -                          | -                                    | 176                                     |
| Aid & Assistance  | -                        | -                              | -                          | 2,150                                | 2,150                                   |
| Health Insurance  | -                        | -                              | -                          | -                                    | 189,241                                 |
| Assigned to:  |                          |                                |                            |                                      |   |
| Other Projects  | -                        | -                              | -                          | -                                    | 329,399                                 |
| <b>TOTAL FUND BALANCES</b>                                    | <b>\$ 467</b>            | <b>\$ 32,118</b>               | <b>\$ 25,320</b>           | <b>\$ 2,150</b>                      | <b>\$ 950,834</b>                       |

(Concluded)

**DAKOTA COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2019

|                              | County Clerk | Register of Deeds | Clerk of the District Court | County Sheriff | Highway Superintendent | Veterans' Service Officer | County Extension | County Health Department | County Planning and Zoning | County Jail    | Total            |
|------------------------------|--------------|-------------------|-----------------------------|----------------|------------------------|---------------------------|------------------|--------------------------|----------------------------|----------------|------------------|
| BALANCES JULY 1, 2018        | \$ 772       | \$ 19,160         | \$ 137,014                  | \$ 36,635      | \$ 100                 | \$ 25,136                 | \$ 3,241         | \$ -                     | \$ -                       | \$ 92,803      | \$ 314,861       |
| <b>RECEIPTS</b>              |              |                   |                             |                |                        |                           |                  |                          |                            |                |                  |
| Property Taxes               | -            | -                 | -                           | -              | -                      | -                         | -                | -                        | -                          | -              | -                |
| Licenses and Permits         | 3,425        | -                 | -                           | 515            | 350                    | -                         | -                | -                        | 2,465                      | -              | 6,755            |
| Intergovernmental            | -            | -                 | -                           | -              | -                      | 18,000                    | -                | 162,664                  | -                          | -              | 180,664          |
| Charges for Services         | 2,725        | 100,219           | 57,893                      | 102,161        | -                      | -                         | -                | 14,830                   | 77                         | 134,874        | 412,779          |
| Miscellaneous                | -            | -                 | -                           | 1,340          | 3,163                  | -                         | 11,841           | -                        | -                          | 6,446          | 22,790           |
| State Fees                   | -            | 98,600            | 49,369                      | -              | -                      | -                         | -                | -                        | -                          | -              | 147,969          |
| Other Liabilities            | -            | -                 | 411,452                     | 52,660         | -                      | -                         | -                | -                        | -                          | 840,182        | 1,304,294        |
| <b>TOTAL RECEIPTS</b>        | <b>6,150</b> | <b>198,819</b>    | <b>518,714</b>              | <b>156,676</b> | <b>3,513</b>           | <b>18,000</b>             | <b>11,841</b>    | <b>177,494</b>           | <b>2,542</b>               | <b>981,502</b> | <b>2,075,251</b> |
| <b>DISBURSEMENTS</b>         |              |                   |                             |                |                        |                           |                  |                          |                            |                |                  |
| Payments to County Treasurer | 6,456        | 102,244           | 56,455                      | 99,281         | 3,513                  | -                         | -                | 177,494                  | 2,542                      | 131,715        | 579,700          |
| Payments to State Treasurer  | -            | 99,753            | 47,614                      | -              | -                      | -                         | -                | -                        | -                          | -              | 147,367          |
| Other Liabilities            | -            | -                 | 401,056                     | 56,907         | -                      | 18,475                    | 11,841           | -                        | -                          | 838,541        | 1,326,820        |
| <b>TOTAL DISBURSEMENTS</b>   | <b>6,456</b> | <b>201,997</b>    | <b>505,125</b>              | <b>156,188</b> | <b>3,513</b>           | <b>18,475</b>             | <b>11,841</b>    | <b>177,494</b>           | <b>2,542</b>               | <b>970,256</b> | <b>2,053,887</b> |
| BALANCES JUNE 30, 2019       | \$ 466       | \$ 15,982         | \$ 150,603                  | \$ 37,123      | \$ 100                 | \$ 24,661                 | \$ 3,241         | \$ -                     | \$ -                       | \$ 104,049     | \$ 336,225       |
| <b>BALANCES CONSIST OF:</b>  |              |                   |                             |                |                        |                           |                  |                          |                            |                |                  |
| Due to County Treasurer      | \$ 466       | \$ 8,012          | \$ 9,975                    | \$ 36,923      | \$ -                   | \$ 24,661                 | \$ -             | \$ -                     | \$ -                       | \$ 33,262      | \$ 113,299       |
| Petty Cash                   | -            | -                 | 50                          | 200            | 100                    | -                         | 3,241            | -                        | -                          | 28,000         | 31,591           |
| Due to State Treasurer       | -            | 7,970             | 3,524                       | -              | -                      | -                         | -                | -                        | -                          | -              | 11,494           |
| Due to Others                | -            | -                 | 137,054                     | -              | -                      | -                         | -                | -                        | -                          | 42,787         | 179,841          |
| BALANCES JUNE 30, 2019       | \$ 466       | \$ 15,982         | \$ 150,603                  | \$ 37,123      | \$ 100                 | \$ 24,661                 | \$ 3,241         | \$ -                     | \$ -                       | \$ 104,049     | \$ 336,225       |

DAKOTA COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2019

| Item  | 2014              | 2015              | 2016              | 2017              | 2018                 |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|
| <b>Tax Certified by Assessor</b>  |                   |                   |                   |                   |                      |
| Real Estate   | \$ 27,032,718     | \$ 27,011,855     | \$ 26,682,428     | \$ 28,224,843     | \$ 30,529,699        |
| Personal and Specials   | 2,648,309         | 2,400,169         | 2,330,661         | 2,385,090         | 2,297,209            |
| <b>Total</b>  | <b>29,681,027</b> | <b>29,412,024</b> | <b>29,013,089</b> | <b>30,609,933</b> | <b>32,826,908</b>    |
| <b>Corrections</b>  |                   |                   |                   |                   |                      |
| Additions   | 26,007            | 2,045             | 178,016           | 22,036            | 5,498                |
| Deductions  | (73,967)          | (347,020)         | (418,504)         | (119,228)         | (126,413)            |
| Net Additions/<br>(Deductions)  | (47,960)          | (344,975)         | (240,488)         | (97,192)          | (120,915)            |
| <b>Corrected Certified Tax</b>  | <b>29,633,067</b> | <b>29,067,049</b> | <b>28,772,601</b> | <b>30,512,741</b> | <b>32,705,993</b>    |
| <b>Net Tax Collected by<br/>County Treasurer during<br/>Fiscal Year Ending:</b> |                   |                   |                   |                   |                      |
| June 30, 2015   | 17,323,472        | -                 | -                 | -                 | -                    |
| June 30, 2016   | 12,219,003        | 17,527,957        | -                 | -                 | -                    |
| June 30, 2017   | 17,556            | 11,473,262        | 17,199,078        | -                 | -                    |
| June 30, 2018   | 86,518            | 80,051            | 11,575,325        | 18,280,842        | -                    |
| June 30, 2019   | (13,103)          | (15,429)          | (4,953)           | 12,211,529        | 19,146,267           |
| <b>Total Net Collections</b>  | <b>29,633,446</b> | <b>29,065,841</b> | <b>28,769,450</b> | <b>30,492,371</b> | <b>19,146,267</b>    |
| <b>Total Uncollected Tax</b>  | <b>\$ (379)</b>   | <b>\$ 1,208</b>   | <b>\$ 3,151</b>   | <b>\$ 20,370</b>  | <b>\$ 13,559,726</b> |
| <b>Percentage Uncollected Tax</b>   | <b>0.00%</b>      | <b>0.00%</b>      | <b>0.01%</b>      | <b>0.07%</b>      | <b>41.46%</b>        |

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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DAKOTA COUNTY  
**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**

Board of Commissioners  
Dakota County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dakota County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements, and have issued our report thereon dated March 5, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dakota County'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 Dakota County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

- The County offices lacked a segregation of duties, as 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. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dakota County's financial statements are free of 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*.

**Additional Items**

We also noted certain matters that we reported to the management of Dakota County in a separate letter dated March 5, 2020.

**Dakota County's Response to Findings**

Dakota County declined to respond to the finding described above.

**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 result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 5, 2020



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 5, 2020

Board of Commissioners  
Dakota County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dakota County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated March 5, 2020. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

## COUNTY ASSESSOR

### Missing Receipts and Copy Fees

During the fiscal year, the County Assessor was collecting receipts for copies; however, the balance on hand during audit fieldwork in February 2020, totaling \$245, had never been remitted to the County Treasurer. Per discussions with the office, these fees had been collected over the last 20 years without remittance. Based on recommendations during the prior audit, in March 2019, the County Assessor's office began writing receipts for the copy fees coming in; however, we noted that there were 12 receipts from the receipt book that were missing. The office indicated that receipts 747617 through 747628 were removed because they were unusable; however, the office did not maintain these voided receipts on file and, therefore, we were unable to verify this claim.

On February 4, 2020, the office turned over all money collected to the County Treasurer, totaling \$244.59. At this time, the office staff stated that they would no longer be accepting copy fees in the office; however, on April 22, 2019, the County Board passed Resolution 19C-013, setting copy fees of \$0.25 per page for the County Assessor's office. As the County Board has set this fee, Board action would be required before the office could waive these fees.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) provides, in relevant part, the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.*

Additionally, Neb. Rev. Stat. § 23-106(1) (Reissue 2012) states, "The county board shall manage the county funds and county business except as otherwise specifically provided."

As provided in § 23-106, above, the County Board would retain the powers over County business, including setting fees for County offices, unless specifically noted in another statute. Per a review of relevant statutes, we were unable to locate any statutes or regulations providing this power to the County Assessor.

Good internal control and sound business practices require procedures to ensure that all receipt documentation, including copies of voided receipts, is kept for future inspections.

Without such procedures, the amount of money collected by the office cannot be verified, which increases the risk for theft or misuse of County funds.

We recommend the County Assessor implement procedures to ensure all receipts, including spoiled or voided receipts, are maintained on file. We further recommend the County Assessor work with the County Board to ensure proper action is taken regarding copy fees.

**COUNTY BOARD**

**Claim Issues**

The following issues were noted during testing of claims paid by the County:

***Duplicate Payments***

We noted that one claim, totaling \$1,488, was a duplicate payment, which was not discovered by the County. Additionally, the vendor did not apply a credit to the County’s account, and a refund was not issued until the vendor was contacted during audit fieldwork in February 2020.

The duplicate payment is detailed in the following table:

| Payee                         | Amount      | Original Claim |          | Duplicate Claim |          |
|-------------------------------|-------------|----------------|----------|-----------------|----------|
|                               |             | Date           | Claim #  | Date            | Claim #  |
| Community Monitoring Services | \$ 1,488.00 | 1/28/2019      | 19010312 | 2/25/2019       | 19020280 |

***Supporting Documentation***

For one credit card claim tested, totaling \$1,052, adequate supporting documentation was not attached for a portion of the claim. For two of the charges noted below, a description of the item was included on the claim request; however, no support, such as an invoice or an itemized receipt, was provided to verify the claim amounts. For the last charge noted below, for travel expenses, supporting documentation was on file; however, the receipts provided did not agree to the total amount claimed, leaving \$73 unsupported.

The table below provides a listing of these items:

| Claim Number | Date      | Payee               | Item(s) Purchased           | Office            | Amount          |
|--------------|-----------|---------------------|-----------------------------|-------------------|-----------------|
| 19060179     | 5/28/2019 | Hubbard Post Office | Postage                     | Planning & Zoning | \$ 62           |
| 19060179     | 5/31/2019 | Staples             | Office Equipment & Supplies | Attorney          | 917             |
| 19060179     | 5/31/2019 | Various             | Travel Expenses             | Sheriff           | 73              |
|              |           |                     |                             | <b>Total</b>      | <b>\$ 1,052</b> |

***Purchases of Postage***

On claim 19060179, we noted that the County Jail purchased \$249 in stamps on May 14, 2019, for use in the office; however, the County has a postage machine in the courthouse for postage for all County offices.

Good internal controls and sound business practice require procedures to ensure that all expenditures of County funds are supported by appropriate documentation. Such procedures should ensure also that County funds are expended only for necessary and allowable purchases.

Additionally, a good internal control plan requires procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

Without such procedures, there is an increased risk for the loss and/or misuse of County funds.

We recommend the County Board implement procedures to ensure the following: 1) invoices are paid only once, and any duplicate payments are resolved in a timely manner; 2) all expenditures of County funds are supported by appropriate documentation; and 3) County offices utilize the postage machine rather than purchasing stamps.

**COUNTY SHERIFF**

**Office Accountability**

***County Sheriff Records***

During our audit, we noted the following issues with the County Sheriff’s accounting procedures at June 30, 2019. Similar findings were noted during the previous audit.

- A monthly asset-to-liability reconciliation was not performed for the fee account. A cash long was noted at June 30, 2019, in the amount of \$18,622.
- A savings account with a balance of \$2,081 at June 30, 2019, was maintained. This account was inactive during the fiscal year, and the County Sheriff was unable to provide a purpose for this account.
- There were 27 checks from the fee account signed by a County Sheriff’s Captain in advance of being filled out completely.
- Monetary evidence of \$7,776 from closed cases dating from 1989 to 2011 was still maintained on hand.
- The proceeds from one County Sheriff’s sale were distributed incorrectly. Due to a calculation error, the County Sheriff overpaid the County Treasurer by \$1,000.

***County Jail Records***

A complete and accurate monthly asset-to-liability reconciliation was not performed during the fiscal year ended June 30, 2019, resulting in unknown amounts in the following jail bank accounts:

| Account             | Long/(Short)<br>Amount |
|---------------------|------------------------|
| House Arrest        | \$ 6,748               |
| Petty Cash          | 2,226                  |
| Old Jail Commissary | (2,208)                |
| Trinity             | 4,802                  |
| Prodigy             | 574                    |
| <b>Total</b>        | <b>\$ 12,162</b>       |

Sound accounting practices and good internal controls require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis.

Such procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances. Further, those procedures should require the review of all cash held to ensure proper action has been taken to remit those balances to the appropriate parties.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations. We further recommend the County Sheriff review all funds held, including evidence, and remit excess funds and cash fees collected to the appropriate parties. We recommend the County Sheriff implement procedures to ensure checks are not signed before being completely filled out.

### **Unauthorized Use of Collections**

During the fiscal year, we noted that the County Sheriff was paying for office expenses out of money collected for fees in one account. A similar finding was noted in the previous audit.

The County Sheriff maintained a bank account in which breath test fees were collected, totaling \$2,235, during fiscal year 2019. Expenses incurred for intoximeters, intoximeter training, supplies, and testing totaled \$2,638 during the fiscal year, and the expenses were paid out of the account with no County Board approval or reimbursement.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states, in relevant part, the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived . . . and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law . . . .*

Further, Neb. Rev. Stat. § 23-3106 (Reissue 2012) states, in relevant part, the following:

*The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.*

When County funds are spent without the approval of the County Board, there is an increased risk for not only the loss or misuse of that public money but also noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure all expenses incurred are appropriately paid through the County Board or approved for payment with an authorized petty cash fund.

### **Unclaimed Property**

As of June 30, 2019, we noted that the County Sheriff had checks that were outstanding for over three years and, therefore, qualified as unclaimed property required to be remitted to the State Treasurer, as follows:

- Fee account maintained 41 outstanding checks, totaling \$554, from October 2008 through June 2016.
- Jail account maintained 324 outstanding checks, totaling \$4,150, from December 2008 through June 2016.

A similar finding was noted in the previous audit.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) states the following:

*Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.*

Neb. Rev. Stat. § 69-1310 (Reissue 2018) states, in relevant part, the following:

*(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.*

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding . . . . The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.*

Good internal control requires procedures to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer.

Without such procedures, there is an increased risk of noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure that outstanding checks qualifying as unclaimed property are remitted to the State Treasurer in accordance with State statute.

### **Petty Cash Funds**

During the audit, we noted that the County Sheriff had petty cash that was neither approved by the County Board nor included in the fiscal policy of the annual budget message. The County Sheriff had unauthorized petty cash funds of \$317, of which \$200 was maintained in a bank account that was inactive during the entire fiscal year. A similar finding was noted in the previous audit.

We also noted the following issues with the County Jail petty cash reimbursements:

- One purchase for \$43 was not reimbursed timely. A purchase for postage was made in October 2018 and had not been reimbursed as of February 11, 2020.
- We tested one petty cash reimbursement claim submitted by the County Jail (claim #19050091), totaling \$410, and noted that the requested reimbursement was not supported by adequate documentation. The claim was for reimbursement to a jail employee who attended a training in Grand Island, Nebraska, and used a personal vehicle to attend the training. The mileage log did not include the dates of travel, start and stop times, or locations traveled, and all of the mileage was lumped into one line noting travel from Sioux City, Iowa, to Grand Island, Nebraska, for a total of 641 miles at a cost of \$372. According to Google Maps, mileage from the courthouse in Dakota City to Grand Island via the interstate was 494 miles roundtrip. Due to the mileage log not containing adequate information to ensure mileage was reasonable, only the 494 miles was adequately supported, and the remaining 147 miles, totaling \$85, is questioned. Additionally, support for one \$13 meal reimbursed included a non-itemized credit card receipt.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.*

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) states the following, in relevant part:

*All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . . .*

Good internal controls and sound business practice require procedures to ensure that all petty cash funds held by a County office are: 1) authorized by the County Board; and 2) reflected in the fiscal policy of the County Board message. Those same procedures should ensure also that claims are submitted timely for reimbursement and are supported with the proper documentation.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds but also noncompliance with State statute. Without itemized receipts, moreover, the County Board would not have sufficient documentation to determine whether the charges were appropriate upon approval of the claims.

We recommend the County Sheriff ensure all petty cash funds have been properly approved by the County Board and included in the County Board’s budget message. Furthermore, we recommend all claims for petty cash reimbursement be timely and adequately supported to ensure activity is reasonable and for allowable activities.

### **COUNTY TREASURER**

#### **Semi-Annual Statements**

During the review of the published semi-annual statement for June 30, 2019, we noted the following:

- Three funds were not reported appropriately on the Semi-Annual Statement. The State Overload Fines Fund, totaling \$769, and two Drainage District funds, totaling \$167, were included with the County funds instead of their respective entities.
- Two Drainage Districts have fund numbers that are incorrect per the Auditor of Public Accounts’ (APA) County Manual.
- The County has a “Junk Fund” with a negative balance of \$42. This balance was accumulated during a conversion of an old accounting system to a new accounting system in the County Treasurer’s office multiple years ago. No further follow-up action has been taken by the County.

Neb. Rev. Stat. § 23-1606 (Reissue 2012) requires the County Treasurer’s semi-annual statement to do the following:

*[S]how (1) the amount of money received and for what fund; (2) the amount of warrants or orders presented and registered, and upon what fund; (3) the amount of warrants or orders paid and from what fund; (4) the amount of money on hand in each fund; (5) the amount of outstanding warrants or orders registered and unpaid; (6) the total amount of money on hand; and (7) the total amount of unpaid claims of the county as of June 15 and December 15 each year, as certified to the county treasurer by the county clerk.*

Neb. Rev. Stat. § 23-1611 (Reissue 2012) states, in relevant part, the following:

*The Auditor of Public Accounts shall establish a uniform system of accounting for all county officers. The system, when established, shall be installed and used by all county officers, except that any county with a population of one hundred thousand or more inhabitants may use an accounting system that utilizes generally accepted accounting principles.*

Good internal control and sound business practices require procedures to ensure that trust and agency balances of the County are reviewed on an ongoing, timely basis to determine what action should be taken to resolve those balances. Those same procedures should ensure also compliance with the provisions of the APA’s County Manual.

Without such procedures, there is an increased risk for the loss, theft, or misuse of funds.

We recommend the County Treasurer implement procedures to ensure the Semi-Annual Statement accurately reflects the County’s activity, including the appropriate publication of all funds. Additionally, we recommend the County Treasurer implement procedures to ensure all fund numbers are in accordance with the APA’s County Manual. Further, we recommend the County Treasurer review all funds to ensure they are current and accurate, or appropriate action is taken to resolve such balances.

**5% Gross In Lieu Distribution**

During testing, we noted that one of two distributions of 5% Gross In Lieu was not calculated correctly. The errors were due to the exclusion of one fund for the Dakota City calculation.

| Subdivision                              | Over/(Under) Payments |
|--|-----------------------|
| County General Fund                      | \$ 848                |
| South Sioux City School District 11*     | \$ 2,350              |
| South Sioux City School District 11 Bond | \$ (4,394)            |
| Dakota City*                             | \$ 1,196              |

\*Balance is associated with multiple funds within the entity.

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states the following:

*All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.*

When 5% Gross In Lieu distributions are not calculated correctly, political subdivisions do not receive the appropriate amount of funding, increasing the risk for the loss or misuse of funds.

We recommend the County Treasurer correct the erroneous distribution. Additionally, we recommend the County Treasurer implement procedures to ensure future In Lieu distributions are calculated correctly.

**Motor Vehicle Pro-Rate Distribution**

During testing, we noted that the 2018 distribution of Motor Vehicle Pro-Rate was not calculated correctly due to the exclusion of the Historical Society fund in the calculation. This error was caught in November 2019; however, the revised distribution was also inaccurate due to the inclusion of the Emerson Fire District Bond fund twice, and the total taxes levied number not agreeing to the certified taxes amount.

The following table summarizes the variances noted:

| <b>Subdivision</b>                       | <b>Over/(Under) Payments</b> |
|--|------------------------------|
| County General Fund                      | \$ (20)                      |
| Northeast Community College              | \$ (5)                       |
| Papio-Missouri NRD                       | \$ (2)                       |
| South Sioux City                         | \$ (7)                       |
| Dakota City                              | \$ (1)                       |
| Emerson Fire District Bond Fund          | \$ 93                        |
| South Sioux City School District 11      | \$ (30)                      |
| South Sioux City School District 11 Bond | \$ (3)                       |
| Homer School District 31                 | \$ (11)                      |
| Ponca School District 1                  | \$ (5)                       |
| Emerson Hubbard School District 561      | \$ (5)                       |
| Other Entities*                          | \$ (4)                       |

\*The APA listed only separate entities with variances over \$1.

Neb. Rev. Stat. § 60-3,202(3) (2019 Neb. Laws, LB 79, § 10) states, in relevant part, the following:

*Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.*

When Motor Vehicle Pro-Rate distributions are not calculated correctly, political subdivisions do not receive the appropriate amount of funding, increasing the risk for the loss or misuse of funds.

We recommend the County Treasurer correct the erroneous distribution. Additionally, we recommend the County Treasurer implement procedures to ensure future Motor Vehicle Pro-Rate distributions are calculated correctly.

### **Nameplate Capacity Tax Distribution**

During testing, we noted that the distribution of Nameplate Capacity Tax was not calculated correctly, as the amount was paid entirely to the General Fund of the County, instead of distributed to the tax districts in which a solar farm was located.

The following table summarizes the variances noted:

| <b>Subdivision</b>                | <b>Over/(Under) Payments</b> |
|-----------------------------------|------------------------------|
| County General Fund               | \$ 8,319                     |
| Agricultural Society*             | \$ (46)                      |
| Dakota-Covington Fire District*   | \$ (166)                     |
| ESU 1                             | \$ (91)                      |
| Historical Society                | \$ (11)                      |
| Northeast Community College*      | \$ (579)                     |
| Papio-Missouri NRD*               | \$ (229)                     |
| South Sioux City School District* | \$ (7,197)                   |

\*Balance is associated with multiple funds within the entity.

Neb. Rev. Stat. § 77-6204(1) (Reissue 2018) states the following:

*The county treasurer shall distribute all revenue received from the Department of Revenue pursuant to section 77-6203 to local taxing entities which, but for such personal property tax exemption, would have received distribution of personal property tax revenue from depreciable personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source.*

When Nameplate Capacity Tax distributions are not calculated correctly, political subdivisions do not receive the appropriate amount of funding, increasing the risk for the loss or misuse of funds.

We recommend the County Treasurer correct the erroneous distribution. Additionally, we recommend the County Treasurer implement procedures to ensure future Nameplate Capacity Tax distributions are calculated correctly.

## COUNTY OVERALL

### Insufficient Pledged Collateral

During our audit, we noted that multiple offices did not maintain securities to cover fully deposits held at various financial institutions, as follows:

- For County Treasurer accounts maintained at F&M Bank, deposits were uncollateralized for 157 days during the fiscal year, with uncollateralized amounts ranging from \$3,251 to \$853,398.
- For County Clerk accounts maintained at F & M Bank, deposits were uncollateralized for nine days during the fiscal year, with uncollateralized amounts ranging from \$24,222 to \$468,764.

Neb. Rev. Stat. § 77-2395(1) (Reissue 2018) states, in relevant part, the following:

*[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation [FDIC], unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.*

Furthermore, sound accounting practices and a good internal control plan require procedures to ensure that public funds deposited in banks are fully protected by FDIC coverage or otherwise properly collateralized, and such security is properly documented.

Without such procedures, there is an increased risk for not only the loss of unsecured public funds but also noncompliance with State statute.

We recommend the County Treasurer and County Clerk implement procedures for monitoring closely all County bank accounts to ensure they are properly secured, by either sufficient FDIC coverage or adequate collateral, and documentation of such security is maintained.

### 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.

We noted that the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost. This was also noted in prior audits.

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

\* \* \* \* \*

It should be noted this report is critical in nature, as 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.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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 it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deann Haeffner".

Deann Haeffner, CPA  
Assistant Deputy Auditor