

**AUDIT REPORT  
OF  
ADAMS COUNTY**

**JULY 1, 2019, THROUGH JUNE 30, 2020**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on January 8, 2021**

ADAMS COUNTY

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ADAMS COUNTY  
500 W. 4<sup>th</sup> Street  
Hastings, NE 68901

**LIST OF COUNTY OFFICIALS**  
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Charles Neumann	Jan. 2021
	Glen Larsen	Jan. 2021
	Michael Stromer	Jan. 2023
	Eldon Orthmann	Jan. 2023
	Dale Curtis	Jan. 2023
	Lee Hogan	Jan. 2023
	Scott Thomsen	Jan. 2021
Assessor	Jackie Russell	Jan. 2023
Attorney	Donna Fegler Daiss	Jan. 2023
Clerk Election Commissioner	Ramona Thomas	Jan. 2023
Register of Deeds	Rachel Ormsby	Jan. 2023
Clerk of the District Court	Amanda Bauer	Jan. 2023
Sheriff	John Rust	Jan. 2023
Treasurer	Melanie Curry	Jan. 2023
Surveyor	Tom Krueger	Jan. 2023
Public Defender	Shon Lieske	Jan. 2023
Veterans' Service Officer	Chris Long	Appointed
Weed Superintendent	Eric Walston	Appointed
Highway Superintendent	Dawn Miller	Appointed
Planning & Zoning	Judy Mignery	Appointed
Emergency Manager	Ron Pughes	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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ADAMS COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Adams 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 Adams County, as of and for the year ended June 30, 2020, 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 Adams County as of June 30, 2020, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 18-31, 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 January 7, 2021, on our consideration of Adams 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 Adams County's internal control over financial reporting and compliance.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

January 7, 2021

ADAMS COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 8,990,744
Investments (Note 1.D)	4,015,680
<b>TOTAL ASSETS</b>	<b>\$ 13,006,424</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 519,377
Drug Education	926
Law Enforcement	8,566
Preservation of Records	68,288
Debt Service	284,543
Road Projects	4,200,890
Juvenile Services	8,650
Unrestricted	7,915,184
<b>TOTAL NET POSITION</b>	<b>\$ 13,006,424</b>

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

ADAMS COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2020

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (5,768,773)	\$ 951,080	\$ 75,889	\$ (4,741,804)
Public Safety	(6,659,331)	173,673	715,876	(5,769,782)
Public Works	(5,247,531)	20,981	3,520,441	(1,706,109)
Public Assistance	(202,763)	-	-	(202,763)
Culture and Recreation	(238,508)	-	-	(238,508)
Debt Payments	(998,061)	-	-	(998,061)
Capital Outlay	(1,413,312)	-	-	(1,413,312)
<b>Total Governmental Activities</b>	<u><u>\$ (20,528,279)</u></u>	<u><u>\$ 1,145,734</u></u>	<u><u>\$ 4,312,206</u></u>	<u><u>(15,070,339)</u></u>

General Receipts:

Property Taxes	12,314,634
Grants and Contributions Not Restricted to Specific Programs	1,739,462
Investment Income	131,507
Licenses and Permits	142,561
Bond Proceeds	3,980,890
Health Reimbursement Account Funds	631,070
Miscellaneous	159,819
<b>Total General Receipts</b>	<u><u>19,099,943</u></u>
Increase in Net Position	4,029,604
Net Position - Beginning of year	8,976,820
<b>Net Position - End of year</b>	<u><u>\$ 13,006,424</u></u>

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

ADAMS COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2020

	General Fund	Road Fund	Inheritance Fund	Rural Road Improvement Fund	Escrow Holding Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 2,055,254	\$ 84,106	\$ -	\$ 3,200,890	\$ 740,985	\$ 2,909,509	\$ 8,990,744
Investments (Note 1.D)	-	-	3,001,397	-	1,014,283	-	4,015,680
<b>TOTAL ASSETS</b>	<u>\$ 2,055,254</u>	<u>\$ 84,106</u>	<u>\$ 3,001,397</u>	<u>\$ 3,200,890</u>	<u>\$ 1,755,268</u>	<u>\$ 2,909,509</u>	<u>\$ 13,006,424</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	519,377	519,377
Drug Education	-	-	-	-	-	926	926
Law Enforcement	-	-	-	-	-	8,566	8,566
Preservation of Records	-	-	-	-	-	68,288	68,288
Debt Service	-	-	-	-	-	284,543	284,543
Road Projects	-	-	-	3,200,890	-	1,000,000	4,200,890
Juvenile Services	-	-	-	-	-	8,650	8,650
Committed to:							
Law Enforcement	-	-	-	-	143,001	10,104	153,105
Road Maintenance & Equipment	-	84,106	-	-	1,591,200	74,106	1,749,412
Aid and Assistance	-	-	-	-	-	1	1
Self Insurance	-	-	-	-	-	861,409	861,409
Library Services	-	-	-	-	-	73,539	73,539
Office Furnishings, Supplies, & Equipment	-	-	-	-	17,074	-	17,074
Assigned to:							
Other Purposes	-	-	3,001,397	-	3,993	-	3,005,390
Unassigned	2,055,254	-	-	-	-	-	2,055,254
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 2,055,254</u>	<u>\$ 84,106</u>	<u>\$ 3,001,397</u>	<u>\$ 3,200,890</u>	<u>\$ 1,755,268</u>	<u>\$ 2,909,509</u>	<u>\$ 13,006,424</u>

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

ADAMS COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2020

	General Fund	Road Fund	Inheritance Fund	Rural Road Improvement Fund	Escrow Holding Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$ 10,172,067	\$ -	\$ 1,579,695	\$ -	\$ -	\$ 562,872	\$ 12,314,634
Licenses and Permits	129,248	13,313	-	-	-	-	142,561
Investment Income	131,507	-	-	-	-	-	131,507
Intergovernmental	1,837,710	3,005,251	-	-	-	1,208,707	6,051,668
Charges for Services	1,105,614	20,981	720	-	-	18,419	1,145,734
Miscellaneous	57,684	7,981	-	3,200,890	-	1,505,224	4,771,779
<b>TOTAL RECEIPTS</b>	<u>13,433,830</u>	<u>3,047,526</u>	<u>1,580,415</u>	<u>3,200,890</u>	<u>-</u>	<u>3,295,222</u>	<u>24,557,883</u>
<b>DISBURSEMENTS</b>							
General Government	5,482,165	-	223,274	-	32,012	31,322	5,768,773
Public Safety	6,340,927	-	-	-	82,634	235,770	6,659,331
Public Works	104,229	3,890,953	-	730,228	522,121	-	5,247,531
Public Assistance	200,763	-	-	-	-	2,000	202,763
Culture and Recreation	-	-	-	-	-	238,508	238,508
Debt Service:							
Principal Payments	-	-	-	-	-	960,000	960,000
Interest and Fiscal Charges	-	-	-	-	-	38,061	38,061
Capital Outlay	-	-	-	-	-	1,413,312	1,413,312
<b>TOTAL DISBURSEMENTS</b>	<u>12,128,084</u>	<u>3,890,953</u>	<u>223,274</u>	<u>730,228</u>	<u>636,767</u>	<u>2,918,973</u>	<u>20,528,279</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,305,746</u>	<u>(843,427)</u>	<u>1,357,141</u>	<u>2,470,662</u>	<u>(636,767)</u>	<u>376,249</u>	<u>4,029,604</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	1,507,014	2,980,076	-	102,535	1,751,275	613,186	6,954,086
Transfers out	(3,140,151)	(2,052,543)	(1,726,775)	(27,603)	(5,853)	(1,161)	(6,954,086)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,633,137)</u>	<u>927,533</u>	<u>(1,726,775)</u>	<u>74,932</u>	<u>1,745,422</u>	<u>612,025</u>	<u>-</u>
Net Change in Fund Balances	(327,391)	84,106	(369,634)	2,545,594	1,108,655	988,274	4,029,604
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>2,382,645</u>	<u>-</u>	<u>3,371,031</u>	<u>655,296</u>	<u>646,613</u>	<u>1,921,235</u>	<u>8,976,820</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 2,055,254</u>	<u>\$ 84,106</u>	<u>\$ 3,001,397</u>	<u>\$ 3,200,890</u>	<u>\$ 1,755,268</u>	<u>\$ 2,909,509</u>	<u>\$ 13,006,424</u>

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

ADAMS COUNTY  
**STATEMENT OF CASH BASIS NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2020

		Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	2,019,310
Investments (Note 1.D)		122,385
		2,141,695
 <b>LIABILITIES</b>		
Due to other governments		
State		737,867
Schools		735,627
Educational Service Units		6,587
Technical College		40,909
Natural Resource Districts		11,253
Fire Districts		3,635
Municipalities		229,350
Agricultural Society		7,780
Townships		41,446
Sanitary and Improvement Districts		123,469
District Court Trust Balance		203,346
Others		426
<b>TOTAL LIABILITIES</b>		<b>2,141,695</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$</b>	 <b>-</b>

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Adams 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 III – 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 III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

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 \$82,882 toward the operation of the Region during fiscal year 2020. 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.

Health Department – The County has entered into an agreement with the South Heartland District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$2,500 toward the operation of the Department during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (2020 Neb. Laws, LB 781, § 8). Financial information for the Department is available in that report.

South Central Planning, Exercise, and Training Region (Region) – The County has entered into an agreement with the surrounding counties and municipalities to establish, maintain, and operate a public safety planning, exercise, and training program. Agreements were established under the authority of the Interlocal Cooperation Act for services provided per the agreements.

The governing board for the Region is established by the agreement and includes representatives from the participating county and municipality boards. Adams County is the fiscal agent for the Region, and pays for expenditures through a separate fund set up for that purpose. The fund is included in the financial activity of the County as the Regional Emergency Management Fund.

**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.

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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

**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.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

**Rural Road Improvement Fund.** This fund is used to account for costs associated with road, highway, and drainage improvements within the County. It is primarily funded by bond proceeds.

**Escrow Holding Fund.** This fund is used to account for activity related to budgeting open and contracted commitments of the County.

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.

**Capital Project Funds.** The Adams Central Road Project Fund, and Showboat South of Hwy 6 Fund account for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Fund.** The Highway Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

**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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

**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 \$5,091,240 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 \$8,990,744 for County funds and \$2,019,310 for Fiduciary funds. The bank balances for all funds totaled \$10,839,701. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2020, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$4,015,680 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$122,385 for Fiduciary Funds. 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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. **Deposits and Investments** (Concluded)

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.

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 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.267959/\$100 of assessed valuation. The levy set in October 2018, for the 2018 taxes, which were materially collected in May and September 2019, was set at \$.264723/\$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, Supp. 2019) 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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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.

For the year ended June 30, 2020, 172 employees contributed \$317,372, and the County contributed \$470,319. Contributions included \$11,475 in cash contributions towards the supplemental law enforcement plan for 18 law enforcement employees. Lastly, the County paid \$230 directly to three 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 98 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 Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at 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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

<b>Transfers to</b>	Transfers from						Total
	General Fund	Road Fund	Inheritance Fund	Rural Road Improvement Fund	Escrow Holding Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 5,853	\$ 1,161	\$ 1,507,014
Road Fund	2,980,076	-	-	-	-	-	2,980,076
Rural Road Improvement Fund	-	-	102,535	-	-	-	102,535
Escrow Fund	160,075	1,591,200	-	-	-	-	1,751,275
Nonmajor Funds	-	461,343	124,240	27,603	-	-	613,186
<b>Total</b>	<b>\$ 3,140,151</b>	<b>\$ 2,052,543</b>	<b>\$ 1,726,775</b>	<b>\$ 27,603</b>	<b>\$ 5,853</b>	<b>\$ 1,161</b>	<b>\$ 6,954,086</b>

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 year ended June 30, 2020, the County made a one-time transfer of \$461,343 from the Road Fund to the Highway Bond Fund to ensure sufficient funds were available to disburse a bond payment. Additionally, \$1,591,200 was transferred from the Road Fund to the Escrow Fund to set aside funds that were budgeted in fiscal year 2020 but were not used. These funds will be used during fiscal year 2021. Finally, a one-time transfer of \$27,603 from the Rural Road Improvement Fund to the Showboat South of Hwy 6 Fund was made to cover the County's portion of project costs.

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:

	<u>Motorgraders</u>
Balance July 1, 2019	\$ -
Purchases	373,960
Payments	-
Balance June 30, 2020	<u>\$ 373,960</u>
Future Payments:	
<b>Year</b>	
2021	\$ 93,490
2022	93,490
2023	93,489
2024	93,491
Total Payments	<u>\$ 373,960</u>
Carrying Value of the Related Fixed Asset	<u>\$ 373,960</u>

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

8. **Long-Term Debt**

**Highway Allocation Construction Bonds.** The County issued bonds on May 12, 2016, in the amount of \$2,670,000 to refund the outstanding balance of the Series 2011 bonds, and to pay the costs of certain streets, highways, and roads within the County. The bond payable balance, as of June 30, 2020, was \$915,000. 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>
2021	\$ 455,000	\$ 10,201	\$ 465,201
2022	460,000	3,565	463,565
Total Payments	<u>\$ 915,000</u>	<u>\$ 13,766</u>	<u>\$ 928,766</u>

**Highway Allocation Road Bonds.** The County issued bonds on July 16, 2018, in the amount of \$795,000 to pay the construction costs of certain roads within the County for the Southeast Truck Route. The bond payable balance, as of June 30, 2020, was \$795,000. 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. The County plans to use future highway allocation receipts to pay off the bonds.

Future Payments:

<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 255,000	\$ 16,554	\$ 271,554
2022	265,000	10,106	275,106
2023	275,000	3,410	278,410
Total Payments	<u>\$ 795,000</u>	<u>\$ 30,070</u>	<u>\$ 825,070</u>

**Bond Anticipation Notes.** The County issued Bond Anticipation Notes on June 30, 2020, in the amount of \$4,030,000 for the purpose of providing interim financing for road, highway, drainage, and related improvements in the County. The notes payable balance, as of June 30, 2020, was \$4,030,000. 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>
2021	\$ -	\$ 34,759	\$ 34,759
2022	4,030,000	36,270	4,066,270
Total Payments	<u>\$ 4,030,000</u>	<u>\$ 71,029</u>	<u>\$ 4,101,029</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 11,191,413	\$ 11,191,413	\$ 10,172,067	\$ (1,019,346)
Licenses and Permits	105,345	105,345	129,248	23,903
Interest	75,000	75,000	131,507	56,507
Intergovernmental	1,198,668	1,198,668	1,837,710	639,042
Charges for Services	1,067,750	1,067,750	1,105,614	37,864
Miscellaneous	46,100	46,100	57,684	11,584
<b>TOTAL RECEIPTS</b>	<u>13,684,276</u>	<u>13,684,276</u>	<u>13,433,830</u>	<u>(250,446)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	256,134	256,134	250,954	5,180
County Clerk	360,326	360,326	329,181	31,145
County Treasurer	616,420	616,420	594,158	22,262
Register of Deeds	272,259	272,259	261,227	11,032
County Assessor	531,000	531,000	498,606	32,394
Election Commissioner	74,099	74,099	54,734	19,365
Building and Zoning	63,353	63,353	56,659	6,694
Data Processing	308,513	308,513	307,045	1,468
Clerk of the District Court	482,705	482,705	405,839	76,866
County Court System	182,000	182,000	130,963	51,037
District Judge	62,292	62,292	59,326	2,966
Public Defender	1,085,039	1,100,654	1,100,654	-
Building and Grounds	540,460	540,460	485,952	54,508
Microfilm	6,400	6,560	6,560	-
Agricultural Extension Agent	228,967	228,967	213,108	15,859
Miscellaneous	849,427	832,626	727,199	105,427
Public Safety				
County Sheriff	2,364,576	2,364,576	2,164,961	199,615
County Attorney	1,404,674	1,404,674	1,261,174	143,500
Communication Center	87,100	87,100	78,802	8,298
County Jail	2,561,985	2,561,985	2,193,179	368,806
Adult Probation	63,486	63,486	54,729	8,757
Ambulance	62,500	62,500	62,500	-
Emergency Management	895,047	895,047	432,406	462,641
Building Security	101,050	101,050	93,176	7,874
Public Works				
County Surveyor	28,000	28,000	21,694	6,306
Noxious Weed Control	91,610	91,610	82,535	9,075
Public Assistance				
Veterans' Service Officer	191,175	192,201	192,201	-
County Relief	30,000	30,000	8,562	21,438
<b>TOTAL DISBURSEMENTS</b>	<u>13,800,597</u>	<u>13,800,597</u>	<u>12,128,084</u>	<u>1,672,513</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(116,321)	(116,321)	1,305,746	1,422,067
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,507,014	1,507,014	1,507,014	-
Transfers out	(3,023,338)	(3,023,338)	(3,140,151)	(116,813)
TOTAL OTHER FINANCING SOURCES (USES)	(1,516,324)	(1,516,324)	(1,633,137)	(116,813)
Net Change in Fund Balance	(1,632,645)	(1,632,645)	(327,391)	1,305,254
<b>FUND BALANCE - BEGINNING</b>	2,382,645	2,382,645	2,382,645	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 2,055,254</u>	<u>\$ 1,305,254</u>

(Concluded)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 3,000	\$ 3,000	\$ 13,313	\$ 10,313
Intergovernmental	3,015,208	3,015,208	3,005,251	(9,957)
Charges for Services	8,700	8,700	20,981	12,281
Miscellaneous	6,400	6,400	7,981	1,581
<b>TOTAL RECEIPTS</b>	<b>3,033,308</b>	<b>3,033,308</b>	<b>3,047,526</b>	<b>14,218</b>
<b>DISBURSEMENTS</b>	<b>5,595,201</b>	<b>5,595,201</b>	<b>3,890,953</b>	<b>1,704,248</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,561,893)</b>	<b>(2,561,893)</b>	<b>(843,427)</b>	<b>1,718,466</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,023,338	3,023,338	2,980,076	(43,262)
Transfers out	(461,445)	(461,445)	(2,052,543)	(1,591,098)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,561,893</b>	<b>2,561,893</b>	<b>927,533</b>	<b>(1,634,360)</b>
Net Change in Fund Balance	-	-	84,106	84,106
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 84,106</b>	<b>\$ 84,106</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 800,000	\$ 800,000	\$ 1,579,695	\$ 779,695
Charges for Services	-	-	720	720
<b>TOTAL RECEIPTS</b>	<b>800,000</b>	<b>800,000</b>	<b>1,580,415</b>	<b>780,415</b>
<b>DISBURSEMENTS</b>	<b>2,444,256</b>	<b>2,444,256</b>	<b>223,274</b>	<b>2,220,982</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,644,256)</b>	<b>(1,644,256)</b>	<b>1,357,141</b>	<b>3,001,397</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,726,775)	(1,726,775)	(1,726,775)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,726,775)</b>	<b>(1,726,775)</b>	<b>(1,726,775)</b>	<b>-</b>
Net Change in Fund Balance	(3,371,031)	(3,371,031)	(369,634)	3,001,397
FUND BALANCE - BEGINNING	3,371,031	3,371,031	3,371,031	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,001,397</b>	<b>\$ 3,001,397</b>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>RURAL ROAD IMPROVEMENT FUND</u></b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ -	\$ -	\$ 3,200,890	\$ 3,200,890
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>3,200,890</b>	<b>3,200,890</b>
<b>DISBURSEMENTS</b>	<b>757,831</b>	<b>757,831</b>	<b>730,228</b>	<b>27,603</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(757,831)</b>	<b>(757,831)</b>	<b>2,470,662</b>	<b>3,228,493</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	102,535	102,535	102,535	-
Transfers out	-	-	(27,603)	(27,603)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>102,535</b>	<b>102,535</b>	<b>74,932</b>	<b>(27,603)</b>
Net Change in Fund Balance	(655,296)	(655,296)	2,545,594	3,200,890
FUND BALANCE - BEGINNING	655,296	655,296	655,296	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,200,890</u>	<u>\$ 3,200,890</u>
<b><u>ESCROW HOLDING FUND</u></b>				
<b>RECEIPTS</b>				
	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>	<b>640,760</b>	<b>640,760</b>	<b>636,767</b>	<b>3,993</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(640,760)</b>	<b>(640,760)</b>	<b>(636,767)</b>	<b>3,993</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,751,275	1,751,275
Transfers out	(5,853)	(5,853)	(5,853)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,853)</b>	<b>(5,853)</b>	<b>1,745,422</b>	<b>1,751,275</b>
Net Change in Fund Balance	(646,613)	(646,613)	1,108,655	1,755,268
FUND BALANCE - BEGINNING	646,613	646,613	646,613	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,755,268</u>	<u>\$ 1,755,268</u>

(Concluded)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 128,738	\$ 78,738
Disbursements	(236,054)	(236,054)	(54,606)	181,448
Net Change in Fund Balance	(186,054)	(186,054)	74,132	260,186
Fund Balance - Beginning	186,054	186,054	186,054	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,186</u>	<u>\$ 260,186</u>
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 64,369	\$ 14,369
Disbursements	(259,822)	(259,822)	(15,000)	244,822
Net Change in Fund Balance	(209,822)	(209,822)	49,369	259,191
Fund Balance - Beginning	209,822	209,822	209,822	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,191</u>	<u>\$ 259,191</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 16,000	\$ 16,000	\$ 18,419	\$ 2,419
Disbursements	(83,409)	(83,409)	(17,540)	65,869
Net Change in Fund Balance	(67,409)	(67,409)	879	68,288
Fund Balance - Beginning	67,409	67,409	67,409	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,288</u>	<u>\$ 68,288</u>
<b>HEALTH FUND</b>				
Receipts	\$ -	\$ -	\$ 716,408	\$ 716,408
Disbursements	(158,783)	(158,783)	(13,782)	145,001
Net Change in Fund Balance	(158,783)	(158,783)	702,626	861,409
Fund Balance - Beginning	158,783	158,783	158,783	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 861,409</u>	<u>\$ 861,409</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(2,000)	(2,000)	(2,000)	-
Transfers in	1,999	1,999	2,000	1
Transfers out	-	-	-	-
Net Change in Fund Balance	(1)	(1)	-	1
Fund Balance - Beginning	1	1	1	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LIBRARY FUND</b>				
Receipts	\$ 167,732	\$ 167,732	\$ 168,929	\$ 1,197
Disbursements	(168,904)	(168,904)	(168,902)	2
Net Change in Fund Balance	(1,172)	(1,172)	27	1,199
Fund Balance - Beginning	1,172	1,172	1,172	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,199</u>	<u>\$ 1,199</u>

<b>BOOKMOBILE FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(72,340)	(72,340)	-	72,340
Net Change in Fund Balance	(72,340)	(72,340)	-	72,340
Fund Balance - Beginning	72,340	72,340	72,340	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,340</u>	<u>\$ 72,340</u>

<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ -	\$ -	\$ 250	\$ 250
Disbursements	(2,747)	(2,747)	(2,071)	676
Net Change in Fund Balance	(2,747)	(2,747)	(1,821)	926
Fund Balance - Beginning	2,747	2,747	2,747	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 926</u>	<u>\$ 926</u>

<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 8,566	\$ 8,566
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	8,566	8,566
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,566</u>	<u>\$ 8,566</u>

<b>REGIONAL EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 1,569	\$ 1,569	\$ 1,500	\$ (69)
Disbursements	(10,440)	(10,440)	(267)	10,173
Net Change in Fund Balance	(8,871)	(8,871)	1,233	10,104
Fund Balance - Beginning	8,871	8,871	8,871	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,104</u>	<u>\$ 10,104</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>JUVENILE GRANT FUND</b>				
Receipts	\$ 252,901	\$ 252,901	\$ 242,082	\$ (10,819)
Disbursements	(252,901)	(252,901)	(233,432)	19,469
Transfers in	-	-	-	-
Transfers out	(1,161)	(1,161)	(1,161)	-
Net Change in Fund Balance	(1,161)	(1,161)	7,489	8,650
Fund Balance - Beginning	1,161	1,161	1,161	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,650</u>	<u>\$ 8,650</u>
<b>HIGHWAY BOND FUND</b>				
Receipts	\$ 200,000	\$ 200,000	\$ 238,387	\$ 38,387
Disbursements	(1,244,320)	(1,244,320)	(998,061)	246,259
Transfers in	461,445	461,445	461,342	(103)
Transfers out	-	-	-	-
Net Change in Fund Balance	(582,875)	(582,875)	(298,332)	284,543
Fund Balance - Beginning	582,875	582,875	582,875	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,543</u>	<u>\$ 284,543</u>
<b>ADAMS CENTRAL ROAD PROJECT FUND</b>				
Receipts	\$ 220,000	\$ 220,000	\$ 1,000,000	\$ 780,000
Disbursements	(520,000)	(520,000)	(300,000)	220,000
Net Change in Fund Balance	(300,000)	(300,000)	700,000	1,000,000
Fund Balance - Beginning	300,000	300,000	300,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
<b>SHOWBOAT SOUTH OF HWY 6 FUND</b>				
Receipts	\$ 764,624	\$ 764,624	\$ 707,574	\$ (57,050)
Disbursements	(1,216,865)	(1,216,865)	(1,113,312)	103,553
Transfers in	122,241	122,241	149,844	27,603
Transfers out	-	-	-	-
Net Change in Fund Balance	(330,000)	(330,000)	(255,894)	74,106
Fund Balance - Beginning	330,000	330,000	330,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,106</u>	<u>\$ 74,106</u>

(Concluded)

ADAMS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2020

	Visitors Promotion Fund	Visitors Improvement Fund	Preservation and Modernization Fund	Health Fund	Veterans' Aid Fund
<b>RECEIPTS</b>					
Property Taxes	\$ 128,738	\$ 64,369	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	18,419	-	-
Miscellaneous	-	-	-	716,408	-
<b>TOTAL RECEIPTS</b>	<u>128,738</u>	<u>64,369</u>	<u>18,419</u>	<u>716,408</u>	<u>-</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	17,540	13,782	-
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	2,000
Culture and Recreation	54,606	15,000	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>54,606</u>	<u>15,000</u>	<u>17,540</u>	<u>13,782</u>	<u>2,000</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>74,132</u>	<u>49,369</u>	<u>879</u>	<u>702,626</u>	<u>(2,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	2,000
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balances	74,132	49,369	879	702,626	-
<b>FUND BALANCES - BEGINNING</b>	<u>186,054</u>	<u>209,822</u>	<u>67,409</u>	<u>158,783</u>	<u>1</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 260,186</u>	<u>\$ 259,191</u>	<u>\$ 68,288</u>	<u>\$ 861,409</u>	<u>\$ 1</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	260,186	259,191	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	68,288	-	-
Debt Service	-	-	-	-	-
Road Projects	-	-	-	-	-
Juvenile Services	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance & Equipment	-	-	-	-	-
Aid and Assistance	-	-	-	-	1
Self Insurance	-	-	-	861,409	-
Library Services	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 260,186</u>	<u>\$ 259,191</u>	<u>\$ 68,288</u>	<u>\$ 861,409</u>	<u>\$ 1</u>

(Continued)

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

For the Year Ended June 30, 2020

	Library Fund	Bookmobile Fund	Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund	Regional Emergency Management Fund
<b>RECEIPTS</b>					
Property Taxes	\$ 152,007	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,922	-	-	-	1,500
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	250	8,566	-
<b>TOTAL RECEIPTS</b>	<b>168,929</b>	<b>-</b>	<b>250</b>	<b>8,566</b>	<b>1,500</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	2,071	-	267
Public Assistance	-	-	-	-	-
Culture and Recreation	168,902	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>168,902</b>	<b>-</b>	<b>2,071</b>	<b>-</b>	<b>267</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>27</b>	<b>-</b>	<b>(1,821)</b>	<b>8,566</b>	<b>1,233</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	27	-	(1,821)	8,566	1,233
<b>FUND BALANCES - BEGINNING</b>	<b>1,172</b>	<b>72,340</b>	<b>2,747</b>	<b>-</b>	<b>8,871</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,199</b>	<b>\$ 72,340</b>	<b>\$ 926</b>	<b>\$ 8,566</b>	<b>\$ 10,104</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education	-	-	926	-	-
Law Enforcement	-	-	-	8,566	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road Projects	-	-	-	-	-
Juvenile Services	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	10,104
Road Maintenance & Equipment	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Self Insurance	-	-	-	-	-
Library Services	1,199	72,340	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,199</b>	<b>\$ 72,340</b>	<b>\$ 926</b>	<b>\$ 8,566</b>	<b>\$ 10,104</b>

(Continued)

ADAMS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2020

	Juvenile Grant Fund	Highway Bond Fund	Adams Central Road Project Fund	Showboat South of Hwy 6 Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ -	\$ 217,758	\$ -	\$ -	\$ 562,872
Intergovernmental	242,082	20,629	220,000	707,574	1,208,707
Charges for Services	-	-	-	-	18,419
Miscellaneous	-	-	780,000	-	1,505,224
<b>TOTAL RECEIPTS</b>	<u>242,082</u>	<u>238,387</u>	<u>1,000,000</u>	<u>707,574</u>	<u>3,295,222</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	31,322
Public Safety	233,432	-	-	-	235,770
Public Assistance	-	-	-	-	2,000
Culture and Recreation	-	-	-	-	238,508
Debt Service:					
Principal Payments	-	960,000	-	-	960,000
Interest and Fiscal Charges	-	38,061	-	-	38,061
Capital Projects	-	-	300,000	1,113,312	1,413,312
<b>TOTAL DISBURSEMENTS</b>	<u>233,432</u>	<u>998,061</u>	<u>300,000</u>	<u>1,113,312</u>	<u>2,918,973</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>8,650</u>	<u>(759,674)</u>	<u>700,000</u>	<u>(405,738)</u>	<u>376,249</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	461,342	-	149,844	613,186
Transfers out	(1,161)	-	-	-	(1,161)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,161)</u>	<u>461,342</u>	<u>-</u>	<u>149,844</u>	<u>612,025</u>
Net Change in Fund Balances	7,489	(298,332)	700,000	(255,894)	988,274
<b>FUND BALANCES - BEGINNING</b>	<u>1,161</u>	<u>582,875</u>	<u>300,000</u>	<u>330,000</u>	<u>1,921,235</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 8,650</u>	<u>\$ 284,543</u>	<u>\$ 1,000,000</u>	<u>\$ 74,106</u>	<u>\$ 2,909,509</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	519,377
Drug Education	-	-	-	-	926
Law Enforcement	-	-	-	-	8,566
Preservation of Records	-	-	-	-	68,288
Debt Service	-	284,543	-	-	284,543
Road Projects	-	-	1,000,000	-	1,000,000
Juvenile Services	8,650	-	-	-	8,650
Committed to:					
Law Enforcement	-	-	-	-	10,104
Road Maintenance & Equipment	-	-	-	74,106	74,106
Aid and Assistance	-	-	-	-	1
Self Insurance	-	-	-	-	861,409
Library Services	-	-	-	-	73,539
<b>TOTAL FUND BALANCES</b>	<u>\$ 8,650</u>	<u>\$ 284,543</u>	<u>\$ 1,000,000</u>	<u>\$ 74,106</u>	<u>\$ 2,909,509</u>

(Concluded)

**ADAMS COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2020

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2019	\$ 2,261	\$ 43,229	\$ 202,934	\$ 68,027	\$ 2,797	\$ 25
<b>RECEIPTS</b>						
Licenses and Permits	4,275	-	-	2,660	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	5,423	207,359	65,606	152,280	170	1,925
Miscellaneous	420	366	-	3,807	982	-
State Fees	-	242,200	67,798	-	-	-
Other Liabilities	-	100	989,194	232,021	20,920	-
<b>TOTAL RECEIPTS</b>	<b>10,118</b>	<b>450,025</b>	<b>1,122,598</b>	<b>390,768</b>	<b>22,072</b>	<b>1,925</b>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	9,874	204,220	65,032	184,082	170	1,925
Payments to State Treasurer	-	249,071	65,765	-	-	-
Other Liabilities	420	466	987,512	238,207	21,832	-
<b>TOTAL DISBURSEMENTS</b>	<b>10,294</b>	<b>453,757</b>	<b>1,118,309</b>	<b>422,289</b>	<b>22,002</b>	<b>1,925</b>
BALANCES JUNE 30, 2020	<u>\$ 2,085</u>	<u>\$ 39,497</u>	<u>\$ 207,223</u>	<u>\$ 36,506</u>	<u>\$ 2,867</u>	<u>\$ 25</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ 835	\$ 20,801	\$ 3,877	\$ 21,601	\$ 10	\$ -
Petty Cash	1,250	-	-	13,585	2,000	25
Due to State Treasurer	-	18,696	4,244	-	-	-
Due to Others	-	-	199,102	1,320	857	-
BALANCES JUNE 30, 2020	<u>\$ 2,085</u>	<u>\$ 39,497</u>	<u>\$ 207,223</u>	<u>\$ 36,506</u>	<u>\$ 2,867</u>	<u>\$ 25</u>

(Continued)

ADAMS COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2020

	Highway Superintendent	Veterans' Service Officer	County Assessor	County Planning and Zoning	County Health Reimbursement Account	Total
BALANCES JULY 1, 2019	\$ 200	\$ 4,113	\$ 27	\$ 25	\$ -	\$ 323,638
<b>RECEIPTS</b>						
Licenses and Permits	13,313	-	-	5,853	-	26,101
Intergovernmental	324,287	2,000	-	12,134	-	338,421
Charges for Services	15,883	-	23	-	-	448,669
Miscellaneous	8,249	-	-	-	964,759	978,583
State Fees	-	-	-	-	-	309,998
Other Liabilities	-	-	-	-	-	1,242,235
<b>TOTAL RECEIPTS</b>	<u>361,732</u>	<u>2,000</u>	<u>23</u>	<u>17,987</u>	<u>964,759</u>	<u>3,344,007</u>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	361,465	-	35	17,987	-	844,790
Payments to State Treasurer	-	-	-	-	-	314,836
Other Liabilities	267	2,836	-	-	333,689	1,585,229
<b>TOTAL DISBURSEMENTS</b>	<u>361,732</u>	<u>2,836</u>	<u>35</u>	<u>17,987</u>	<u>333,689</u>	<u>2,744,855</u>
BALANCES JUNE 30, 2020	<u>\$ 200</u>	<u>\$ 3,277</u>	<u>\$ 15</u>	<u>\$ 25</u>	<u>\$ 631,070</u>	<u>\$ 922,790</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ -	\$ 3,277	\$ -	\$ -	\$ 631,070	\$ 681,471
Petty Cash	200	-	15	25	-	17,100
Due to State Treasurer	-	-	-	-	-	22,940
Due to Others	-	-	-	-	-	201,279
BALANCES JUNE 30, 2020	<u>\$ 200</u>	<u>\$ 3,277</u>	<u>\$ 15</u>	<u>\$ 25</u>	<u>\$ 631,070</u>	<u>\$ 922,790</u>

(Concluded)

ADAMS COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2020

Item	2015	2016	2017	2018	2019
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 45,502,032	\$ 49,135,828	\$ 50,136,983	\$ 51,551,321	\$ 52,468,867
Personal and Specials	2,740,917	2,795,163	3,545,569	3,418,259	3,269,315
<b>Total</b>	<b>48,242,949</b>	<b>51,930,991</b>	<b>53,682,552</b>	<b>54,969,580</b>	<b>55,738,182</b>
<b>Corrections</b>					
Additions	32,000	40,462	28,987	21,126	6,428
Deductions	(55,765)	(66,003)	(67,838)	(131,523)	(77,863)
Net Additions/ (Deductions)	(23,765)	(25,541)	(38,851)	(110,397)	(71,435)
<b>Corrected Certified Tax</b>	<b>48,219,184</b>	<b>51,905,450</b>	<b>53,643,701</b>	<b>54,859,183</b>	<b>55,666,747</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2016	30,390,081	-	-	-	-
June 30, 2017	17,794,178	32,610,155	-	-	-
June 30, 2018	20,905	19,265,989	33,995,585	-	-
June 30, 2019	3,462	13,996	19,618,225	33,888,464	-
June 30, 2020	3,063	3,981	9,137	20,935,852	34,040,654
<b>Total Net Collections</b>	<b>48,211,689</b>	<b>51,894,121</b>	<b>53,622,947</b>	<b>54,824,316</b>	<b>34,040,654</b>
<b>Total Uncollected Tax</b>	<b>\$ 7,495</b>	<b>\$ 11,329</b>	<b>\$ 20,754</b>	<b>\$ 34,867</b>	<b>\$ 21,626,093</b>
<b>Percentage Uncollected Tax</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.04%</b>	<b>0.06%</b>	<b>38.85%</b>

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

ADAMS COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF JUSTICE</b>			
Passed through Nebraska Commission on Law Enforcement and Criminal Justice Crime Victim Assistance	16.575	unavailable	\$ 73,701
Total U.S. Department of Justice			<u>73,701</u>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>			
Passed through Nebraska State Patrol High Intensity Drug Trafficking Areas Program	95.001	unavailable	46,073
Total Executive Office of the President			<u>46,073</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	* 229,368
Homeland Security Grant Program	97.067	unavailable	* 272,597
Emergency Management Performance Grants	97.042	unavailable	58,853
Total U.S. Department of Homeland Security			<u>560,818</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	unavailable	76,194
Total U.S. Department of Health and Human Services			<u>76,194</u>
<b>DEPARTMENT OF THE INTERIOR</b>			
Payments In Lieu of Taxes	15.226	unavailable	2,909
Total U.S. Department of Transportation			<u>2,909</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 759,695</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

ADAMS COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2020

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Adams County (County) under programs of the Federal government for the year ended June 30, 2020, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Adams County, it is not intended to and does not present the financial position, changes or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Adams County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance.

**3. Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA #97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$229,368 for this program. Of this amount, \$160,179 was incurred and paid in the fiscal year ending June 30, 2019. The remaining amounts were incurred and paid in the fiscal year ending June 30, 2020.



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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## ADAMS 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 Supervisors  
Adams 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 Adams County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Adams County's basic financial statements, and have issued our report thereon dated January 7, 2021. 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 Adams 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 Adams County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- 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 Adams 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 Adams County in a separate letter dated January 7, 2021.

**Adams County's Response to Findings**

Adams 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

January 7, 2021



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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ADAMS COUNTY  
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON THE SCHEDULE OF EXPENITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Supervisors  
Adams County, Nebraska

**Report on Compliance for Each Major Federal Program**

We have audited Adams County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Adams County's major Federal programs for the year ended June 30, 2020. Adams County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Adams County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Adams County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Adams County's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, Adams County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of Adams County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Adams County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adams County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Adams County as of and for the year ended June 30, 2020, and have issued our report thereon dated January 7, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

January 7, 2021



Deann Haeffner  
Assistant Deputy Auditor  
Lincoln, Nebraska



ADAMS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(Concluded)

**Section II – Financial Statement Findings**

**Finding # 2020-1**

- Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
- Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
- Context - Various County offices collect money; most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
- Effect - This lack of segregation of duties results in an inadequate overall internal control structure design.
- Cause - The County does not employ sufficient office personnel to segregate accounting functions properly.
- Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
- View of Officials - The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

**Section III – Federal Award Findings and Questioned Costs**

**None Noted**



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 7, 2021

Board of Supervisors  
Adams County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Adams County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 7, 2021. 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 ATTORNEY

### Unknown Trust Balance

As of June 30, 2020, the County Attorney had an unknown trust balance of \$157 in the check reimbursement account. The County Attorney could not identify the proper recipient of these funds.

Sound accounting practice and good internal control require procedures to ensure that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (unremitted fees and trust accounts) on, at least, a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

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

A similar issue was noted in prior audits.

We recommend the County Attorney review monies held in trust and remit any balance that cannot be accounted for to the County Treasurer or State Treasurer, as appropriate.

*County Attorney's Response: The monies held in trust as part of the check reimbursement account will be reviewed and remitted to the County Treasurer or State Treasurer as recommended.*

## COUNTY BOARD

### Claims Documentation

During testing, we noted the following issues related to the documentation received and monitoring of amounts paid to CASA (Court Appointed Special Advocate) and Central Nebraska Drug Court to support their operations:

- Claim 193416, dated February 18, 2020, to CASA provided \$40,000 to support the organization's programs; however, the County performed no follow-up procedures to ensure that CASA spent the funds appropriately.
- Claim 191341, dated October 1, 2019, to Central Nebraska Drug Court (Drug Court) provided \$54,660 to support Drug Court programs. The participating counties each contribute towards the operation of the Drug Court based on the number of participants from each county. There was no written agreement with the Drug Court to support the County's annual contribution requirement.

Good internal controls and sound business practices require procedures to ensure: 1) all payments issued by the County to support the operations of other entities are supported by written agreements; and 2) the County performs adequate monitoring procedures to confirm that the funds provided are utilized appropriately by the other entities.

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

We recommend the County Board implement procedures to ensure all payments issued by the County to support the operations of other entities are supported by written agreements, and adequate monitoring procedures are performed to ensure the funds provided are utilized appropriately.

*County Attorney's Response: One time per month I meet with representatives of the CASA Program that work actively with and carry out the terms of the Diversion Agreements entered into my office with juvenile offenders. This allows me to monitor the effectiveness of the Diversion Program and determine what procedures and protocols are efficient and which may need changed.*

*While I am comfortable that the monies paid by the County to the CASA Program are being utilized appropriately, I can see that more documentation of these follow-up interactions would be beneficial and I will work to improve and implement that documentation.*

*Adams County is a participating county of the Central Nebraska Drug Court (CNDC) and as such has entered into an Interlocal Agreement with the other participating counties – Hall, Buffalo, Phelps, and Kearney Counties. Funding for the CNDC is provided by the participating counties, the State of Nebraska, and Drug Court Participants through participation fees. The amount Adams County pays to participate in CNDC is determined by the number of participants from each county based upon the formula developed by the CNDC Board. The budget, and all receipts and expenditures, are held and run through Hall County.*

*In addition, two representatives from Adams County (a member of the County Board and the Adams County Attorney) sit on the governing Board of Directors for CNDC which meet quarterly to review the fiscal health of the organization as well as protocols, procedures, and upcoming legislation that may affect CNDC.*

### **Credit Card Agreement**

The County pays certain expenses related to the Adams County Convention and Visitor's Bureau (CVB), and the CVB has access to a County credit card; however, there is no written agreement between the two parties to specify who is responsible for the costs incurred.

Good internal controls and sound business practices require procedures to ensure that a written agreement exists between the County and the CVB to outline the specific duties of both parties, including the responsibility of paying for the various costs incurred. Those same procedures should ensure also that only County personnel have spending authority on County credit cards.

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

A similar issue was noted in prior audits.

We recommend the County implement procedures to ensure that its agreement with the CVB specifies the duties, including the responsibility of paying for the various costs incurred, of each party. We recommend also that those same procedures ensure that only County employees have spending authority on County credit cards.

## COUNTY CLERK

### Health Reimbursement Account

The County Clerk maintained a bank account for the County's Health Reimbursement Account (HRA) plan. That bank account was used as a petty cash fund of sorts, from which the County Clerk made reimbursements to First Concord Benefits, the administrator of the HRA plan, without the prior authorization of the County Board.

We noted the following regarding this bank account and the HRA plan:

- The bank account had a balance of \$631,070 at June 30, 2020. The County Board had not authorized this account to be maintained as a petty cash fund under Neb. Rev. Stat. § 23-106(2) (Reissue 2012). Without such County Board approval, the County Clerk lacks the authority to utilize the account as described.
- The County Clerk neither kept a book balance nor performed monthly reconciliations for the bank account.
- The County Clerk was not receiving and reviewing detailed claims reports to ensure that reimbursements to First Concord Benefits from the bank account were for legitimate County expenses.

Neb. Rev. Stat. § 23-1601(1) (2020 Neb. Laws, LB 781, § 1) provides 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. 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, except when special provision for payment of county money is otherwise made by law.*

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) sets out the following procedure for establishing a petty cash fund for a County office:

*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.*

Good internal controls and sound accounting practices require procedures to ensure the following: 1) any bank account used as a County petty cash fund is created and maintained in accordance with State statute; 2) a book balance is kept for any County bank account; and 3) monthly reconciliations are completed for all County bank accounts.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss, theft, or misuse of County Funds.

We recommend the County Board make a formal determination as to whether the account should be treated as a petty cash fund under § 23-106(2), effectively resolving the issue of who is responsible for maintaining it. If the account is not approved as a petty cash fund, we recommend the account be turned over to the County Treasurer, who should receipt all money belonging to the account and issue payments only upon claims approved by the County Board. Should the County Board designate the HRA bank account as a petty cash fund, we recommend that procedures be implemented to ensure monthly bank reconciliations are completed, and the account is periodically reconciled back to the authorized petty cash amount, at least monthly.

## COUNTY CLERK OF THE DISTRICT COURT

### Fines Remitted to the General Fund

During the fiscal year ending June 30, 2020, we noted that the County Clerk of the District Court remitted fines, totaling \$875, to the County General Fund, not to the Fines and Licenses Fund. Because they were remitted to the incorrect fund, the fines were not subsequently remitted to the various County School Funds, as required by State statute.

Neb. Rev. Stat. § 29-2708 (Reissue 2016) states, in relevant part, “All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, section 5, Constitution of Nebraska . . . .”

Good internal controls and sound accounting practices require procedures to ensure that fines are remitted to the Fines and Licenses Fund, for subsequent remittance to the County School Funds. Those same procedures should ensure also that corrections are made for any monies that were credited to the wrong fund.

Without such procedures, there is an increased risk of not only fines being remitted to the wrong fund, preventing them from being subsequently remitted to the proper County School Fund, but also noncompliance with State statute, increasing the risk for loss or misuse of funds.

We recommend the Clerk of the District Court implement procedures to ensure that fines are remitted to the Fines and Licenses Fund properly, for subsequent remittance to the County School Funds. We further recommend the County Clerk of the District Court work with the County Treasurer to correct the previous errors.

*Clerk of the District Court's Response: I would like to inform you that the issue of "Fines Remitted to General Fund" have been corrected. A memo was sent to the Adams County Treasurer requesting reallocation of the funds to the appropriate places. The correction was done through the Adams County Treasurers Office on 12.11.2020. In the future the funds will be allocated to the correct funds.*

### Overdue Case Account Report Review

We noted that the District Court was not performing adequate follow-up procedures to resolve the overdue balances on the Overdue Case Account Report (Report). Four of five balances tested, totaling \$11,200, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances.

As of November 27, 2020, the Report contained 1,126 overdue balances on criminal cases, totaling \$570,230. Of these cases, only nine, totaling \$3,493, had a current warrant issued. These overdue balances related to cases as far back as 1997.

Good internal controls and sound business practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action, if any, should be taken to collect or otherwise resolve the overdue balances noted therein.

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

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing, timely basis. Potential courses of action for follow-up on overdue case balances would include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a declaration of certain balances as being uncollectible.

*Clerk of the District Court's Response: I have also reviewed the "Overdue Case Account Report Review." I have spoken with a District Court Judge in reference to these funds and I believe we have a procedure in place that will accommodate the review of these funds in a timely manner.*

## COUNTY SHERIFF

### Accounting Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures at June 30, 2020:

- A monthly asset-to-liability reconciliation was not completed for the fee account, resulting in a \$1,007 shortage without support or other information to determine the cause of the variance.
- Accurate monthly bank reconciliations were also not performed for the fee account, resulting in an unknown variance of \$1,895 between the book balance and reconciled bank balance. The book balance was \$18,708; however, the reconciled bank balance was \$16,813.
- The County Sheriff was unable to provide an accurate listing of amounts due to others for the mileage account. Office records indicated that a total of \$1,398 was due to others as of June 30, 2020; however, the amount on hand in the bank account was only \$1,320. The County Sheriff could not explain the \$78 variance.

Good internal controls and sound accounting practices require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure that 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. Those same procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances.

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

A similar issue has been noted in prior audits.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations.

### Petty Cash Accounts

During the audit, we noted the following regarding the office's petty cash accounts:

- The food account, authorized at \$4,500, had an excess balance of \$253 at June 30, 2020.
- The revolving account, authorized at \$3,000, had a book balance at June 30, 2020, of \$2,863. Information could not be provided to determine unreimbursed purchases or support the \$137 shortage between the book balance and the authorized petty cash amount.
- The County Sheriff maintains \$100 to make change for phone card purchases. This amount has not been authorized as petty cash by the County Board and is not reflected in the budget message.

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.*

Good internal controls and sound business practices require procedures to ensure that all petty cash funds held by the County Sheriff are: 1) reconciled to the authorized amount; 2) authorized by the County Board; and 3) reflected in the fiscal policy of the County Board budget message.

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

A similar issue has been noted in prior audits.

We recommend the implementation of procedures to ensure that all petty cash funds held by the County Sheriff are reconciled to the authorized amounts, authorized by the County Board, and reflected in the fiscal policy of the County Board's budget message.

## COUNTY OVERALL

### 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 issue 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.

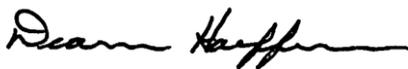
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and 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,



Deann Haeffner, CPA  
Assistant Deputy Auditor