

**AUDIT REPORT
OF
DAKOTA COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

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the Auditor of Public Accounts.**

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Issued on February 10, 2021

DAKOTA COUNTY

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DAKOTA COUNTY
1601 Broadway Street
Dakota City, NE 68731

LIST OF COUNTY OFFICIALS
At June 30, 2020

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



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DAKOTA COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dakota County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dakota County, as of and for the year ended June 30, 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 Dakota 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.

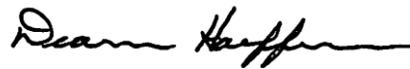
Report on Supplementary Information

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, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19-35, 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 February 8, 2021, on our consideration of Dakota County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dakota County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 8, 2021

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 4,271,708
Investments (Note 1.D)	1,251,579
TOTAL ASSETS	\$ 5,523,287
NET POSITION	
Restricted for:	
911 Emergency Services	\$ 8,781
Drug Education	1,673
Law Enforcement	17,160
Preservation of Records	8,068
Debt Service	21,524
Road & Bridge Maintenance	488,699
Health Planning & Assistance	145,410
Aid and Assistance	8,620
Unrestricted	4,823,352
TOTAL NET POSITION	\$ 5,523,287

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (4,051,585)	\$ 546,847	\$ 238,506	\$ (3,266,232)
Public Safety	(5,189,177)	322,169	142,403	(4,724,605)
Public Works	(2,074,514)	3,070	1,749,248	(322,196)
Health and Sanitation	(383,995)	4,250	159,294	(220,451)
Public Assistance	(63,843)	-	-	(63,843)
Culture and Recreation	(213,500)	-	-	(213,500)
Debt Payments	(438,306)	-	-	(438,306)
Total Governmental Activities	<u>\$ (12,414,920)</u>	<u>\$ 876,336</u>	<u>\$ 2,289,451</u>	<u>(9,249,133)</u>

General Receipts:

Property Taxes	8,133,134
Grants and Contributions Not Restricted to Specific Programs	1,596,000
Investment Income	66,040
Licenses and Permits	98,886
Miscellaneous	402,964
Total General Receipts	<u>10,297,024</u>
 Increase in Net Position	 1,047,891
Net Position - Beginning of year	4,475,396
Net Position - End of year	<u>\$ 5,523,287</u>

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

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Health Insurance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,375,214	\$ 70,086	\$ 864,564	\$ 256,177	\$ 705,667	\$ 4,271,708
Investments (Note 1.D)	1,251,579	-	-	-	-	1,251,579
TOTAL ASSETS	<u>\$ 3,626,793</u>	<u>\$ 70,086</u>	<u>\$ 864,564</u>	<u>\$ 256,177</u>	<u>\$ 705,667</u>	<u>\$ 5,523,287</u>
FUND BALANCES						
Restricted for:						
911 Emergency Services	-	-	-	-	8,781	8,781
Drug Education	-	-	-	-	1,673	1,673
Law Enforcement	-	-	-	-	17,160	17,160
Preservation of Records	-	-	-	-	8,068	8,068
Debt Service	-	-	-	-	21,524	21,524
Road & Bridge Maintenance	-	-	-	-	488,699	488,699
Health Planning & Assistance	-	-	-	-	145,410	145,410
Aid and Assistance	-	-	-	-	8,620	8,620
Committed to:						
Law Enforcement	-	-	-	-	5,732	5,732
Road Maintenance	-	70,086	-	-	-	70,086
Health Insurance	-	-	-	256,177	-	256,177
Assigned to:						
Other Purposes	-	-	864,564	-	-	864,564
Unassigned	3,626,793	-	-	-	-	3,626,793
TOTAL CASH BASIS FUND BALANCES	<u>\$ 3,626,793</u>	<u>\$ 70,086</u>	<u>\$ 864,564</u>	<u>\$ 256,177</u>	<u>\$ 705,667</u>	<u>\$ 5,523,287</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Health Insurance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$6,803,205	\$ -	\$ 735,165	\$ -	\$ 594,764	\$ 8,133,134
Licenses and Permits	98,486	400	-	-	-	98,886
Investment Income	65,781	-	-	259	-	66,040
Intergovernmental	2,040,534	1,504,321	-	-	340,596	3,885,451
Charges for Services	857,699	3,070	-	-	15,567	876,336
Miscellaneous	196,701	4,412	-	201,812	39	402,964
TOTAL RECEIPTS	<u>10,062,406</u>	<u>1,512,203</u>	<u>735,165</u>	<u>202,071</u>	<u>950,966</u>	<u>13,462,811</u>
DISBURSEMENTS						
General Government	2,678,279	-	25,000	1,340,187	8,119	4,051,585
Public Safety	4,721,272	-	-	-	467,905	5,189,177
Public Works	73,094	1,734,928	-	-	266,492	2,074,514
Health and Sanitation	286,299	-	-	-	97,696	383,995
Public Assistance	63,843	-	-	-	-	63,843
Culture and Recreation	-	-	-	-	213,500	213,500
Debt Service:						
Principal Payments	335,000	-	-	-	-	335,000
Interest and Fiscal Charges	103,306	-	-	-	-	103,306
TOTAL DISBURSEMENTS	<u>8,261,093</u>	<u>1,734,928</u>	<u>25,000</u>	<u>1,340,187</u>	<u>1,053,712</u>	<u>12,414,920</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,801,313</u>	<u>(222,725)</u>	<u>710,165</u>	<u>(1,138,116)</u>	<u>(102,746)</u>	<u>1,047,891</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	68,063	229,000	-	1,205,052	474,073	1,976,188
Transfers out	(1,592,374)	(110,960)	(175,000)	-	(97,854)	(1,976,188)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,524,311)</u>	<u>118,040</u>	<u>(175,000)</u>	<u>1,205,052</u>	<u>376,219</u>	<u>-</u>
Net Change in Fund Balances	277,002	(104,685)	535,165	66,936	273,473	1,047,891
CASH BASIS FUND BALANCES - BEGINNING	<u>3,349,791</u>	<u>174,771</u>	<u>329,399</u>	<u>189,241</u>	<u>432,194</u>	<u>4,475,396</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$3,626,793</u>	<u>\$ 70,086</u>	<u>\$ 864,564</u>	<u>\$ 256,177</u>	<u>\$ 705,667</u>	<u>\$ 5,523,287</u>

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,534,101
 LIABILITIES	
Due to other governments	
State	621,186
Schools	443,477
Educational Service Units	3,693
Technical College	23,389
Natural Resource Districts	9,175
Fire Districts	2,342
Municipalities	126,226
Agricultural Society	1,888
Drainage Districts	6
Joint Public Agencies	50,775
Historical Society	462
Others	251,482
TOTAL LIABILITIES	1,534,101
 TOTAL NET ASSETS	 \$ -

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$56,551 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.

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

local, and private funding. The County contributed \$443,266 toward the operation of the Center 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 Center is not a separate legal entity. The City of South Sioux City and the County report their share of activity for the Center in their respective financial statements.

Dakota County Public Safety Services Agency – The County has entered into an agreement with Dakota City, Village of Homer, Village of Emerson, Dakota Covington Rural Fire Protection District, Homer Rural Fire Protection District, and Emerson Rural Fire Protection District to create a joint entity named the Dakota County Public Safety Services Agency (Agency). Agreements were established under authority of the Interlocal Cooperation Act with the sole purpose of facilitating certain improvements to fire and other emergency protection services for each of its members. The governing board for the Agency includes representatives from the participating political subdivisions. The Agency’s operations include the administration of a County-issued sales and use tax and bond proceeds in accordance with the agreement. The County contributed \$339,360 of sales and use taxes to the Agency 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 Agency is required to be audited annually in accordance with State statute. Financial information for the Agency is available in those audit reports.

South Sioux City Convention and Visitors Bureau – The County has entered into an agreement with the South Sioux City Convention and Visitors Bureau (Bureau) to provide services to carry out the provisions of the Nebraska Visitors’ Development Act. The Bureau provides convention and tourism promotional activities and services within the County. The County levies and collects a lodging tax to subsidize the Bureau operations. The County distributed \$213,500 of lodging taxes collected to the Bureau 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 Bureau is a separate legal entity organized as a 501(c)(3) not-for-profit entity.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of Net Position presents the County’s non-fiduciary assets in two categories:

Restricted. This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then the unrestricted resources as they are needed.

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include the following: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

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

The County reports the following major governmental funds:

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

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

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

Health Insurance Fund. This fund is used to account for the costs associated with health insurance claims and is primarily funded by employee and County payroll contributions.

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

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

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

The County designates fund balances as follows:

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

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

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

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

C. **Measurement Focus, Basis of Accounting**

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

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. **Assets and Net Position**

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$699,935 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 \$4,271,708 for County funds and \$1,534,101 for Fiduciary funds. The bank balances for all funds totaled \$5,754,415. 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 \$1,251,579 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes

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

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

The levy set in October 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.366379/\$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 \$.384546/\$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.

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, 119 employees contributed \$212,676, and the County contributed \$313,566. Contributions included \$10,887 in cash contributions towards the supplemental law enforcement plan for 21 law enforcement employees. Lastly, the County paid \$2,289 directly to 23 retired employees for prior service benefits.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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.

6. Interfund Transfers

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

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ -	\$ 68,063	\$ 68,063
Road Fund	229,000	-	-	-	229,000
Health Insurance Fund	914,301	110,960	150,000	29,791	1,205,052
Nonmajor Funds	449,073	-	25,000	-	474,073
Total	\$ 1,592,374	\$ 110,960	\$ 175,000	\$ 97,854	\$ 1,976,188

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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers (Concluded)

In the year ended June 30, 2020, the County made a one-time transfer of \$2,440 from the Minority Health Initiative Grant Fund to the General Fund for reimbursement of certain payroll costs of the Minority Health Director and Nurse. Additionally, the County made a one-time transfer of \$6,035 from the Juvenile Service Aid Fund to the General Fund for reimbursement of certain payroll costs of the School Resource Officer. Lastly, the County made three one-time transfers from the Jail Bond Sales Tax Fund, Jail Property Bond Fund, and Handicapped Accessibility Fund to the General Fund for \$32,118, \$25,320, and \$2,150, respectively, to close the funds.

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:

	Motor Graders	Kensworth Tractor	Komatsu Excavator	Bobcat & Trailer	Sheriff Vehicles	Two-Way Radios	Total
Balance July 1, 2019	\$ 246,028	\$ 12,024	\$ 13,998	\$ 38,974	\$ 96,046	\$ 171,974	\$ 579,044
Purchases	-	-	-	-	155,319	-	155,319
Payments	115,393	12,024	13,998	25,869	48,599	29,987	245,870
Balance June 30, 2020	<u>\$ 130,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,105</u>	<u>\$ 202,766</u>	<u>\$ 141,987</u>	<u>\$ 488,493</u>
Future Payments:							
Year							
2021	\$ 53,515	\$ -	\$ -	\$ 13,220	\$ 73,507	\$ 33,030	\$ 173,272
2022	53,515	-	-	-	69,532	33,029	156,076
2023	26,757	-	-	-	59,043	33,030	118,830
2024	-	-	-	-	8,015	33,030	41,045
2025	-	-	-	-	-	16,515	16,515
Total Payments	133,787	-	-	13,220	210,097	148,634	505,738
Less Interest	3,152	-	-	115	7,331	6,647	17,245
Present Value of Future Minimum Lease Payments	<u>\$ 130,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,105</u>	<u>\$ 202,766</u>	<u>\$ 141,987</u>	<u>\$ 488,493</u>
Carrying Value of the Related Fixed Asset	<u>\$ 568,927</u>	<u>\$ 116,224</u>	<u>\$ 135,306</u>	<u>\$ 125,856</u>	<u>\$ 327,528</u>	<u>\$ 199,977</u>	<u>\$ 1,473,818</u>

8. Long-Term Debt

Highway Allocation Bond 1. The County issued bonds on June 14, 2010, in the amount of \$580,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. On September 3, 2015, Reissue 2015 bonds were issued in the amount of \$315,000 for the purpose of refinancing the 2010 bonds. The bond payable balance, as of June 30, 2020, was \$65,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2021	\$ 65,000	\$ 504	\$ 65,504

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. Long-Term Debt (Continued)

Highway Allocation Bond 2. The County issued bonds on May 24, 2012, in the amount of \$1,330,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. On October 31, 2017, Reissue 2017 bonds were issued in the amount of \$1,265,000 for the purpose of refinancing the 2012 bonds. The bond payable balance, as of June 30, 2020, was \$1,210,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2021	\$ 30,000	\$ 28,595	\$ 58,595
2022	90,000	27,717	117,717
2023	90,000	26,300	116,300
2024	95,000	24,679	119,679
2025	100,000	22,800	122,800
2026-2030	500,000	78,875	578,875
2031-2033	305,000	13,875	318,875
Total Payments	<u>\$ 1,210,000</u>	<u>\$ 222,841</u>	<u>\$ 1,432,841</u>

Highway Allocation Bond 3. The County issued bonds on February 17, 2015, in the amount of \$1,470,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. The bond payable balance, as of June 30, 2020, was \$1,220,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and Highway Allocation funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2021	\$ 65,000	\$ 31,360	\$ 96,360
2022	65,000	30,369	95,369
2023	65,000	29,247	94,247
2024	65,000	28,029	93,029
2025	70,000	26,660	96,660
2026-2030	365,000	107,573	472,573
2031-2035	430,000	50,280	480,280
2036	95,000	1,520	96,520
Total Payments	<u>\$ 1,220,000</u>	<u>\$ 305,308</u>	<u>\$ 1,525,038</u>

Veterans Drive Bond. The County issued bonds on June 6, 2016, in the amount of \$850,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. The bond payable balance, as of June 30, 2020, was \$610,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and Highway Allocation funds will be used to pay off the bonds.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

8. Long-Term Debt (Concluded)

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 80,000	\$ 11,530	\$ 91,530
2022	85,000	10,187	95,187
2023	85,000	8,679	93,679
2024	85,000	7,043	92,043
2025	90,000	5,225	95,225
2026-2027	185,000	4,361	189,361
Total Payments	<u>\$ 610,000</u>	<u>\$ 47,025</u>	<u>\$ 657,025</u>

County Road Bond. The County issued bonds on June 20, 2019, in the amount of \$1,500,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements within the County related to extreme flooding. The bond payable balance, as of June 30, 2020, was \$1,415,000. 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:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 85,000	\$ 35,645	\$ 120,645
2022	90,000	34,073	124,073
2023	90,000	32,407	122,407
2024	90,000	30,742	120,742
2025	95,000	29,078	124,078
2026-2030	505,000	109,618	614,618
2031-2034	460,000	34,950	494,950
Total Payments	<u>\$ 1,415,000</u>	<u>\$ 306,513</u>	<u>\$ 1,721,513</u>

DAKOTA 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)
RECEIPTS				
Taxes	\$ 7,231,575	\$ 7,231,575	\$ 6,803,205	\$ (428,370)
Licenses and Permits	68,045	68,045	98,486	30,441
Interest	50,000	50,000	65,781	15,781
Intergovernmental	819,850	819,850	2,040,534	1,220,684
Charges for Services	813,767	813,767	857,699	43,932
Miscellaneous	552,500	552,500	196,701	(355,799)
TOTAL RECEIPTS	<u>9,535,737</u>	<u>9,535,737</u>	<u>10,062,406</u>	<u>526,669</u>
DISBURSEMENTS				
General Government:				
County Board	162,589	162,589	159,186	3,403
County Clerk	187,267	187,267	151,425	35,842
County Treasurer	372,227	372,227	296,287	75,940
Register of Deeds	45,177	45,177	33,398	11,779
County Assessor	363,848	363,848	302,108	61,740
Election Commissioner	40,725	40,725	24,070	16,655
Building and Zoning	12,263	12,263	11,614	649
Data Processing Department	95,721	99,721	99,658	63
Clerk of the District Court	140,051	140,051	114,854	25,197
County Court System	16,300	16,300	12,944	3,356
District Judge	5,165	5,665	5,177	488
Public Defender	231,499	227,999	136,214	91,785
Legal Services	237,360	240,860	240,584	276
Child Support	49,678	49,678	35,136	14,542
Building and Grounds	207,887	207,887	180,431	27,456
Agricultural Extension Agent	71,133	71,133	54,816	16,317
County Law Library	7,800	7,800	6,789	1,011
Miscellaneous	1,140,350	925,504	697,969	227,535
Miscellaneous - Flooding	1,260,400	1,260,400	115,619	1,144,781
Public Safety				
County Sheriff	1,520,649	1,522,649	1,343,252	179,397
County Attorney	525,069	525,069	407,617	117,452
Communication Center	480,665	480,665	443,266	37,399
Law Enforcement Grant	54,317	54,317	44,799	9,518
County Jail	2,726,355	2,724,355	2,354,350	370,005
District Probation Office	55,000	55,000	54,827	173
Emergency Management	88,537	88,537	73,161	15,376
Public Works				
County Surveyor	15,000	15,000	7,057	7,943
Noxious Weed Control	16,446	16,446	10,337	6,109
Highway Department	67,299	67,299	55,700	11,599

DAKOTA 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)
DISBURSEMENTS (Continued)				
Public Health				
County Health Department	283,309	493,655	286,299	207,356
Public Assistance				
Veterans' Service Officer	79,906	79,906	63,843	16,063
Victims Assistance	3,535	3,535	-	3,535
Debt Service				
Principal Payments	335,000	335,000	335,000	-
Interest and Charges	103,306	103,306	103,306	-
TOTAL DISBURSEMENTS	<u>11,001,833</u>	<u>11,001,833</u>	<u>8,261,093</u>	<u>2,740,740</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,466,096)</u>	<u>(1,466,096)</u>	<u>1,801,313</u>	<u>3,267,409</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	71,745	71,745	68,063	(3,682)
Transfers out	(751,440)	(751,440)	(1,592,374)	(840,934)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(679,695)</u>	<u>(679,695)</u>	<u>(1,524,311)</u>	<u>(844,616)</u>
Net Change in Fund Balance	(2,145,791)	(2,145,791)	277,002	2,422,793
FUND BALANCE - BEGINNING	<u>3,345,791</u>	<u>3,345,791</u>	<u>3,349,791</u>	<u>4,000</u>
FUND BALANCE - ENDING	<u><u>\$ 1,200,000</u></u>	<u><u>\$ 1,200,000</u></u>	<u><u>\$ 3,626,793</u></u>	<u><u>\$ 2,426,793</u></u>

(Concluded)

DAKOTA 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)
ROAD FUND				
RECEIPTS				
Licenses and Permits	\$ -	\$ -	\$ 400	\$ 400
Intergovernmental	1,481,127	1,481,127	1,504,321	23,194
Charges for Services	100	100	3,070	2,970
Miscellaneous	1,000	1,000	4,412	3,412
TOTAL RECEIPTS	1,482,227	1,482,227	1,512,203	29,976
DISBURSEMENTS	1,859,127	1,859,127	1,734,928	124,199
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(376,900)	(376,900)	(222,725)	154,175
OTHER FINANCING SOURCES (USES)				
Transfers in	302,129	302,129	229,000	(73,129)
Transfers out	-	-	(110,960)	(110,960)
TOTAL OTHER FINANCING SOURCES (USES)	302,129	302,129	118,040	(184,089)
Net Change in Fund Balance	(74,771)	(74,771)	(104,685)	(29,914)
FUND BALANCE - BEGINNING	174,771	174,771	174,771	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 70,086</u>	<u>\$ (29,914)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 525,000	\$ 525,000	\$ 735,165	\$ 210,165
TOTAL RECEIPTS	525,000	525,000	735,165	210,165
DISBURSEMENTS	329,399	329,399	25,000	304,399
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	195,601	195,601	710,165	514,564
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(525,000)	(525,000)	(175,000)	350,000
TOTAL OTHER FINANCING SOURCES (USES)	(525,000)	(525,000)	(175,000)	350,000
Net Change in Fund Balance	(329,399)	(329,399)	535,165	864,564
FUND BALANCE - BEGINNING	329,399	329,399	329,399	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 864,564</u>	<u>\$ 864,564</u>

(Continued)

DAKOTA 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)
HEALTH INSURANCE FUND				
RECEIPTS				
Interest	\$ 100	\$ 100	\$ 259	\$ 159
Miscellaneous	859,500	859,500	201,812	(657,688)
TOTAL RECEIPTS	<u>859,600</u>	<u>859,600</u>	<u>202,071</u>	<u>(657,529)</u>
DISBURSEMENTS	<u>1,548,841</u>	<u>1,548,841</u>	<u>1,340,187</u>	<u>208,654</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(689,241)</u>	<u>(689,241)</u>	<u>(1,138,116)</u>	<u>(448,875)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	500,000	500,000	1,205,052	705,052
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>500,000</u>	<u>1,205,052</u>	<u>705,052</u>
Net Change in Fund Balance	(189,241)	(189,241)	66,936	256,177
FUND BALANCE - BEGINNING	<u>189,241</u>	<u>189,241</u>	<u>189,241</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,177</u>	<u>\$ 256,177</u>

(Concluded)

DAKOTA 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)
HARD SURFACE ROAD FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(21,524)	(21,524)	-	21,524
Net Change in Fund Balance	(21,524)	(21,524)	-	21,524
Fund Balance - Beginning	21,524	21,524	21,524	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,524</u>	<u>\$ 21,524</u>
HIGHWAY STREET BUYBACK PROGRAM FUND				
Receipts	\$ 78,000	\$ 78,000	\$ 79,173	\$ 1,173
Disbursements	(311,206)	(311,206)	-	311,206
Transfers in	186,459	186,459	186,459	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(46,747)	(46,747)	265,632	312,379
Fund Balance - Beginning	46,747	46,747	46,747	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,379</u>	<u>\$ 312,379</u>
HIGHWAY BRIDGE BUYBACK PROGRAM FUND				
Receipts	\$ 45,000	\$ 45,000	\$ 48,006	\$ 3,006
Disbursements	(182,432)	(182,432)	(9,118)	173,314
Transfers in	2,916	2,916	2,916	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(134,516)	(134,516)	41,804	176,320
Fund Balance - Beginning	134,516	134,516	134,516	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,320</u>	<u>\$ 176,320</u>
ROAD & BRIDGE IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(257,612)	(257,612)	(257,374)	238
Transfers in	257,436	257,436	257,198	(238)
Transfers out	-	-	-	-
Net Change in Fund Balance	(176)	(176)	(176)	-
Fund Balance - Beginning	176	176	176	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS PROMOTION FUND				
Receipts	\$ 250,000	\$ 250,000	\$ 213,500	\$ (36,500)
Disbursements	(250,000)	(250,000)	(213,500)	36,500
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

**REGISTER OF DEEDS PRESERVATION &
MODERNIZATION FUND**

Receipts	\$ 15,000	\$ 15,000	\$ 10,477	\$ (4,523)
Disbursements	(20,710)	(20,710)	(8,119)	12,591
Net Change in Fund Balance	(5,710)	(5,710)	2,358	8,068
Fund Balance - Beginning	5,710	5,710	5,710	-
Fund Balance - Ending	\$ -	\$ -	\$ 8,068	\$ 8,068

STOP FUND

Receipts	\$ 1,500	\$ 1,500	\$ 840	\$ (660)
Disbursements	(6,842)	(6,842)	(450)	6,392
Net Change in Fund Balance	(5,342)	(5,342)	390	5,732
Fund Balance - Beginning	5,342	5,342	5,342	-
Fund Balance - Ending	\$ -	\$ -	\$ 5,732	\$ 5,732

**COUNTY DRUG LAW ENFORCEMENT &
EDUCATION FUND**

Receipts	\$ 3,327	\$ 3,327	\$ -	\$ (3,327)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(1,673)	(1,673)	-	1,673
Fund Balance - Beginning	1,673	1,673	1,673	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,673	\$ 1,673

**FEDERAL DRUG LAW ENFORCEMENT
FUND**

Receipts	\$ 2,284	\$ 2,284	\$ 4,876	\$ 2,592
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(2,716)	(2,716)	4,876	7,592
Fund Balance - Beginning	2,716	2,716	2,716	-
Fund Balance - Ending	\$ -	\$ -	\$ 7,592	\$ 7,592

(Continued)

DAKOTA 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)
HEALTH PLANNING GRANT FUND				
Receipts	\$ 56,501	\$ 56,501	\$ 54,230	\$ (2,271)
Disbursements	(143,593)	(143,593)	(48,087)	95,506
Transfers in	-	-	-	-
Transfers out	-	-	(10,362)	(10,362)
Net Change in Fund Balance	(87,092)	(87,092)	(4,219)	82,873
Fund Balance - Beginning	87,092	87,092	87,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,873</u>	<u>\$ 82,873</u>

**MINORITY HEALTH INITIATIVE GRANT
FUND**

Receipts	\$ 72,802	\$ 72,802	\$ 77,198	\$ 4,396
Disbursements	(113,257)	(113,257)	(49,609)	63,648
Transfers in	-	-	-	-
Transfers out	(6,000)	(6,000)	(11,507)	(5,507)
Net Change in Fund Balance	(46,455)	(46,455)	16,082	62,537
Fund Balance - Beginning	46,455	46,455	46,455	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,537</u>	<u>\$ 62,537</u>

**LAW ENFORCEMENT EQUIPMENT
GRANT FUND**

Receipts	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Disbursements	(17,068)	(17,068)	-	17,068
Net Change in Fund Balance	(7,068)	(7,068)	-	7,068
Fund Balance - Beginning	7,068	7,068	7,068	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,068</u>	<u>\$ 7,068</u>

**CRIME COMMISSION ENHANCEMENT
GRANT FUND**

Receipts	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Disbursements	(10,000)	(10,000)	(7,500)	2,500
Transfers in	2,500	2,500	2,500	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	2,500	2,500
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

(Continued)

DAKOTA 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)
JUVENILE SERVICES AID FUND				
Receipts	\$ 80,425	\$ 80,425	\$ 73,902	\$ (6,523)
Disbursements	(101,609)	(101,609)	(76,693)	24,916
Transfers in	25,000	25,000	25,000	-
Transfers out	(6,157)	(6,157)	(16,397)	(10,240)
Net Change in Fund Balance	(2,341)	(2,341)	5,812	8,153
Fund Balance - Beginning	2,341	2,341	2,341	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,153</u>	<u>\$ 8,153</u>
E-911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 64,221	\$ 64,221	\$ 41,904	\$ (22,317)
Disbursements	(75,000)	(75,000)	(43,902)	31,098
Net Change in Fund Balance	(10,779)	(10,779)	(1,998)	8,781
Fund Balance - Beginning	10,779	10,779	10,779	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,781</u>	<u>\$ 8,781</u>
PUBLIC SAFETY SALES TAX FUND				
Receipts	\$ 750,000	\$ 750,000	\$ 339,360	\$ (410,640)
Disbursements	(750,000)	(750,000)	(339,360)	410,640
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HUNT MEMORIAL FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(467)	(467)	-	467
Net Change in Fund Balance	(467)	(467)	-	467
Fund Balance - Beginning	467	467	467	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 467</u>
JAIL BOND SALES TAX FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(32,118)	(32,118)	(32,118)	-
Net Change in Fund Balance	(32,118)	(32,118)	(32,118)	-
Fund Balance - Beginning	32,118	32,118	32,118	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAKOTA 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)
JAIL PROPERTY BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(25,320)	(25,320)	(25,320)	-
Net Change in Fund Balance	(25,320)	(25,320)	(25,320)	-
Fund Balance - Beginning	25,320	25,320	25,320	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HANDICAPPED ACCESSIBILITY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(2,150)	(2,150)	(2,150)	-
Net Change in Fund Balance	(2,150)	(2,150)	(2,150)	-
Fund Balance - Beginning	2,150	2,150	2,150	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

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

	Hard Surface Road Fund	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road & Bridge Improvement Fund
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	79,173	48,006	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>79,173</u>	<u>48,006</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	9,118	257,374
Health and Sanitation	-	-	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>9,118</u>	<u>257,374</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>79,173</u>	<u>38,888</u>	<u>(257,374)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	186,459	2,916	257,198
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>186,459</u>	<u>2,916</u>	<u>257,198</u>
Net Change in Fund Balances	-	265,632	41,804	(176)
FUND BALANCES - BEGINNING	<u>21,524</u>	<u>46,747</u>	<u>134,516</u>	<u>176</u>
FUND BALANCES - ENDING	<u>\$ 21,524</u>	<u>\$ 312,379</u>	<u>\$ 176,320</u>	<u>\$ -</u>
FUND BALANCES:				
Restricted for:				
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Debt Service	21,524	-	-	-
Road & Bridge Maintenance	-	312,379	176,320	-
Health Planning & Assistance	-	-	-	-
Aid and Assistance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 21,524</u>	<u>\$ 312,379</u>	<u>\$ 176,320</u>	<u>\$ -</u>

(Continued)

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

	Visitors Promotion Fund	Register of Deeds Preservation & Modernization Fund	STOP Fund	County Drug Law Enforcement & Education Fund
RECEIPTS				
Property Taxes	\$ 213,500	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	10,477	840	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>213,500</u>	<u>10,477</u>	<u>840</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	8,119	-	-
Public Safety	-	-	450	-
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Culture and Recreation	213,500	-	-	-
TOTAL DISBURSEMENTS	<u>213,500</u>	<u>8,119</u>	<u>450</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>2,358</u>	<u>390</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	2,358	390	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>5,710</u>	<u>5,342</u>	<u>1,673</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 8,068</u>	<u>\$ 5,732</u>	<u>\$ 1,673</u>
FUND BALANCES:				
Restricted for:				
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	1,673
Law Enforcement	-	-	-	-
Preservation of Records	-	8,068	-	-
Debt Service	-	-	-	-
Road & Bridge Maintenance	-	-	-	-
Health Planning & Assistance	-	-	-	-
Aid and Assistance	-	-	-	-
Committed to:				
Law Enforcement	-	-	5,732	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 8,068</u>	<u>\$ 5,732</u>	<u>\$ 1,673</u>

(Continued)

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

	Federal Drug Law Enforcement Fund	Health Planning Grant Fund	Minority Health Initiative Grant Fund	Law Enforcement Equipment Grant Fund
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,876	49,941	77,198	-
Charges for Services	-	4,250	-	-
Miscellaneous	-	39	-	-
TOTAL RECEIPTS	<u>4,876</u>	<u>54,230</u>	<u>77,198</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Sanitation	-	48,087	49,609	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>48,087</u>	<u>49,609</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>4,876</u>	<u>6,143</u>	<u>27,589</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(10,362)	(11,507)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(10,362)</u>	<u>(11,507)</u>	<u>-</u>
Net Change in Fund Balances	4,876	(4,219)	16,082	-
FUND BALANCES - BEGINNING	<u>2,716</u>	<u>87,092</u>	<u>46,455</u>	<u>7,068</u>
FUND BALANCES - ENDING	<u>\$ 7,592</u>	<u>\$ 82,873</u>	<u>\$ 62,537</u>	<u>\$ 7,068</u>
FUND BALANCES:				
Restricted for:				
911 Emergency Services	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	7,592	-	-	7,068
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Road & Bridge Maintenance	-	-	-	-
Health Planning & Assistance	-	82,873	62,537	-
Aid and Assistance	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 7,592</u>	<u>\$ 82,873</u>	<u>\$ 62,537</u>	<u>\$ 7,068</u>

(Continued)

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

	Crime Commission Enhancement Grant Fund	Juvenile Services Aid Fund	E-911 Emergency Management Fund	Public Safety Sales Tax Fund
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 41,904	\$ 339,360
Intergovernmental	7,500	73,902	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>7,500</u>	<u>73,902</u>	<u>41,904</u>	<u>339,360</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	7,500	76,693	43,902	339,360
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Culture and Recreation	-	-	-	-
TOTAL DISBURSEMENTS	<u>7,500</u>	<u>76,693</u>	<u>43,902</u>	<u>339,360</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(2,791)</u>	<u>(1,998)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	25,000	-	-
Transfers out	-	(16,397)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500</u>	<u>8,603</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,500	5,812	(1,998)	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>2,341</u>	<u>10,779</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,500</u>	<u>\$ 8,153</u>	<u>\$ 8,781</u>	<u>\$ -</u>
FUND BALANCES:				
Restricted for:				
911 Emergency Services	-	-	8,781	-
Drug Education	-	-	-	-
Law Enforcement	2,500	-	-	-
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Road & Bridge Maintenance	-	-	-	-
Health Planning & Assistance	-	-	-	-
Aid and Assistance	-	8,153	-	-
Committed to:				
Law Enforcement	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,500</u>	<u>\$ 8,153</u>	<u>\$ 8,781</u>	<u>\$ -</u>

(Continued)

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

	Hunt Memorial Fund	Jail Bond Sales Tax Fund	Jail Property Bond Fund	Handicapped Accessibility Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 594,764
Intergovernmental	-	-	-	-	340,596
Charges for Services	-	-	-	-	15,567
Miscellaneous	-	-	-	-	39
TOTAL RECEIPTS	-	-	-	-	950,966
DISBURSEMENTS					
General Government	-	-	-	-	8,119
Public Safety	-	-	-	-	467,905
Public Works	-	-	-	-	266,492
Health and Sanitation	-	-	-	-	97,696
Culture and Recreation	-	-	-	-	213,500
TOTAL DISBURSEMENTS	-	-	-	-	1,053,712
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	-	-	-	(102,746)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	474,073
Transfers out	-	(32,118)	(25,320)	(2,150)	(97,854)
TOTAL OTHER FINANCING SOURCES (USES)	-	(32,118)	(25,320)	(2,150)	376,219
Net Change in Fund Balances	-	(32,118)	(25,320)	(2,150)	273,473
FUND BALANCES - BEGINNING	467	32,118	25,320	2,150	432,194
FUND BALANCES - ENDING	\$ 467	\$ -	\$ -	\$ -	\$ 705,667
FUND BALANCES:					
Restricted for:					
911 Emergency Services	-	-	-	-	8,781
Drug Education	-	-	-	-	1,673
Law Enforcement	-	-	-	-	17,160
Preservation of Records	-	-	-	-	8,068
Debt Service	-	-	-	-	21,524
Road & Bridge Maintenance	-	-	-	-	488,699
Health Planning & Assistance	-	-	-	-	145,410
Aid and Assistance	467	-	-	-	8,620
Committed to:					
Law Enforcement	-	-	-	-	5,732
TOTAL FUND BALANCES	\$ 467	\$ -	\$ -	\$ -	\$ 705,667

(Concluded)

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

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	Highway Superintendent	Veterans' Service Officer
BALANCES JULY 1, 2019	\$ 466	\$ 15,982	\$ 150,603	\$ 37,123	\$ 100	\$ 24,661
RECEIPTS						
Property Taxes	-	-	-	-	-	-
Licenses and Permits	3,000	-	-	950	400	-
Intergovernmental	-	-	-	-	-	4,500
Charges for Services	2,739	131,277	48,077	91,460	-	-
Miscellaneous	-	-	-	8	4,141	-
State Fees	-	160,520	46,002	-	-	-
Other Liabilities	-	-	435,716	63,354	-	-
TOTAL RECEIPTS	<u>5,739</u>	<u>291,797</u>	<u>529,795</u>	<u>155,772</u>	<u>4,541</u>	<u>4,500</u>
DISBURSEMENTS						
Payments to County Treasurer	5,906	129,132	48,456	93,073	4,408	-
Payments to State Treasurer	-	162,135	46,286	-	-	-
Other Liabilities	-	-	486,158	65,377	133	17,309
TOTAL DISBURSEMENTS	<u>5,906</u>	<u>291,267</u>	<u>580,900</u>	<u>158,450</u>	<u>4,541</u>	<u>17,309</u>
BALANCES JUNE 30, 2020	<u>\$ 299</u>	<u>\$ 16,512</u>	<u>\$ 99,498</u>	<u>\$ 34,445</u>	<u>\$ 100</u>	<u>\$ 11,852</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 299	\$ 10,157	\$ 9,596	\$ 34,245	\$ -	\$ 11,852
Petty Cash	-	-	50	200	100	-
Due to State Treasurer	-	6,355	3,240	-	-	-
Due to Others	-	-	86,612	-	-	-
BALANCES JUNE 30, 2020	<u>\$ 299</u>	<u>\$ 16,512</u>	<u>\$ 99,498</u>	<u>\$ 34,445</u>	<u>\$ 100</u>	<u>\$ 11,852</u>

(Continued)

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

	<u>County Extension</u>	<u>County Health Department</u>	<u>County Planning and Zoning</u>	<u>County Jail</u>	<u>Total</u>
BALANCES JULY 1, 2019	\$ 3,241	\$ -	\$ -	\$104,049	\$ 336,225
RECEIPTS					
Property Taxes	-	-	-	-	-
Licenses and Permits	-	-	1,691	-	6,041
Intergovernmental	-	381,805	-	-	386,305
Charges for Services	-	1,966	-	86,872	362,391
Miscellaneous	80	-	220	643	5,092
State Fees	-	-	-	-	206,522
Other Liabilities	-	-	-	671,370	1,170,440
TOTAL RECEIPTS	<u>80</u>	<u>383,771</u>	<u>1,911</u>	<u>758,885</u>	<u>2,136,791</u>
DISBURSEMENTS					
Payments to County Treasurer	-	383,771	1,911	103,693	770,350
Payments to State Treasurer	-	-	-	-	208,421
Other Liabilities	80	-	-	657,488	1,226,545
TOTAL DISBURSEMENTS	<u>80</u>	<u>383,771</u>	<u>1,911</u>	<u>761,181</u>	<u>2,205,316</u>
BALANCES JUNE 30, 2020	<u>\$ 3,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$101,753</u>	<u>\$ 267,700</u>
BALANCES CONSIST OF:					
Due to County Treasurer	\$ -	\$ -	\$ -	\$ 16,603	\$ 82,752
Petty Cash	3,241	-	-	28,000	31,591
Due to State Treasurer	-	-	-	-	9,595
Due to Others	-	-	-	57,150	143,762
BALANCES JUNE 30, 2020	<u>\$ 3,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$101,753</u>	<u>\$ 267,700</u>

(Concluded)

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

Item	2015	2016	2017	2018	2019
Tax Certified by Assessor					
Real Estate	\$ 27,011,855	\$ 26,682,428	\$ 28,224,843	\$ 30,529,699	\$ 29,863,740
Personal and Specials	2,400,169	2,330,661	2,385,090	2,297,209	2,379,351
Total	29,412,024	29,013,089	30,609,933	32,826,908	32,243,091
Corrections					
Additions	2,045	178,016	23,566	5,498	251
Deductions	(347,020)	(418,504)	(119,227)	(126,413)	(26,637)
Net Additions/ (Deductions)	(344,975)	(240,488)	(95,661)	(120,915)	(26,386)
Corrected Certified Tax	29,067,049	28,772,601	30,514,272	32,705,993	32,216,705
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	17,527,957	-	-	-	-
June 30, 2017	11,473,262	17,199,078	-	-	-
June 30, 2018	80,051	11,575,325	18,280,842	-	-
June 30, 2019	(15,429)	(4,953)	12,211,529	19,146,267	-
June 30, 2020	546	2,097	13,507	13,183,180	18,278,396
Total Net Collections	29,066,387	28,771,547	30,505,878	32,329,447	18,278,396
Total Uncollected Tax	\$ 662	\$ 1,054	\$ 8,394	\$ 376,546	\$ 13,938,309
Percentage Uncollected Tax	0.00%	0.00%	0.03%	1.15%	43.26%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Commissioners
Dakota County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dakota County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements, and have issued our report thereon dated February 8, 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 Dakota County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dakota County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. Further, the County Treasurer's office lacked an adequate control environment, as very minimal procedures were in place to prevent or detect errors or irregularities. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and

provide reliable financial records. Inadequate segregation of duties and control environments 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; however, additional control procedures should be reviewed to help mitigate this risk.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dakota County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Additional Items

We also noted certain matters that we reported to the management of Dakota County in a separate letter dated February 8, 2021.

Dakota County’s Response to Findings

Dakota County declined to respond to the finding described above.

Purpose of this Report

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



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 8, 2021



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 8, 2021

Board of Commissioners
Dakota County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dakota County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated February 8, 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 TREASURER

Reconciliation Procedures

End of Month Records Reconciliation

The County Treasurer was not reconciling the balance per their hardcopy records (Daily Balance Sheet) to the accounting system. Due to the upcoming turnover in the office, we expanded our audit to include a reconciliation between the Daily Balance Sheet to the accounting system through November 2020, which was the last completed month at the time of fieldwork. As of November 30, 2020, there was a variance of \$33,252 between the two records, as follows:

Description	Month	Amount
Daily Balance Sheet Balance	November 2020	\$ 5,745,499.39
Motor Vehicle Receipt Recorded for Wrong Amount	November 2019	\$ (0.07)
Insufficient Funds Check Recorded Twice	December 2019	\$ (743.05)
Motor Vehicle Receipt Recorded for Wrong Amount	January 2020	\$ 1.00
Sales Tax Only Payment Not Recorded	January 2020	\$ 35.00
Insufficient Funds Check Recorded Twice	January 2020	\$ (524.10)
Insufficient Funds Check Not Voided	January 2020	\$ (52.17)
Health Insurance Disbursement, Not Recorded	January 2020	\$ (395.65)
Insufficient Funds Penalty Not Recorded	February 2020	\$ 42.00
Title Recorded, Not Received	February 2020	\$ (17.00)
Title Recorded, Not Received	April 2020	\$ (10.00)
Sales Tax Correction Completed, Not Recorded	April 2020	\$ (5.00)
Duplicate Title Completed, Not Recorded	April 2020	\$ 14.00
Registration Renewal Completed, Not Recorded	May 2020	\$ 27.50

Description	Month	Amount
Registration Refund Completed, Nor Recorded	May 2020	\$ (20.83)
State Treasurer Disbursement Completed, Not Recorded	May 2020	\$ 48,417.98
Journal Entry Correction Completed, Not Recorded	July 2020	\$ (13,532.48)
Insufficient Funds Penalty Not Recorded	July 2020	\$ 35.00
Public Safety Disbursement Recorded for Wrong Amount	September 2020	\$ (10.01)
Title Recorded, Not Received	October 2020	\$ (10.00)
Total Adjustments		\$ 33,252.12
Corrected Daily Balance Sheet Balance		\$ 5,778,751.51
Balance Per Accounting System		\$ 5,778,751.51

Bank Reconciliation Issues

The County Treasurer was not consistently or accurately reconciling several bank accounts. Due to the upcoming turnover in the office, we expanded our audit to include a reconciliation of any bank account with “unknown” reconciling items as noted by the County Treasurer. This reconciliation was completed through November 2020, which was the last completed month at the time of fieldwork.

Bank First Checking Account

As of December 2020, the County Treasurer had not reconciled the Bank First checking account since September 2020; however, the reconciling items noted by the County Treasurer were not accurate. An unknown balance first appeared on the County Treasurer’s reconciliation in January 2019 and, therefore, the account had not been fully reconciled since that date.

The following reconciling items were noted as of September 2020. The items designated with an asterisk (*) were still outstanding items on the November 2020 reconciliation.

	Auditor’s Reconciliation		Treasurer’s Reconciliation
Bank Balance	\$ 143,867.37		\$ 143,867.37
Outstanding Deposits	\$ 3,541.46		\$ (3,541.46)
Outstanding Checks	\$ (71,668.41)		\$ (71,668.41)
Reconciled Bank Balance	\$ 75,740.42		\$ 68,657.50
Book Balance**	\$ 73,677.85		\$ 73,677.85
February 2019 Interest	\$ 3.00	*	\$ -
July 2019 Interest	\$ 27.31	*	\$ -
Refunded NSF Check Charge	\$ 80.00	*	\$ 33.00
Refunded NSF Checks	\$ 755.40	*	\$ 755.40
NSF Checks	\$ (1,546.73)	*	\$ (1,526.73)
Recording Errors	\$ (0.25)	*	\$ (0.24)
Investment NSF Checks	\$ 3,656.26	*	\$ 3,656.26
SCAAP Funds	\$ (9,830.00)	*	\$ (9,830.00)
SSA Fees	\$ (600.00)		\$ 600.00
Bond Overage	\$ 25,337.76	*	\$ -
Depository Checks Paid	\$ (29,520.16)	*	\$ -
NPAIT Interest	\$ (25.29)	*	\$ -
September 2020 ACH, Not Recorded	\$ 13,725.27		\$ (3,725.27)
Voided Real Estate Receipt	\$ -		\$ 1,827.89
Reconciled Book Balance	\$ 75,740.42		\$ 65,468.16
Variance	\$ -		\$ 3,189.34

**Book balance does not include the adjustments from the End of Month Records Reconciliation

Many of the reconciling items are due to recording errors by the County Treasurer, as follows:

- **February 2019 Interest** – In April 2019, the County Treasurer netted \$80.97 of return item charges incurred by the office against February 2019 interest received, resulting in a net receipt recorded of \$2,221.29. One of the returned item fees had been refunded by the individual and deposited into the bank account on February 14, 2019. The failure by the County Treasurer to update correctly the reconciliation resulted in a shortage to the records, totaling \$3.
- **July 2019 Interest** – In August 2019, the County Treasurer reduced the July 2019 interest received, totaling \$101.82, by an unknown reconciling item carried, totaling \$27.31. As this item was carried due to the failure to complete an accurate reconciliation, no adjustment was necessary, resulting in a shortage to the records by this same amount.
- **Refunded Insufficient Funds (NSF) Check Charge** – From May 2019 to July 2020, the County Treasurer deposited a \$10 return item charge on eight separate occasions; however, no corresponding receipt or original charge was noted, resulting in a shortage to the records, totaling \$80. For three of these returned charges, the County Treasurer had previously netted the fee against collections. For the other five deposits, no corresponding return item charge was incurred in this bank account.
- **Refunded Insufficient Funds (NSF) Checks** – Two NSF checks, totaling \$755.40, were deposited into the bank account in August 2019 and February 2020; however, the returned checks did not originate out of the account, resulting in a shortage in the records by these checks.
- **Insufficient Funds (NSF) Checks** – Six NSF checks, totaling \$1,022.63, had been removed from the bank account; however, the funds had not yet been recovered by the County Treasurer. The table below details the check amounts and when the insufficient funds occurred.

Date	Check Amount
Prior to 1/1/2017	\$ 346.73
Prior to 1/1/2017	\$ 26.50
6/18/2018	\$ 10.00
8/1/2019	\$ 59.90
10/15/2019	\$ 569.50
1/22/2020	\$ 10.00

As shown, several of these checks are several years old; however, the County Treasurer has not taken follow-up action to collect these outstanding items.

In addition, we noted that one NSF check, totaling \$524.10, from December 2019 was recovered and deposited into the bank account in February 2020; however, the County Treasurer also recorded this deposit in the records. As the check had been recorded when received, the recording of this deposit caused this receipt to be duplicated and, consequently, an overage in the records by this same amount.

- **Recording Errors** – We noted two checks and two deposits that were recorded for the incorrect balance, as follows:

Date	Description	Amount Recorded	Amount Cleared	Variance
3/15/2019	Check 931	\$ 5,132.09	\$ 5,132.07	\$ (0.02)
4/10/2019	Check 5	\$ 354.05	\$ 354.02	\$ (0.03)
1/22/2020	Deposit	\$ 238,725.75	\$ 238,725.73	\$ 0.02
4/16/2020	ACH Deposit	\$ 7,339.24	\$ 7,339.00	\$ 0.24
				\$ 0.21

Additionally, we noted one withdrawal from the bank account on July 17, 2020, for \$.02; however, the County Treasurer recorded this as a deposit, resulting in an overage in the records of \$.04.

- ***Investment Insufficient Funds (NSF) Checks*** – In May 2019, two checks, totaling \$3,636.26, and two \$10 returned check fees were removed from an investment bank account for insufficient funds. These two checks and the associated fees were recovered in May 2019, and deposited into the Bank First bank account in error. In June 2019, the County Treasurer transferred these funds out of the Bank First bank account and into the investment bank account; however, they were also recorded in the records as a disbursement at this time. As the funds were never receipted into the Bank First bank account, this error caused a shortage in the records of \$3,656.26.
- ***SCAAP Funds*** – In January 2020, a receipt of jail grant funds, totaling \$9,830, was recorded in the Bank First bank account; however, the funds were received in the State Alien Assistance bank account, resulting in an overage in the records. In May 2020, the County Treasurer recorded a disbursement out of the Bank First bank account to correct the error; however, at the same time, a transfer was processed out of the Bank First bank account, and funds were actually disbursed. As the funds were never held in the Bank First bank account, the overage in the records still exists.
- ***Bond Overage*** – In July 2020, a payment was made on several bonds; however, the County Treasurer recorded \$23,187.50 more than was paid, resulting in a shortage in the records. In addition, in July 2020, the County Treasurer wrote a negative receipt for \$2,150.26 related to the bond issue and recorded a disbursement for \$2,150.26, effectively reducing the balance by \$4,300.52.
- ***Depository Checks Paid*** – In July 2020, there was an automatic payment made from the bank account, totaling \$29,520.16, which was not recorded.
- ***NPAIT Interest*** – In September 2020, interest, totaling \$25.29, was recorded to the Bank First records in error.

Subsequent Items

As previously noted, we reconciled the Bank First bank account through November 2020, and noted an additional reconciling item not included above. In October 2020, \$100 was used from the petty cash fund, and was later returned. The County Treasurer recorded this \$100 payment as a check from the Bank First bank account; however, no funds were actually removed from the account, and the check was not reversed when the funds were returned.

F&M State Bank Health Insurance Account

As of December 2020, the County Treasurer had not reconciled the F&M bank accounts since June 2019. While the bank and book balances are maintained by the County Treasurer, the office indicated that the County Clerk should be completing the reconciliation. Upon discussions with the County Clerk, it became clear that an accurate bank reconciliation was not completed by either office.

As of June 2020, we noted three recording errors in the records, as follows:

- In November 2017, transfers were recorded incorrectly by the County Treasurer, resulting in a \$0.30 overage in the records.
- In August 2019, a deposit was recorded incorrectly by the County Treasurer, resulting in a \$0.09 overage in the records.
- In November 2019, interest of \$26.41 was recorded to the F&M State Bank account; however, this account does not earn interest, resulting in an overage in the records.

We also noted seven deposits recorded to F&M State Bank accounts, totaling \$107,111.36, which were not recorded, as follows:

Account	Date Deposited	Amount
Health Plan	8/29/2019	\$ 30,000.00
Health Plan	10/24/2019	\$ 20.19
Dental Plan	10/24/2019	\$ 30.91
Health Plan	2/27/2020	\$ 25,000.00
Health Plan	3/26/2020	\$ 50,000.00
Health Plan	4/17/2020	\$ 910.26
Health Plan	5/4/2020	\$ 1,150.00

Lastly, we noted one disbursement paid from F&M State Bank Health Plan account, totaling \$395.65, which was not recorded.

Subsequent Items

As previously noted, we reconciled the bank account through November 2020, and noted an additional reconciling item not included above. In September 2020, interest of \$8.57 was recorded; however, the F&M State Bank account does not earn interest, resulting in an overage to the records.

F&M State Bank Checking Account

As of December 2020, the County Treasurer had not reconciled the F&M State Bank account since September 2020. The reconciling items below were noted by the County Treasurer in September 2020; however, no current action had been taken to clear those items:

- In January 2018, a check had cleared the bank twice, causing an \$18 shortage in the bank account. Per information provided by the County Treasurer, this check was going to be claimed by the County in July 2018; however, no such claim was noted.
- In January 2018, the County Treasurer purchased checks through the F&M State Bank checking account, totaling \$35; however, this was never requested for reimbursement, causing a shortage in the bank account.
- In May 2018, a returned item fee was partially recovered and deposited into the bank, totaling \$5; however, no receipt was recorded, causing a shortage in the records.
- In November 2019, an error was made by the County Treasurer in recording motor vehicle registrations, totaling \$22.50. This error was recorded as a check in the records; however, the funds were not received, causing an overage in the records.

Siouxland Bank Checking Account

As of December 2020, the County Treasurer had not reconciled the Siouxland Bank account since September 2020. The below reconciling items were noted by the County Treasurer in September 2020; however, no current action had been taken to clear said items:

- Prior to January 2019, there was an unknown variance of \$7 carried on the County Treasurer’s reconciliation with the title “Wells Fargo unclaimed property.” This is a shortage in the bank account, and is likely related to a returned item charge.
- In August 2017, a check was removed from the bank account for insufficient funds, totaling \$547.48. This was turned over to a collection agency, and \$27.50 was recovered in August 2017. No activity has occurred after this date, and the remaining balance of \$519.98 was still outstanding, causing a shortage in the bank account.

- In February 2019, a recording error was completed by the County Treasurer. A check cleared for \$1 less than recorded, resulting in an overage in the bank account. In May 2019, the County Treasurer attempted to correct this error; however, an additional disbursement was recorded for \$1, increasing the shortage in the records to \$2.

Bank First Motor Vehicle Online Account

As the only outstanding item in this account is typically interest, a formal written reconciliation is not completed. The County Treasurer does review this account; however, the reconciling items noted by the office were not researched adequately, which caused larger variances when corrections were attempted. As of November 2020, the following uncorrected reconciling items were noted:

We noted four recording errors in the records, as follows:

- In May 2019, an adjustment was made by the County Treasurer to reduce interest received by \$2.35 for a prior correction; however, this was not recorded accurately, causing a shortage in the records by the same amount.
- In December 2019, a deposit cleared for \$.80 more than recorded.
- In May 2020, a deposit cleared for \$3 more than recorded.
- In May 2020, an attempt was made to correct the \$3 error noted above; however, the County Treasurer recorded a reduction of deposits by \$3, instead of an increase, causing the variance to be doubled.

In July 2020, the County Treasurer attempted to correct the four items above, which were considered “unknown”; however, once more, the County Treasurer reduced the deposits incorrectly, which increased the variance by \$9.15.

We also noted four adjustments made to the bank account related to insufficient funds checks, as follows:

- In August 2019, a withdrawal, totaling \$738.40, moved funds from the Bank First Motor Vehicle Online bank account to the Bank First checking account; however, this transfer was not recorded.
- In January 2020, a withdrawal, totaling \$738.05, moved funds from the Bank First Motor Vehicle Online bank account to the F&M State Bank checking account; however, this transfer was not recorded.
- In January 2020, the County Treasurer was informed of a stop payment on a \$28.50 balance. This balance was not recorded; however, the funds were received in the bank account.
- In July 2020, the County Treasurer reduced deposits by \$286.70 in connection with what appears to be the repayment of an insufficient funds check; however, the money was never removed from the bank account.

Investments Account

As the only outstanding item in this account is typically interest, a formal written reconciliation is not completed. The County Treasurer does review this account; however, the reconciling items noted by the office were not researched adequately, which caused larger variances when corrections were attempted. As of November 2020, the following uncorrected reconciling items were noted:

In May 2020, interest received was adjusted by seven outstanding errors; however, due to the lack of an accurate reconciliation, the amount adjusted by the County Treasurer was not accurate. The table below details the correction:

Description	Date	Amount
Interest Received	4/30/2020	\$ 3,593.98
Check Order	12/26/2019	\$ (44.23)
Deposit Recording Error	3/11/2020	\$ 2.00
Deposit Recording Error	4/20/2020	\$ 3.00
NSF Check	5/2/2019	\$ (3,162.76)
Returned Item Charge	5/2/2019	\$ (10.00)
Returned Item Charge	3/18/2020	\$ (10.00)
Accurate Adjustment		\$ 371.99
Completed Adjustment	5/15/2020	\$ 351.49
Remaining Variance		\$ 20.50

We noted that six deposits were recorded incorrectly, as follows:

Date	Amount Recorded	Amount Deposited	Variance
5/4/2020	\$ 1,011,849.63	\$ 1,011,849.33	\$ 0.30
6/25/2020	\$ 78,601.97	\$ 78,601.96	\$ 0.01
7/17/2020	\$ 75,865.18	\$ 75,865.56	\$ (0.38)
8/5/2020	\$ 72,465.82	\$ 72,465.88	\$ (0.06)
8/24/2020	\$ 472,506.70	\$ 472,506.40	\$ 0.30
8/25/2020	\$ 1,214,911.74	\$ 1,214,911.77	\$ (0.03)
			\$ 0.14

Lastly, we noted one insufficient funds check, totaling \$276.70, and three returned item charges, totaling \$30, that are still outstanding from June 2020 to August 2020. The insufficient funds check and one returned item charge, totaling \$286.70, had been noted by the County Treasurer, and on July 1, 2020, the recovered funds were deposited into this bank account. Due to inaccurate reconciliations of other bank accounts, this amount was transferred out of this account on July 24, 2020, which caused another overage in the records.

Sound accounting practices and good internal controls require that comprehensive, detailed reconciliation procedures be utilized, at least monthly, to ensure proper balancing and reconciliation of the County Treasurer's book and bank balances. Those procedures should include the timely identification and resolution of all variances noted.

Without such procedures, there is an increased risk of loss, theft, or misuse of County funds, as well as errors going undetected more easily.

We recommend the implementation of procedures to ensure, at least monthly, the proper balancing and reconciliation of the County Treasurer's book and bank balances.

Motor Vehicle Overpayments

In October 2019, the Nebraska Department of Motor Vehicles (DMV) updated its system to a new system called VicToRy. The majority of activity is automated through this system; however, the County must manually enter total receipts into seven funds at month-end in order to pay the correct balances to the Nebraska Department of Revenue. During the audit, we noted that the County Treasurer did not enter these funds correctly into the accounting system, resulting in variances between the VicToRy system and the accounting system for the County.

For all seven funds, the amount reported to the Nebraska Department of Revenue and ultimately paid from the County's bank account exceeded the amount collected for those funds by \$210,787 for the period of October 2019 through November 2020. See the table below for those errors:

Fund	Fiscal Year 2020 Receipts	July - November 2020 Receipts	Total Receipts	Fiscal Year 2020 Disbursements	July - November 2020 Disbursements	Total Disbursements	Over/ (Under) Payment
In Lieu of Property	\$ 215	\$ -	\$ 215	\$ -	\$ -	\$ -	\$ (215)
Driver's License & I.D. Cards	33,503	21,703	55,206	143,997	127,134	271,131	215,925
DMV/Driver License	31,051	20,079	51,130	27,494	20,129	47,623	(3,507)
Organ Tissue Donor Awareness	395	238	633	543	238	781	148
Ignition Interlock Device	840	400	1,240	3,543	400	3,943	2,703
DL Security Surcharge	17,739	12,024	29,763	16,380	12,055	28,435	(1,328)
Highway Cash: Overload Fines	16,088	712	16,800	13,373	488	13,861	(2,939)
Total Variances	\$ 99,831	\$ 55,156	\$ 154,987	\$ 205,330	\$ 160,444	\$ 365,774	\$ 210,787

Additionally, the County Treasurer did not report the disbursements noted above to the correct categories, causing the Nebraska Department of Revenue to miscode those funds and, ultimately, to disburse them to the incorrect State funds.

Furthermore, the County Treasurer had neither completed a review of the fund balances nor completed any research into incorrect or negative balances. The County Treasurer did not enter the disbursements noted above accurately in the accounting system for the County, resulting in incorrect ending balances for those funds, as follows:

Fund (Fund Number)	Correct Ending Balance	November 2020 Balance	Variance
State Funds (6000)	\$ 71,989	\$ (152,648)	\$ 224,637
In Lieu of Property (6001)	-	215	(215)
Overload Fines (6003)	-	1,411	(1,411)
Driver License (6006)	3,763	11,741	(7,978)
County Sales Tax (6016)	-	(3,712)	3,712
City Sales Tax (6019)	-	(1,794)	1,794
Boat Sales Tax (6026)	198	5,704	(5,506)
Driver Organ Awareness (6040)	34	29	5
Security Surcharge (6047)	2,034	2,433	(399)
Driver Ignition Interlock (6048)	120	(294)	414
Total	\$ 78,138	\$ (136,915)	\$ 215,053

The variances above are due to several factors. First, the County Treasurer failed to record disbursements in the month they were paid. Disbursements for January and February 2020 were not recorded in the system until March 2020, despite the funds being paid from the bank account in their respective months. Second, the majority of the overpayment was recorded to the accounting system in Fund 6000, State Funds, by the County Treasurer, resulting in a negative ending balance. When the overpayment occurred, the error was noted by the County Treasurer when attempting to reconcile the bank account; however, instead of researching the variance, the accounting system disbursements were made to match. Third, disbursements continue to be recorded to Fund 6016, County Sales Tax, and Fund 6019, City Sales Tax, despite the fact that the receipts are no longer recorded in this fund.

Neb. Rev. Stat. § 60-3,141(3) (Cum. Supp. 2018) provides the following:

The county treasurers shall transmit all motor vehicle fees and registration fees collected pursuant to this section to the State Treasurer on or before the twentieth day of each month and at such other times as the State Treasurer requires for credit to the Motor Vehicle Fee Fund and the Highway Trust Fund, respectively, except as provided in section 60-3,156. Any county treasurer who fails to transfer to the State Treasurer the amount due the state at the times required in this section shall pay interest at the rate specified in section 45-104.02, as such rate may be adjusted from time to time, from the time the motor vehicle fees and registration fees become due until paid.

Neb. Rev. Stat. § 60-4,115(1) (Cum. Supp. 2018) states the following:

Fees for operators' licenses and state identification cards shall be collected by department personnel or the county treasurer and distributed according to the table in subsection (2) of this section, except for the ignition interlock permit and associated fees as outlined in subsection (4) of this section. County officials shall remit the county portion of the fees collected to the county treasurer for placement in the county general fund. All other fees collected shall be remitted to the State Treasurer for credit to the appropriate fund.

Good internal control and sound accounting practices require procedures to ensure that all disbursements are entered correctly into the accounting system and paid out of the appropriate funds. Such procedures should also include a reconciliation to verify that ending balances in all funds are accurate and are reported appropriately to the Nebraska Department of Revenue. Additionally, those procedures should require all disbursements to be recorded at the time they are paid.

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

We recommend the County Treasurer implement procedures to ensure: 1) all disbursements are entered correctly into the accounting system and paid out of the appropriate funds; 2) a reconciliation is performed to verify that ending balances in all funds are accurate and reported appropriately to the Nebraska Department of Revenue; and 3) all disbursements are recorded at the time they are paid. We recommend further that the County Treasurer work with the Nebraska Department of Motor Vehicles and the Nebraska Department of Revenue to correct the erroneous distributions.

Fire District Levy

The County Treasurer lacked procedures for ensuring that all levies were entered into the system. For the 2019 tax year, the County Treasurer did not enter one levy for the Ponca Rural Fire District Sinking Fund into the system, resulting in a property tax loss of \$25,500. This error not only resulted in the failure of the County Treasurer to collect the full amount of taxes levied but also affected all political subdivisions of the County, as they received an incorrect portion of the Real Estate Property Tax Credit, Personal Property Tax Credit, and Homestead. The table below details the underpayment associated with these calculations for the Ponca Rural Fire District, which were distributed to other subdivisions in the County.

Distribution Type*	Underpayment
Real Estate Property Tax Credit	\$ 610
Personal Property Tax Credit	19
Homestead Loss**	59
Total	\$ 688

*These distributions do not add to the total potential loss noted above, but are intended to show total overpayments to other political subdivisions of the County.

**Estimated loss is based on the error noted during testing of one payment and was projected across all six payments.

Neb. Rev. Stat. § 77-1701(1) (Reissue 2018) states, in relevant part, the following:

The county treasurer shall be ex officio county collector of all taxes levied within the county. The county board shall designate a county official to mail or otherwise deliver a statement of the amount of taxes due and a notice that special assessments are due, to the last-known address of the person, firm, association, or corporation against whom such taxes or special assessments are assessed or to the lending institution or other party responsible for paying such taxes or special assessments. Such statement shall clearly indicate, for each political subdivision, the levy rate and the amount of taxes due as the result of principal or interest payments on bonds issued by the political subdivision and shall show such rate and amount separate from any other levy.

Good internal controls and sound accounting practice require procedures for verifying that all tax levies are entered appropriately into the system to ensure that all taxes levied are collected and all distributions to the subdivisions are calculated appropriately.

Without such procedures, there is an increased risk of not only political subdivisions failing to receive the appropriate amount of funding but also loss or misuse of funds.

We recommend the County Treasurer review this situation and make corrections as necessary. We further recommend the County Treasurer implement procedures to ensure all tax levies are entered correctly into the accounting system.

Homestead and Centrally Assessed Property Tax Credit Distribution Errors

During testing, we noted that one of six distributions of Homestead, totaling \$117,529, and the distribution of Centrally Assessed Personal Property Tax Credit, totaling \$41,792, were not paid out during the year. These monies were received in February 2020; however, the County Treasurer failed to distribute them to the political subdivisions during that month. This error was noted in March 2020; however, when attempting to complete a journal entry to distribute the monies, the County Treasurer backdated the transaction to the previous month. As this month was already closed in the accounting system, the transaction did not post; therefore, the funds were never distributed. The subdivisions affected are detailed below:

Subdivision	Homestead	PP Tax Loss – Railroad	PP Tax Loss – PSC	Total
County General	\$ 22,287	\$ 1,088	\$ 7,391	\$ 30,766
Homer	407	26	39	472
Emerson	384	-	23	407
Hubbard	395	-	-	395
Jackson	885	1	25	911
South Sioux City	13,846	234	3,588	17,668
Dakota City	4,138	54	245	4,437
Dakota-Covington Fire District	302	31	59	392
Emerson Fire District	43	1	-	44
Homer Fire District	39	13	175	227
Ponca Fire District**	31	14	13	58
Allen-Waterbury Fire District	4	3	-	7
Papio-Missouri NRD	2,122	111	752	2,985
Lower Elkhorn NRD	20	-	1	21
Historical Society	109	6	38	153
Agricultural Society	445	23	156	624
JPA Pathway 2 Tomorrow	29	1	1	31
ESU 1	864	45	303	1,212
Northeast Comm. College	5,474	282	1,916	7,672
South Sioux City School 11*	55,222	1,595	11,706	68,523
Homer School 31	4,884	1,001	9,495	15,380
Ponca School 1*	2,482	588	604	3,674
Allen School 70*	133	41	3	177
Emerson-Hubbard School 561	2,269	44	57	2,370
TIF 25th/ 39th Street	715	-	-	715
Total	\$ 117,529	\$ 5,202	\$ 36,590	\$ 159,321

*Balance is associated with multiple funds within the entity.

**Amounts noted for Ponca Fire District include the Sinking Levy that was not entered by the County Treasurer.

Neb. Rev. Stat. § 23-1601(4)(a) (Reissue 2012) states, in relevant part, the following:

On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district the previous calendar month . . .

Good internal controls and sound business practice require procedures to ensure that all journal entries are posted appropriately to the accounting system, and monies received are recorded and paid to the correct parties in accordance with State statute.

Without such procedures, there is an increased risk of not only political subdivisions failing to receive the appropriate amount of funding but also loss or misuse of funds.

We recommend the County Treasurer correct the erroneous distribution. Additionally, we recommend the County Treasurer implement procedures to ensure journal entries are posted properly and future Homestead and Personal Property Tax Credit distributions are completed.

5% Gross In Lieu Distribution

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

Subdivision	Over/ (Under) Payments
County General Fund	\$ 724
South Sioux City School District 11 *	\$ 2,090
South Sioux City School District 11 Bond	\$ (3,885)
Dakota City*	\$ 1,071

*Balance is associated with multiple funds within the entity.

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

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

Good internal controls require procedures to ensure that 5% Gross In Lieu distributions are calculated correctly.

Without such procedures, there is an increased risk of not only political subdivisions failing to receive the appropriate amount of funding but also loss or misuse of funds.

We recommend the County Treasurer correct the erroneous 5% Gross In Lieu distribution. Additionally, we recommend the County Treasurer implement procedures to ensure future such distributions are calculated correctly.

Semi-Annual Statements

During review of the published semi-annual statement for June 30, 2020, we noted the following:

- Two Drainage District funds, totaling \$6, were included with the County funds, instead of their respective entities.

- Two Drainage Districts have fund numbers that are incorrect per the Auditor of Public Accounts’ (APA) County Manual.
- The Jackson School District has been dissolved; however, a balance of \$215 was still held at the end of the fiscal year.
- The County has a “Junk Holding Account” with a negative balance of \$42. This balance was accumulated during a conversion of an old accounting system to a new accounting system in the County Treasurer’s office many years ago. No further follow-up action has been taken by the County.

Neb. Rev. Stat. § 23-1605(1)(d) (Cum. Supp. 2018) requires the County Treasurer’s semi-annual statement to include the following:

(i) the amount of money received and for what fund category, (ii) the amount of disbursements and from what fund category, (iii) the ending fund balance in each fund category, (iv) the amount of outstanding warrants or orders registered and unpaid, (v) the total balance, and (vi) the total amount of unpaid claims of the county as of June 30 and December 31 of each year, as certified to the county treasurer by the county clerk.

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

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

Neb. Rev. Stat. § 23-1601(4)(a) (Reissue 2012) states, in relevant part, the following:

On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, and rural or suburban fire protection district the previous calendar month

Good internal control and sound business practices require procedures to ensure that the Semi-Annual Statement reflects accurately the County’s activity, including the appropriate publication of all funds. Those same procedures should ensure also compliance with the provisions of the APA’s County Manual. Finally, the procedures should require the County Treasurer to review all funds to verify that they are current and accurate, or appropriate action is taken to resolve such balances.

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

A similar issue was noted in prior years.

We recommend the County Treasurer implement procedures to ensure: 1) the Semi-Annual Statement reflects accurately the County’s activity, including the appropriate publication of all funds; 2) the provisions of the APA’s County Manual are followed; and 3) the County Treasurer reviews all funds to verify that they are current and accurate, or appropriate action is taken to resolve such balances.

COUNTY SHERIFF

Office Accountability

County Sheriff Records

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

- A monthly asset-to-liability reconciliation was not performed for the fee account. A cash long was noted at June 30, 2020, in the amount of \$18,622.
- An accurate listing of accounts receivable was not provided. A partial list was provided; however, due to several errors, this listing was determined to be inaccurate, as follows:
 - During an attempt to complete asset-to-liability reconciliation procedures, the office made several corrections to past accounts receivable amounts. As the office remits earnings to the County Treasurer, these corrections, totaling \$110, resulted in a shortage to the bank account. These amounts need to be claimed as well.
 - A check order from April 2019, totaling \$180, had yet to be claimed to the County.
 - In July 2019, the County Sheriff received \$5 for accident reports; however, \$10 was recorded and remitted to the County Treasurer, resulting in a shortage in the bank account.

County Jail Records

A complete and accurate monthly asset-to-liability reconciliation was not performed during the fiscal year ended June 30, 2020, resulting in unknown amounts in the following jail bank accounts:

Account	Long/(Short) Amount
House Arrest	\$ 6,108
Prodigy Commissary	\$ 574
Petty Cash	\$ 2,226
Old Jail Commissary	\$ (2,028)
Trinity Commissary	\$ 4,802
Total	\$ 11,682

Sound accounting practices and good internal controls require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis. Such procedures should also include the timely identification and resolution of all variances noted.

Without such procedures, there is an increased risk for not only loss, theft, or misuse of County funds but also errors being allowed to go undetected more easily.

A similar issue was noted in prior audits.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular asset-to-liability reconciliations. We further recommend the County Sheriff review all funds held, and remit any excess funds to the appropriate parties.

Unclaimed Property

As of June 30, 2020, we noted numerous outstanding checks associated with three bank accounts. Being outstanding for more than three years, those checks should have been presumed abandoned and remitted to the State Treasurer as unclaimed property.

The following table details the outstanding checks at issue:

Due Date	Fee Account		House Arrest Account		Old Commissary Account	
	# of Checks	Amount	# of Checks	Amount	# of Checks	Amount
11/1/2012	4	\$ 40	1	\$ 5	-	\$ -
11/1/2013	1	\$ 6	2	\$ 50	24	\$ 195
11/1/2014	1	\$ 2	-	\$ -	32	\$ 222
11/1/2015	4	\$ 60	-	\$ -	31	\$ 110
11/1/2016	6	\$ 90	1	\$ 30	37	\$ 222
11/1/2017	7	\$ 116	1	\$ 60	40	\$ 437
11/1/2018	8	\$ 91	1	\$ 120	81	\$ 718
11/1/2019	10	\$ 149	2	\$ 120	70	\$ 1,861
Totals	41	\$ 554	8	\$ 385	315	\$ 3,765

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

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

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

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

* * * *

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

Good internal control requires procedures to ensure that outstanding checks held for more than three years – and, therefore, presumed abandoned – are remitted timely to the State Treasurer as unclaimed property.

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

A similar issue was noted in prior audits.

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

County Sheriff's Overall Response: We are taking action to remedy issues.

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 noted in prior audits.

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

* * * * *

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

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