

**AUDIT REPORT
OF
DAKOTA COUNTY**

JULY 1, 2020, THROUGH JUNE 30, 2021

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the Auditor of Public Accounts.**

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Issued on December 6, 2021

DAKOTA COUNTY

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DAKOTA COUNTY
1601 Broadway Street
Dakota City, NE 68731

LIST OF COUNTY OFFICIALS
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Larry Albenesius	Jan. 2023
	Robert Giese	Jan. 2025
	Janet Gill	Jan. 2023
	Troy Launsby	Jan. 2025
	Scott Love	Jan. 2025
Assessor	Christy Abts	Jan. 2023
Attorney	Kimberly Watson	Jan. 2023
Clerk	Joan Spencer	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Kathy Wiltgen	Jan. 2023
Public Defender	Lou Hunter	Jan. 2023
Sheriff	Chris Kleinberg	Jan. 2023
Treasurer	Dawn Bousquet	Jan. 2023
Surveyor	Tim Lamprecht	Appointed
Veterans' Service Officer	Bill Johnston	Appointed
Weed Superintendent	Matt Roost	Appointed
Highway Superintendent	Jolene Gubbels	Appointed
Planning & Zoning	Joseph O'Neill	Appointed
Emergency Manager	Deanna Hagberg	Appointed
Health Director	Vacant	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, 2021, 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, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-34, 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 November 29, 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.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

November 29, 2021

DAKOTA COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2021

	Governmental Activities
	<hr/>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 9,603,850
Investments (Note 1.D)	25
TOTAL ASSETS	<hr/> \$ 9,603,875 <hr/>
NET POSITION	
Restricted for:	
911 Emergency Services	\$ 9,379
Drug Education	1,680
Law Enforcement	17,160
Preservation of Records	12,127
Debt Service	21,524
Road & Bridge Maintenance	618,527
Coronavirus Relief & Assistance	1,950,328
Health Planning & Assistance	81,454
Aid and Assistance	20,905
Unrestricted	6,870,791
TOTAL NET POSITION	<hr/> \$ 9,603,875 <hr/>

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, 2021

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	\$ (3,560,853)	\$ 1,327,874	\$ 1,981,976	\$ (251,003)
Public Safety	(5,116,921)	1,062,381	873,591	(3,180,949)
Public Works	(2,739,764)	9,257	2,020,452	(710,055)
Health and Sanitation	(453,112)	7,462	331,673	(113,977)
Public Assistance	(70,580)	-	-	(70,580)
Culture and Recreation	(167,013)	-	-	(167,013)
Debt Payments	(428,023)	-	-	(428,023)
Total Governmental Activities	<u>\$ (12,536,266)</u>	<u>\$ 1,696,171</u>	<u>\$ 5,207,692</u>	<u>(5,632,403)</u>

General Receipts:

Taxes	8,301,108
Grants and Contributions Not Restricted to Specific Programs	1,004,652
Investment Income	48,869
Licenses and Permits	135,665
Loan Repayment	143,700
Miscellaneous	78,997
Total General Receipts	<u>9,712,991</u>
Increase in Net Position	4,080,588
Net Position - Beginning of year	5,523,287
Net Position - End of year	<u>\$ 9,603,875</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, 2021

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 4,917,171	\$ 287,347	\$ 1,341,734	\$ 1,945,143	\$ 1,112,455	\$ 9,603,850
Investments (Note 1.D)	25	-	-	-	-	25
TOTAL ASSETS	<u><u>\$ 4,917,196</u></u>	<u><u>\$ 287,347</u></u>	<u><u>\$ 1,341,734</u></u>	<u><u>\$ 1,945,143</u></u>	<u><u>\$ 1,112,455</u></u>	<u><u>\$ 9,603,875</u></u>
FUND BALANCES						
Restricted for:						
911 Emergency Services	-	-	-	-	9,379	9,379
Drug Education	-	-	-	-	1,680	1,680
Law Enforcement	-	-	-	-	17,160	17,160
Preservation of Records	-	-	-	-	12,127	12,127
Debt Service	-	-	-	-	21,524	21,524
Road & Bridge Maintenance	-	-	-	-	618,527	618,527
Coronavirus Relief & Assistance	-	-	-	1,945,143	5,185	1,950,328
Health Planning & Assistance	-	-	-	-	81,454	81,454
Aid and Assistance	-	-	-	-	20,905	20,905
Committed to:						
Law Enforcement	-	-	-	-	6,332	6,332
Road Maintenance	-	287,347	-	-	-	287,347
Health Insurance	-	-	-	-	318,182	318,182
Assigned to:						
Other Purposes	-	-	1,341,734	-	-	1,341,734
Unassigned	4,917,196	-	-	-	-	4,917,196
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 4,917,196</u></u>	<u><u>\$ 287,347</u></u>	<u><u>\$ 1,341,734</u></u>	<u><u>\$ 1,945,143</u></u>	<u><u>\$ 1,112,455</u></u>	<u><u>\$ 9,603,875</u></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, 2021

	General Fund	Road Fund	Inheritance Fund	American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$ 7,124,756	\$ 83,804	\$ 527,170	\$ -	\$ 565,378	\$ 8,301,108
Licenses and Permits	134,465	1,200	-	-	-	135,665
Investment Income	48,555	-	-	235	79	48,869
Intergovernmental	2,128,476	1,861,910	-	1,944,908	277,050	6,212,344
Charges for Services	1,666,463	9,257	-	-	20,451	1,696,171
Miscellaneous	182,533	21,671	-	-	18,493	222,697
TOTAL RECEIPTS	11,285,248	1,977,842	527,170	1,945,143	881,451	16,616,854
DISBURSEMENTS						
General Government	2,577,869	-	-	-	982,984	3,560,853
Public Safety	4,621,145	-	-	-	495,776	5,116,921
Public Works	260,008	1,653,832	-	-	825,924	2,739,764
Health and Sanitation	356,951	-	-	-	96,161	453,112
Public Assistance	70,580	-	-	-	-	70,580
Culture and Recreation	3,869	-	-	-	163,144	167,013
Debt Service:						
Principal Payments	330,000	-	-	-	-	330,000
Interest and Fiscal Charges	98,023	-	-	-	-	98,023
TOTAL DISBURSEMENTS	8,318,445	1,653,832	-	-	2,563,989	12,536,266
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,966,803	324,010	527,170	1,945,143	(1,682,538)	4,080,588
OTHER FINANCING SOURCES (USES)						
Transfers in	32,764	13,000	-	-	1,897,297	1,943,061
Transfers out	(1,709,164)	(119,749)	(50,000)	-	(64,148)	(1,943,061)
TOTAL OTHER FINANCING SOURCES (USES)	(1,676,400)	(106,749)	(50,000)	-	1,833,149	-
Net Change in Fund Balances	1,290,403	217,261	477,170	1,945,143	150,611	4,080,588
CASH BASIS FUND BALANCES - BEGINNING	3,626,793	70,086	864,564	-	961,844	5,523,287
CASH BASIS FUND BALANCES - ENDING	\$ 4,917,196	\$ 287,347	\$ 1,341,734	\$ 1,945,143	\$ 1,112,455	\$ 9,603,875

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
FIDUCIARY FUNDS

For the Year Ended June 30, 2021

	Custodial Funds			
	Fund Balances			Fund Balances
	July 1, 2020			June 30, 2021
	(as restated)	Receipts	Disbursements	
ASSETS				
Cash and Cash Equivalents	\$ 1,597,576	\$ 39,577,125	\$ 39,604,008	\$ 1,570,693
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	621,186	5,259,759	5,458,756	422,189
State - Collected by Other Offices	9,594	253,158	233,868	28,884
Schools	443,477	22,228,921	22,213,173	459,225
Educational Service Units	3,693	284,643	283,444	4,892
Technical College	23,389	1,802,717	1,795,125	30,981
Natural Resource Districts	9,175	697,075	694,373	11,877
Fire Districts	2,342	246,999	246,596	2,745
Municipalities	126,226	6,307,841	6,277,411	156,656
Agricultural Society	1,888	141,876	141,342	2,422
Drainage Districts	6	96,861	96,818	49
Joint Public Agencies	50,775	3,790	23,230	31,335
Historical Society	462	35,625	35,472	615
Others - Collected by County Treasurer	161,630	573,029	696,842	37,817
Others - Collected by Other Offices	143,733	1,644,831	1,407,558	381,006
TOTAL LIABILITIES	1,597,576	39,577,125	39,604,008	1,570,693
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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, 2021

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 \$73,196 toward the operation of the Region during fiscal year 2021. 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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Communications Committee established by the agreement. Funding is provided by a combination of State, local, and private funding. The County contributed \$455,410 toward the operation of the Center during fiscal year 2021. 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 \$362,281 of sales and use taxes to the Agency during fiscal year 2021. 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 \$163,144 of lodging taxes collected to the Bureau during fiscal year 2021. 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.

American Rescue Plan Act Fund. This fund is used to account for aid received from the American Rescue Plan Act and is used for coronavirus aid and assistance in accordance with Federal guidelines.

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.

Custodial 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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

C. Measurement Focus, Basis of Accounting

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

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,733,084 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 \$9,603,850 for County funds and \$1,570,693 for Fiduciary funds. The bank balances for all funds totaled \$11,248,923. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$25 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.

3. **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 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.366511/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.366379/\$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.

The tax receipts classification also contains collections from the assessment of inheritance taxes, 911 surcharges, lodging taxes, and a 0.5% county sales tax.

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. 2020) 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

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2021, 126 employees contributed \$217,818, and the County contributed \$321,177. Contributions included \$11,101 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$1,985 directly to 22 retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 104 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 the county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the 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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ -	\$ 32,764	\$ 32,764
Road Fund	13,000	-	-	-	13,000
Nonmajor Funds	1,696,164	119,749	50,000	31,384	1,897,297
Total	\$ 1,709,164	\$ 119,749	\$ 50,000	\$ 64,148	\$ 1,943,061

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended June 30, 2021, the County made a one-time transfer of \$6,764 from the Juvenile Service Aid Fund to the General Fund for reimbursement of certain payroll costs of the School Resource Officer. Additionally, the County made a one-time transfer of \$26,000 from the Coronavirus Emergency Supplemental Funding Grant Fund to the General Fund for reimbursement of a \$50,000 transfer to create the Fund. Lastly, the County made monthly transfers from the General Fund for \$867,061, Road Fund for \$119,749, Juvenile Service Fund for \$11,097, Health Planning Grant Fund for \$11,097, and Minority Health Initiative Grant Fund for \$9,190, to the Insurance Fund for the County's share of Health Insurance premiums.

7. Long-Term Obligations

Capital Leases

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

	Motor Graders	Bobcat & Trailer	Sheriff Vehicles	Two-Way Radios	Total
Balance July 1, 2020	\$ 130,635	\$ 13,105	\$ 202,766	\$ 141,987	\$ 488,493
Purchases	315,969	-	146,633	-	462,602
Payments	82,710	13,105	93,650	30,544	220,009
Balance June 30, 2021	\$ 363,894	\$ -	\$ 255,749	\$ 111,443	\$ 731,086

Future Payments:

Year					
2022	\$ 86,066	\$ -	\$ 119,661	\$ 33,029	\$ 238,756
2023	91,860	-	109,172	33,030	234,062
2024	65,103	-	33,080	33,030	131,213
2025	65,102	-	-	16,515	81,617
2026	65,103	-	-	-	65,103
Total Payments	373,234	-	261,913	115,604	750,751
Less Interest	9,340	-	6,164	4,161	19,665
Present Value of Future					
Minimum Lease Payments	\$ 363,894	\$ -	\$ 255,749	\$ 111,443	\$ 731,086
Carrying Value of the Related					
Fixed Asset	\$ 572,602	\$ 125,856	\$ 474,161	\$ 199,977	\$ 1,372,596

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. Long-Term Obligations (Continued)

Bonds

Highway Allocation Bond 1. 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 refunding the 2012 bonds. The bond payable balance, as of June 30, 2021, was \$1,180,000. 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
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	100,000	20,700	120,700
2027-2031	500,000	65,825	565,825
2032-2033	205,000	6,225	211,225
Total Payments	<u>\$ 1,180,000</u>	<u>\$ 194,246</u>	<u>\$ 1,374,246</u>

Highway Allocation Bond 2. The County issued bonds on February 17, 2015, in the amount of \$1,470,000 for the purpose of paying the costs of in connection with the construction of improvements to roads in the County. The bond payable balance, as of June 30, 2021, was \$1,155,000. 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
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	70,000	25,138	95,138
2027-2031	375,000	97,835	472,835
2032-2036	445,000	36,400	481,400
Total Payments	<u>\$ 1,155,000</u>	<u>\$ 273,678</u>	<u>\$ 1,428,678</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, 2021, was \$530,000. 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)

7. Long-Term Obligations (Concluded)

Future Payments:

Year	Principal	Interest	Total
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	90,000	3,245	93,245
2027	95,000	1,116	96,116
Total Payments	<u>\$ 530,000</u>	<u>\$ 35,495</u>	<u>\$ 565,495</u>

Subsequent to the fiscal year, the County issued bonds on July 26, 2021, in the amount of \$475,000 for the purpose of refunding the 2016 bonds. 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.

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, 2021, was \$1,330,000. 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	Principal	Interest	Total
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	95,000	26,750	121,750
2027-2031	520,000	96,668	616,668
2032-2034	350,000	21,150	371,150
Total Payments	<u>\$ 1,330,000</u>	<u>\$ 270,868</u>	<u>\$ 1,600,868</u>

8. Contingent Liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

9. Prior Period Adjustment

The beginning balances were increased by \$63,475 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 7,507,993	\$ 7,507,993	\$ 7,124,756	\$ (383,237)
Licenses and Permits	93,545	93,545	134,465	40,920
Investment Income	60,000	60,000	48,555	(11,445)
Intergovernmental	1,254,419	1,254,419	2,839,279	1,584,860
Charges for Services	760,186	760,186	955,660	195,474
Miscellaneous	518,500	518,500	182,533	(335,967)
TOTAL RECEIPTS	10,194,643	10,194,643	11,285,248	1,090,605
DISBURSEMENTS				
General Government:				
County Board	178,459	178,459	166,744	11,715
County Clerk	193,590	193,590	156,988	36,602
County Treasurer	384,281	384,281	300,353	83,928
Register of Deeds	47,332	47,332	35,886	11,446
County Assessor	470,593	470,593	375,114	95,479
Election Commissioner	38,655	38,655	36,975	1,680
Building and Zoning	12,485	12,485	11,314	1,171
Data Processing Department	128,000	133,000	130,539	2,461
Clerk of the District Court	145,240	145,240	112,004	33,236
County Court System	16,400	16,400	15,742	658
District Judge	5,600	5,600	4,982	618
Public Defender	238,362	238,362	135,015	103,347
Legal Services	241,080	241,080	240,644	436
Child Support	50,934	50,934	32,372	18,562
Building and Ground	197,349	197,349	158,199	39,150
Agricultural Extension Agent	73,181	73,181	55,055	18,126
Miscellaneous	995,969	964,869	609,943	354,926
Public Safety				
County Sheriff	1,646,219	1,646,219	1,460,598	185,621
County Attorney	552,725	552,725	410,117	142,608
Communication Center	509,400	509,400	455,410	53,990
Law Enforcement Grant	50,000	76,000	62,326	13,674
County Jail	2,607,582	2,607,582	2,116,260	491,322
District Probation Office	55,000	55,000	54,162	838
Emergency Management	82,037	82,037	62,272	19,765
Public Works				
County Surveyor	15,000	15,000	4,542	10,458
Noxious Weed Control	16,601	16,601	9,160	7,441
Highway Department	68,697	68,697	54,110	14,587
Miscellaneous	1,106,169	1,106,169	192,196	913,973

(Continued)

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
Public Health				
County Health Department	486,737	486,737	356,951	129,786
Public Assistance				
Veterans' Service Officer	81,459	81,559	70,580	10,979
Victims Assistance	3,535	3,535	-	3,535
Culture and Recreation				
County Law Library	4,500	4,500	3,869	631
Debt Service				
Principal Payments	330,000	330,000	330,000	-
Interest and Charges	102,823	102,823	98,023	4,800
TOTAL DISBURSEMENTS	<u>11,135,994</u>	<u>11,135,994</u>	<u>8,318,445</u>	<u>2,817,549</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(941,351)</u>	<u>(941,351)</u>	<u>2,966,803</u>	<u>3,908,154</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	32,764	32,764
Transfers out	(1,281,442)	(1,281,442)	(1,709,164)	(427,722)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,281,442)</u>	<u>(1,281,442)</u>	<u>(1,676,400)</u>	<u>(394,958)</u>
Net Change in Fund Balance	(2,222,793)	(2,222,793)	1,290,403	3,513,196
FUND BALANCE - BEGINNING	<u>3,622,793</u>	<u>3,622,793</u>	<u>3,626,793</u>	<u>4,000</u>
FUND BALANCE - ENDING	<u><u>\$ 1,400,000</u></u>	<u><u>\$ 1,400,000</u></u>	<u><u>\$ 4,917,196</u></u>	<u><u>\$ 3,517,196</u></u>

(Concluded)

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 65,000	\$ 65,000	\$ 83,804	\$ 18,804
Licenses and Permits	-	-	1,200	1,200
Intergovernmental	1,277,372	1,277,372	1,861,910	584,538
Charges for Services	1,500	1,500	9,257	7,757
Miscellaneous	1,000	1,000	21,671	20,671
TOTAL RECEIPTS	1,344,872	1,344,872	1,977,842	632,970
DISBURSEMENTS	1,871,645	1,871,645	1,653,832	217,813
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(526,773)	(526,773)	324,010	850,783
OTHER FINANCING SOURCES (USES)				
Transfers in	456,687	456,687	13,000	(443,687)
Transfers out	-	-	(119,749)	(119,749)
TOTAL OTHER FINANCING SOURCES (USES)	456,687	456,687	(106,749)	(563,436)
Net Change in Fund Balance	(70,086)	(70,086)	217,261	287,347
FUND BALANCE - BEGINNING	70,086	70,086	70,086	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,347</u>	<u>\$ 287,347</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 500,000	\$ 500,000	\$ 527,170	\$ 27,170
TOTAL RECEIPTS	500,000	500,000	527,170	27,170
DISBURSEMENTS	1,364,564	1,364,564	-	1,364,564
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(864,564)	(864,564)	527,170	1,391,734
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(50,000)	(50,000)
Net Change in Fund Balance	(864,564)	(864,564)	477,170	1,341,734
FUND BALANCE - BEGINNING	864,564	864,564	864,564	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,341,734</u>	<u>\$ 1,341,734</u>

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AMERICAN RESCUE PLAN ACT FUND				
RECEIPTS				
Investment Income	\$ -	\$ -	\$ 235	\$ 235
Intergovernmental	-	-	1,944,908	1,944,908
TOTAL RECEIPTS	-	-	1,945,143	1,945,143
DISBURSEMENTS	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	-	1,945,143	1,945,143
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,945,143	\$ 1,945,143

(Concluded)

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	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	\$ -	\$ -	\$ 21,524	\$ 21,524

**HIGHWAY STREET BUYBACK PROGRAM
FUND**

Receipts	\$ 80,730	\$ 80,730	\$ 80,730	\$ -
Disbursements	(393,109)	(393,109)	-	393,109
Net Change in Fund Balance	(312,379)	(312,379)	80,730	393,109
Fund Balance - Beginning	312,379	312,379	312,379	-
Fund Balance - Ending	\$ -	\$ -	\$ 393,109	\$ 393,109

**HIGHWAY BRIDGE BUYBACK PROGRAM
FUND**

Receipts	\$ 50,910	\$ 50,910	\$ 50,909	\$ (1)
Disbursements	(227,230)	(227,230)	(1,811)	225,419
Net Change in Fund Balance	(176,320)	(176,320)	49,098	225,418
Fund Balance - Beginning	176,320	176,320	176,320	-
Fund Balance - Ending	\$ -	\$ -	\$ 225,418	\$ 225,418

ROAD IMPROVEMENT FUND

Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(824,755)	(824,755)	(824,113)	642
Transfers in	824,755	824,755	824,113	(642)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

VISITORS' PROMOTION FUND

Receipts	\$ 275,000	\$ 275,000	\$ 163,144	\$ (111,856)
Disbursements	(275,000)	(275,000)	(163,144)	111,856
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

(Continued)

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 11,932	\$ 11,932	\$ 12,282	\$ 350
Disbursements	(20,000)	(20,000)	(8,223)	11,777
Net Change in Fund Balance	(8,068)	(8,068)	4,059	12,127
Fund Balance - Beginning	8,068	8,068	8,068	-
Fund Balance - Ending	\$ -	\$ -	\$ 12,127	\$ 12,127
INSURANCE FUND				
Receipts	\$ 1,688,237	\$ 1,688,237	\$ 18,572	\$ (1,669,665)
Disbursements	(1,850,250)	(1,850,250)	(974,761)	875,489
Transfers in	-	-	1,018,194	1,018,194
Transfers out	-	-	-	-
Net Change in Fund Balance	(162,013)	(162,013)	62,005	224,018
Fund Balance - Beginning	162,013	162,013	256,177	94,164
Fund Balance - Ending	\$ -	\$ -	\$ 318,182	\$ 318,182
STOP FUND				
Receipts	\$ 4,268	\$ 4,268	\$ 600	\$ (3,668)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(5,732)	(5,732)	600	6,332
Fund Balance - Beginning	5,732	5,732	5,732	-
Fund Balance - Ending	\$ -	\$ -	\$ 6,332	\$ 6,332
COUNTY DRUG LAW ENFORCEMENT & EDUCATION FUND				
Receipts	\$ 8,327	\$ 8,327	\$ 107	\$ (8,220)
Disbursements	(10,000)	(10,000)	(100)	9,900
Net Change in Fund Balance	(1,673)	(1,673)	7	1,680
Fund Balance - Beginning	1,673	1,673	1,673	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,680	\$ 1,680
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 7,408	\$ 7,408	\$ -	\$ (7,408)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	(7,592)	(7,592)	-	7,592
Fund Balance - Beginning	7,592	7,592	7,592	-
Fund Balance - Ending	\$ -	\$ -	\$ 7,592	\$ 7,592

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING GRANT FUND				
Receipts	\$ 132,830	\$ 132,830	\$ 28,150	\$ (104,680)
Disbursements	(132,830)	(132,830)	(46,965)	85,865
Transfers in	-	-	50,000	50,000
Transfers out	-	-	(26,000)	(26,000)
Net Change in Fund Balance	-	-	5,185	5,185
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,185</u>	<u>\$ 5,185</u>
HEALTH PLANNING GRANT FUND				
Receipts	\$ 72,000	\$ 72,000	\$ 25,374	\$ (46,626)
Disbursements	(154,873)	(154,873)	(42,814)	112,059
Transfers in	-	-	-	-
Transfers out	-	-	(11,097)	(11,097)
Net Change in Fund Balance	(82,873)	(82,873)	(28,537)	54,336
Fund Balance - Beginning	82,873	82,873	82,873	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,336</u>	<u>\$ 54,336</u>
MINORITY HEALTH INITIATIVE GRANT FUND				
Receipts	\$ -	\$ -	\$ 22,128	\$ 22,128
Disbursements	(62,537)	(62,537)	(53,347)	9,190
Transfers in	-	-	4,990	4,990
Transfers out	-	-	(9,190)	(9,190)
Net Change in Fund Balance	(62,537)	(62,537)	(35,419)	27,118
Fund Balance - Beginning	62,537	62,537	62,537	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,118</u>	<u>\$ 27,118</u>
LAW ENFORCEMENT EQUIPMENT GRANT FUND				
Receipts	\$ 2,932	\$ 2,932	\$ -	\$ (2,932)
Disbursements	(10,000)	(10,000)	-	10,000
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>

(Continued)

DAKOTA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CRIME COMMISSION ENHANCEMENT GRANT FUND				
Receipts	\$ 125,000	\$ 125,000	\$ -	\$ (125,000)
Disbursements	(127,500)	(127,500)	-	127,500
Net Change in Fund Balance	(2,500)	(2,500)	-	2,500
Fund Balance - Beginning	2,500	2,500	2,500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
JUVENILE SERVICE AID FUND				
Receipts	\$ 80,425	\$ 80,425	\$ 77,221	\$ (3,204)
Disbursements	(88,578)	(88,578)	(47,075)	41,503
Transfers in	-	-	-	-
Transfers out	-	-	(17,861)	(17,861)
Net Change in Fund Balance	(8,153)	(8,153)	12,285	20,438
Fund Balance - Beginning	8,153	8,153	8,153	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,438</u>	<u>\$ 20,438</u>
E-911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 66,219	\$ 66,219	\$ 39,953	\$ (26,266)
Disbursements	(75,000)	(75,000)	(39,355)	35,645
Net Change in Fund Balance	(8,781)	(8,781)	598	9,379
Fund Balance - Beginning	8,781	8,781	8,781	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,379</u>	<u>\$ 9,379</u>
PUBLIC SAFETY SALES TAX FUND				
Receipts	\$ 750,000	\$ 750,000	\$ 362,281	\$ (387,719)
Disbursements	(750,000)	(750,000)	(362,281)	387,719
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>

(Concluded)

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

For the Year Ended June 30, 2021

	Hard Surface Road Fund	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road Improvement Fund	Visitors' Promotion Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 163,144
Investment Income	-	-	-	-	-
Intergovernmental	-	80,730	50,909	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	-	80,730	50,909	-	163,144
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	1,811	824,113	-
Health and Sanitation	-	-	-	-	-
Culture and Recreation	-	-	-	-	163,144
TOTAL DISBURSEMENTS	-	-	1,811	824,113	163,144
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	80,730	49,098	(824,113)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	824,113	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	824,113	-
Net Change in Fund Balances	-	80,730	49,098	-	-
FUND BALANCES - BEGINNING	21,524	312,379	176,320	-	-
FUND BALANCES - ENDING	\$ 21,524	\$ 393,109	\$ 225,418	\$ -	\$ -
FUND BALANCES:					
Restricted for:					
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	21,524	-	-	-	-
Road & Bridge Maintenance	-	393,109	225,418	-	-
Coronavirus Relief & Assistance	-	-	-	-	-
Health Planning & Assistance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Health Insurance	-	-	-	-	-
TOTAL FUND BALANCES	\$ 21,524	\$ 393,109	\$ 225,418	\$ -	\$ -

DAKOTA COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2021

	Register of Deeds Preservation & Modernization Fund	Insurance Fund	STOP Fund	County Drug Law Enforcement & Education Fund	Federal Drug Law Enforcement Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	79	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	12,282	-	600	107	-
Miscellaneous	-	18,493	-	-	-
TOTAL RECEIPTS	12,282	18,572	600	107	-
DISBURSEMENTS					
General Government	8,223	974,761	-	-	-
Public Safety	-	-	-	100	-
Public Works	-	-	-	-	-
Health and Sanitation	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	8,223	974,761	-	100	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	4,059	(956,189)	600	7	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,018,194	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,018,194	-	-	-
Net Change in Fund Balances	4,059	62,005	600	7	-
FUND BALANCES - BEGINNING	8,068	256,177	5,732	1,673	7,592
FUND BALANCES - ENDING	\$ 12,127	\$ 318,182	\$ 6,332	\$ 1,680	\$ 7,592
FUND BALANCES:					
Restricted for:					
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	1,680	-
Law Enforcement	-	-	-	-	7,592
Preservation of Records	12,127	-	-	-	-
Debt Service	-	-	-	-	-
Road & Bridge Maintenance	-	-	-	-	-
Coronavirus Relief & Assistance	-	-	-	-	-
Health Planning & Assistance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	6,332	-	-
Health Insurance	-	318,182	-	-	-
TOTAL FUND BALANCES	\$ 12,127	\$ 318,182	\$ 6,332	\$ 1,680	\$ 7,592

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

For the Year Ended June 30, 2021

	Coronavirus Emergency Supplemental Funding Grant Fund	Health Planning Grant Fund	Minority Health Initiative Grant Fund	Law Enforcement Equipment Grant Fund	Crime Commission Enhancement Grant Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	28,150	23,472	16,568	-	-
Charges for Services	-	1,902	5,560	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	28,150	25,374	22,128	-	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	46,965	-	-	-	-
Public Works	-	-	-	-	-
Health and Sanitation	-	42,814	53,347	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	46,965	42,814	53,347	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(18,815)	(17,440)	(31,219)	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	-	4,990	-	-
Transfers out	(26,000)	(11,097)	(9,190)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	24,000	(11,097)	(4,200)	-	-
Net Change in Fund Balances	5,185	(28,537)	(35,419)	-	-
FUND BALANCES - BEGINNING	-	82,873	62,537	7,068	2,500
FUND BALANCES - ENDING	\$ 5,185	\$ 54,336	\$ 27,118	\$ 7,068	\$ 2,500
FUND BALANCES:					
Restricted for:					
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	7,068	2,500
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Road & Bridge Maintenance	-	-	-	-	-
Coronavirus Relief & Assistance	5,185	-	-	-	-
Health Planning & Assistance	-	54,336	27,118	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Health Insurance	-	-	-	-	-
TOTAL FUND BALANCES	\$ 5,185	\$ 54,336	\$ 27,118	\$ 7,068	\$ 2,500

DAKOTA COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2021

	Juvenile Service Aid Fund	E-911 Emergency Management Fund	Public Safety Sales Tax Fund	Hunt Memorial Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ -	\$ 39,953	\$ 362,281	\$ -	\$ 565,378
Investment Income	-	-	-	-	79
Intergovernmental	77,221	-	-	-	277,050
Charges for Services	-	-	-	-	20,451
Miscellaneous	-	-	-	-	18,493
TOTAL RECEIPTS	<u>77,221</u>	<u>39,953</u>	<u>362,281</u>	<u>-</u>	<u>881,451</u>
DISBURSEMENTS					
General Government	-	-	-	-	982,984
Public Safety	47,075	39,355	362,281	-	495,776
Public Works	-	-	-	-	825,924
Health and Sanitation	-	-	-	-	96,161
Culture and Recreation	-	-	-	-	163,144
TOTAL DISBURSEMENTS	<u>47,075</u>	<u>39,355</u>	<u>362,281</u>	<u>-</u>	<u>2,563,989</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>30,146</u>	<u>598</u>	<u>-</u>	<u>-</u>	<u>(1,682,538)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	1,897,297
Transfers out	(17,861)	-	-	-	(64,148)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,861)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,833,149</u>
Net Change in Fund Balances	12,285	598	-	-	150,611
FUND BALANCES - BEGINNING	<u>8,153</u>	<u>8,781</u>	<u>-</u>	<u>467</u>	<u>961,844</u>
FUND BALANCES - ENDING	<u>\$ 20,438</u>	<u>\$ 9,379</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 1,112,455</u>
FUND BALANCES:					
Restricted for:					
911 Emergency Services	-	9,379	-	-	9,379
Drug Education	-	-	-	-	1,680
Law Enforcement	-	-	-	-	17,160
Preservation of Records	-	-	-	-	12,127
Debt Service	-	-	-	-	21,524
Road & Bridge Maintenance	-	-	-	-	618,527
Coronavirus Relief & Assistance	-	-	-	-	5,185
Health Planning & Assistance	-	-	-	-	81,454
Aid and Assistance	20,438	-	-	467	20,905
Committed to:					
Law Enforcement	-	-	-	-	6,332
Health Insurance	-	-	-	-	318,182
TOTAL FUND BALANCES	<u>\$ 20,438</u>	<u>\$ 9,379</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 1,112,455</u>

DAKOTA COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2021

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	Highway Superintendent	Veterans' Service Officer	County Extension	County Health Department	County Planning and Zoning	County Jail	Total
BALANCES JULY 1, 2020	\$ 299	\$ 16,512	\$ 99,498	\$ 34,445	\$ 100	\$ 11,852	\$ 3,241	\$ -	\$ -	\$ 101,753	\$ 267,700
RECEIPTS											
Licenses and Permits	2,975	-	-	1,035	1,200	-	-	-	3,350	-	8,560
Intergovernmental	-	-	-	-	-	13,500	-	352,495	-	-	365,995
Charges for Services	3,269	156,724	62,640	96,990	-	-	-	301	-	129,219	449,143
Miscellaneous	-	-	-	90	21,862	-	4	740	110	413	23,219
State Fees	-	203,618	49,540	-	-	-	-	-	-	-	253,158
Other Liabilities	-	-	550,583	5,678	-	-	-	-	-	1,088,570	1,644,831
TOTAL RECEIPTS	6,244	360,342	662,763	103,793	23,062	13,500	4	353,536	3,460	1,218,202	2,744,906
DISBURSEMENTS											
Payments to County Treasurer	6,161	151,359	59,416	104,772	22,976	-	-	353,536	3,460	129,194	830,874
Payments to State Treasurer	-	185,348	48,520	-	-	-	-	-	-	-	233,868
Petty Cash	-	-	-	90	86	13,340	4	-	-	150	13,670
Other Liabilities	-	-	328,481	5,637	-	-	-	-	-	1,073,440	1,407,558
TOTAL DISBURSEMENTS	6,161	336,707	436,417	110,499	23,062	13,340	4	353,536	3,460	1,202,784	2,485,970
BALANCES JUNE 30, 2021	\$ 382	\$ 40,147	\$ 325,844	\$ 27,739	\$ 100	\$ 12,012	\$ 3,241	\$ -	\$ -	\$ 117,171	\$ 526,636
BALANCES CONSIST OF:											
Due to County Treasurer	\$ 382	\$ 15,522	\$ 12,821	\$ 27,227	\$ -	\$ 12,012	\$ -	\$ -	\$ -	\$ 16,891	\$ 84,855
Petty Cash	-	-	50	500	100	-	3,241	-	-	28,000	31,891
Due to State Treasurer	-	24,625	4,259	-	-	-	-	-	-	-	28,884
Due to Others	-	-	308,714	12	-	-	-	-	-	72,280	381,006
BALANCES JUNE 30, 2021	\$ 382	\$ 40,147	\$ 325,844	\$ 27,739	\$ 100	\$ 12,012	\$ 3,241	\$ -	\$ -	\$ 117,171	\$ 526,636

DAKOTA COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2021

Item	2016	2017	2018	2019	2020
Tax Certified by Assessor					
Real Estate	\$ 26,682,428	\$ 28,224,843	\$ 30,529,699	\$ 29,863,740	\$ 30,315,500
Personal and Specials	2,330,661	2,385,090	2,297,209	2,379,351	2,923,162
Total	<u>29,013,089</u>	<u>30,609,933</u>	<u>32,826,908</u>	<u>32,243,091</u>	<u>33,238,662</u>
Corrections					
Additions	178,016	29,605	15,980	3,491	10,545
Deductions	(418,504)	(120,141)	(157,122)	(56,887)	(1,968)
Net Additions/ (Deductions)	<u>(240,488)</u>	<u>(90,536)</u>	<u>(141,142)</u>	<u>(53,396)</u>	<u>8,577</u>
Corrected Certified Tax	<u>28,772,601</u>	<u>30,519,397</u>	<u>32,685,766</u>	<u>32,189,695</u>	<u>33,247,239</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	17,199,078	-	-	-	-
June 30, 2018	11,575,325	18,280,842	-	-	-
June 30, 2019	(4,953)	12,211,529	19,146,267	-	-
June 30, 2020	2,097	13,507	13,183,180	18,278,396	-
June 30, 2021	-	8,807	7,749	13,555,435	19,789,396
Total Net Collections	<u>28,771,547</u>	<u>30,514,685</u>	<u>32,337,196</u>	<u>31,833,831</u>	<u>19,789,396</u>
Total Uncollected Tax	<u>\$ 1,054</u>	<u>\$ 4,712</u>	<u>\$ 348,570</u>	<u>\$ 355,864</u>	<u>\$ 13,457,843</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.02%</u>	<u>1.07%</u>	<u>1.11%</u>	<u>40.48%</u>

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

DAKOTA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	unavailable	<u>\$ 2,359</u>
Passed through Nebraska Commission on Law Enforcement and Criminal Justice Coronavirus Emergency Supplemental Funding Program	16.034	unavailable	<u>72,965</u>
Total U.S. Department of Justice			<u>75,324</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	26,828
Emergency Management Performance Grants	97.042	unavailable	<u>34,264</u>
Total U.S. Department of Homeland Security			<u>61,092</u>
ELECTION ASSISTANCE COMMISSION			
Passed through Nebraska Secretary of State COVID-19 2018 HAVA Election Security Grants	90.404	unavailable	<u>5,865</u>
Total U.S. Election Assistance Commission			<u>5,865</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	unavailable	24,060
Public Health Emergency Preparedness	93.069	unavailable	44,594
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.994	unavailable	4,221
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	unavailable	1,417
Immunization Cooperative Agreements	93.268	unavailable	58,897
Injury Prevention and Control Research and State and Community Based Programs	93.136	unavailable	3,737
Preventive Health and Health Services Block Grant	93.991	unavailable	3,366
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	unavailable	<u>72,654</u>
Total U.S. Department of Health and Human Services			<u>212,946</u>
DEPARTMENT OF INTERIOR			
Payments in Lieu of Taxes	15.226	unavailable	<u>2,273</u>
Total U.S. Department of Interior			<u>2,273</u>

(Continued)

DAKOTA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	unavailable	29,683
National Priority Safety Programs	20.616	unavailable	<u>7,360</u>
Total Highway Safety Cluster			<u>37,043</u>
Total U.S. Department of Transportation			<u>37,043</u>
DEPARTMENT OF THE TREASURY			
Passed through Nebraska Military Department			
Coronavirus Relief Fund	21.019	unavailable	* <u>701,923</u>
Total U.S. Department of the Treasury			<u>701,923</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,096,466</u></u>

(Concluded)

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

DAKOTA COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Dakota County (County) under programs of the Federal government for the year ended June 30, 2021, except as noted in Note 2 below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dakota County, it is not intended to and does not present the financial position, changes or net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. **Summary of Significant Accounting Policies**

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

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

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$26,828 for this program, of which \$2,526 was incurred and paid in the fiscal year ended June 30, 2020.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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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, 2021, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements, and have issued our report thereon dated November 29, 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. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Board Response: The County has discussed the finding and will make every consideration feasible; but must also consider the cost of adequate segregation of duties when determining the use of taxpayer money.

Clerk Response: The Clerk's Office has put procedures in place to rotate balancing the Clerk's Office daily receipts; Payroll Clerk will balance the Accounts Payable bank statement and Accounts Payable Clerk will balance the Payroll bank statements. Register of Deeds has just one office clerk.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dakota County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional Items

We also noted certain matters that we reported to the management of Dakota County in a separate letter dated November 29, 2021

Dakota County's Response to Findings

Dakota County's response to the findings identified in our audit is described above. Dakota County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

November 29, 2021



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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DAKOTA COUNTY
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners
Dakota County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Dakota County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Dakota County's major Federal programs for the year ended June 30, 2021. Dakota County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Dakota County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

November 29, 2021

Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

DAKOTA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☐ Yes ☒ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Major programs: **Coronavirus Relief Fund: Assistance Listing #21.019**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

DAKOTA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section II – Financial Statement Findings

Finding # 2021-1

<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
<u>Context</u> -	Various County offices collect money, most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
<u>Effect</u> -	This lack of segregation of duties results in an inadequate overall internal control structure design.
<u>Cause</u> -	The County does not employ sufficient office personnel to properly segregate accounting functions.
<u>Recommendation</u> -	The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
<u>View of Officials</u> -	<p>Board Response: The County has discussed the finding and will make consideration feasible; but must also consider the cost of adequate segregation of duties when determining the use of taxpayer money.</p> <p>Clerk Response: The Clerk's Office has put procedures in place to rotate balancing the Clerks Office daily receipts; Payroll Clerk will balance the Accounts Payable bank statement and Accounts Payable Clerk will balance the Payroll bank statements. Register of Deeds has just one office clerk.</p>

Section III – Federal Award Findings and Questioned Costs

None Noted



CORRECTIVE ACTION PLAN
for Dakota County, Nebraska

Year Ended June 30, 2021

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

Finding 2021-1 Segregation of Duties

Corrective Action Planned: The County has discussed the finding and will make every consideration feasible; but must also consider the cost of adequate segregation of duties when determining the use of taxpayer money.

Anticipated Completion Date: Ongoing

Responsible Party: County Board

Sincerely,

A handwritten signature in black ink, appearing to read "Janet K. Gill".

Janet Gill
Board Chair

C: State Auditor



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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November 29, 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, 2021, and have issued our report thereon dated November 29, 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 hardcopy records (Daily Balance Sheet) to the accounting system. Due to the continued reconciliation issues in the office, we expanded our audit to include a reconciliation between the Daily Balance Sheet to the accounting system through August 2021, which was the last completed month at the time of fieldwork. As of August 31, 2021, there was a variance of \$123,605.92 between the two records, as follows:

Description	Month	Amount
Daily Balance Sheet Balance	August 2021	\$ 18,866,513.03
Motor Vehicle Receipt Recorded for Wrong Amount	November 2019	\$ (0.07)
Motor Vehicle Receipt Recorded for Wrong Amount	January 2020	\$ 1.00
Title Recorded, Not Received	March 2020	\$ (10.00)
Bank Reconciliation Items Recorded Incorrectly	January 2021	\$ (2,702.61)
Bank Reconciliation Items Recorded Incorrectly	February 2021	\$ (32.29)
Journal Entry Recorded Incorrectly	June 2021	\$ (13.50)
Motor Vehicle Refund Paid, Not Recorded	June 2021	\$ (278.12)
Partial Payment Received, Not Recorded	July 2021	\$ 73.52
Daily Balance Sheet Adjustments		\$ (2,962.07)
Corrected Daily Balance Sheet Balance		\$ 18,863,550.96
Balance Per Accounting System	August 2021	\$ 18,742,907.11
Public Safety Disbursement Recorded for Wrong Amount	September 2020	\$ 0.01
Journal Entry Correction Completed, Not Recorded	July 2020	\$ 13,532.48
Insurance Bank Reconciliation Items Recorded Incorrectly	January 2021	\$ 107,111.36
Accounting System Adjustments		\$ 120,643.85
Corrected Balance Per Accounting System		\$ 18,863,550.96

Bank Reconciliation Issues

The County Treasurer was not consistently or accurately reconciling several of its bank accounts. Despite the County Treasurer's attempts to reconcile the accounts, there were still several accounts with variances and new reconciling items that had not been caught during the reconciliation process. Due to these errors, the reconciliations were completed through August 2021, which was the last completed month at the time of fieldwork.

Bank First Checking Account

As of September 2021, the County Treasurer had not reconciled the Bank First checking account since June 2021; however, the reconciling items noted by the County Treasurer were not accurate. In fact, the County Treasurer's June 2021 reconciliation contained two insufficient funds checks and fees, totaling \$1,507.06; however, the returned check did not originate out of the account. Further, the attempted June 2021 reconciliation by the County Treasurer still contained an unknown variance of \$592.16. The following reconciling items were discovered during our reconciliation process through August 2021:

Prior Reconciliation Adjustment: In January and February 2021, the County Treasurer attempted to make adjustments to the records for shortages, totaling \$3,013.41, to reconcile items noted in the prior year; however, as noted in the prior audit, accurate reconciliations were not completed. Therefore, the adjustments made to the records did not correspond with actual reconciling items and were not adjusted accurately into the records. In order to determine accurate reconciling items, this adjustment was reversed, as we were unable to determine to which accurate reconciling items the adjustment was related.

Daily Balance Sheet Recording Errors: We noted the following errors, which were caused by recording errors on the Daily Balance Sheet. These errors resulted in a net shortage of \$2,453.34 in the records.

- We noted three 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
1/20/2021	Check 678	\$ 1,552.92	\$ 1,552.42	\$ (0.50)
				\$ (0.29)

*These items were noted in the prior year audit. The County Treasurer attempted to correct this error in January 2021; however, the adjustment was not made correctly.

- We noted one withdrawal from the bank account on July 17, 2020, for \$.02, which the County Treasurer recorded as a deposit, resulting in an overage in the records of \$.04. This was noted in the prior year audit. The County Treasurer attempted to correct this error in January 2021, but the adjustment was not made correctly.
- 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 account; however, no funds were actually removed from the account, and the check was not reversed when the funds were returned. This item was noted in the prior year audit.
- Three deposits, totaling \$1,303.17, were deposited mistakenly into the Bank First investment bank account, causing an overage in the records. One improper deposit from May 2021, totaling \$989.13, was caught by the County Treasurer, and a transfer was made in August 2021 to move the funds to the correct account; however, the County Treasurer erroneously recorded this transfer in the records. The remaining two deposits, totaling \$314.04, were recorded in the records for the Bank First checking account in June 2021; however, as no reconciliations had been completed for July and August 2021, this error had not yet been caught.

- In May 2019, two checks, totaling \$3,636.26, and two \$10 returned check fees were removed from the Bank First investment account for insufficient funds. These two checks and the associated fees were recovered in May 2019 and deposited into the Bank First checking account in error. In June 2019, the County Treasurer transferred these funds out of the Bank First checking account and into the Bank First investment 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 checking account, this error caused a shortage in the records of \$3,656.26. This item was noted in the prior year audit.

Accounting System Errors: We noted the following errors, which were caused by recording errors in the accounting system. These errors resulted in a net shortage in the records of \$219.42.

- 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 the reconciliation correctly resulted in a \$3 shortage to the records. This was noted in the prior audit.
- 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. This was noted in the prior audit.
- In October 2020, the County Treasurer received \$90.71 of interest that was never recorded.
- 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 an \$80 shortage to the records. 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. This error was noted in the prior audit.
- One NSF check, totaling \$17.00, was deposited into the bank account in February 2020; however, the returned check did not originate out of the account, resulting in a shortage in the records by the same amount. This error was noted in the prior audit.
- In November 2020, the County received \$0.15 via Automated Clearing House (ACH) into the bank account; however, this was never recorded.
- In January 2021, the County Treasurer attempted to correct accounting system reconciling items noted in the prior year. When completing these adjustments, the County Treasurer did not consider the effect on the bank reconciliations or if the funds had been received by the office. As part of those corrections, we noted that a \$5 non-sufficient funds (NSF) fee received by the bank account in December 2019 was not recorded.
- In May 2021, check 896 cleared the bank for \$6.75 that was not recorded.
- Due to inaccurate reconciliations, the County claimed a \$3 NSF check in May 2021, which was deposited into the bank account; however, this fee did not originate out of this account, resulting in an overage in the records.

Accounting System Reconciliation Overages: In January 2021, the County Treasurer attempted to correct accounting system reconciling items noted in the prior year. When completing these adjustments, the County Treasurer did not consider the effect on the bank reconciliations or if the funds had been received by the office. We noted the following errors, which resulted in a net shortage in the records of \$115.

- A NSF check refund, totaling \$52.17, was deposited in July 2020; however, the motor vehicle registration for this payment was never entered into the system.
- Three motor vehicle title registrations, totaling \$37, were deposited in February 2020, April 2020, and October 2020; however, the corresponding receipt was not entered into the system.
- A correction to sales tax owed, totaling \$5, was completed in the motor vehicle system in April 2020; however, no corresponding refund was noted.
- A motor vehicle registration, totaling \$20.83, was ceased in May 2020; however, no corresponding refund was noted.

Cash Items: We noted that the following items were removed from the bank account and had yet to be reimbursed or claimed to the County. These errors resulted in a net overage in the records of \$4,407.40.

- Two NSF checks, totaling \$36.50, had been removed from the bank account; however, the funds had not yet been recovered by the County Treasurer. The below table displays the check amount and when the insufficient funds occurred.

Date	Check Amount
Prior to 1/1/2017	\$ 26.50
1/22/2020	\$ 10.00

As noted, one of these checks is several years old; however, the County Treasurer has not taken any follow-up action to collect these outstanding items. These errors were noted in the prior audit.

- In July 2020, a payment was made on several bonds; however, the County Treasurer recorded \$6,332.66 less than was paid, resulting in an overage in the records. In addition, in July 2020, the County Treasurer wrote a negative receipt for \$2,150.26 related to the bond issue, which adjusted the overage in the records to \$4,182.40.
- In January 2021, the County Treasurer attempted to correct accounting system reconciling items noted in the prior year. When completing these adjustments, the County Treasurer did not consider the effect on the bank reconciliations or if the funds had been received by the office. As part of those corrections, we noted the following items, totaling \$153.50, recorded as receipts; however, the funds were never deposited.

Type	Month	Amount
Sales Tax Payment	January 2020	\$ 35.00
NSF Penalty	February 2020	\$ 42.00
Duplicate Title	April 2020	\$ 14.00
Vehicle Registration	May 2020	\$ 27.50
NSF Penalty	July 2020	\$ 35.00

- A stop payment charge of \$35 was paid from the account in June 2021; however, it had not been claimed for reimbursement.

Deposits to the Wrong Account: We noted the following errors, which were caused by a deposit being made to the incorrect account. These errors resulted in a net shortage in the records of \$1,256.45.

- 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, these funds were never received in either of these accounts. Instead, the funds were received in the Bank First checking account.
- In July 2021, one \$220 deposit for the reimbursement of wire fees was deposited mistakenly into the Bank First investment account.

F&M State Bank Checking Account

As of September 2021, the County Treasurer had not reconciled the F&M State Bank checking account since June 2021. The reconciling items below were noted by the County Treasurer in the June 2021 reconciliation; however, no action had been taken to clear these items. Further, these reconciling items still existed through the August 2021 reconciliation:

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

All of the above errors were noted in the prior audit.

Additionally, we noted the below reconciling item during our reconciliation process through August 2021:

- In August 2021, a deposit, totaling \$154.91, was recorded in the records; however, this deposit was made to the F&M State Bank Health Insurance Account.

F&M State Bank Health Insurance Accounts

As of September 2021, the County Treasurer had not reconciled the F&M State Bank Health Insurance accounts since June 2021; however, the reconciling items noted by the County Treasurer were inaccurate. In fact, the County Treasurer's June 2021 reconciliation contained two reconciling items, totaling \$16,743.03, from April 2021 that had been previously corrected. Further, an attempt at the June 2021 reconciliation by the County Treasurer contained an unknown variance of \$21,178.11. The following reconciling items were discovered during our reconciliation process through August 2021:

- In November 2017, the County Treasurer recorded transfers incorrectly, resulting in a \$0.30 overage in the records. The County Treasurer attempted to correct this error in January 2021; however, the adjustment was not made correctly.
- In August 2019, the County Treasurer recorded a deposit incorrectly, resulting in a \$0.09 overage in the records. The County Treasurer attempted to correct this error in January 2021; however, the adjustment was not made correctly.
- In June 2021, a disbursement was recorded for an incorrect amount, resulting in a \$178.50 shortage in the records.

- In July 2021, a \$222.65 deposit was made to one of the bank accounts, but it was not recorded in the records.
- In August 2021, a \$154.91 deposit was made to one of the bank accounts; however, this deposit was recorded to the F&M State Bank checking account.

Siouxland Bank Checking Account

As of September 2021, the County Treasurer had not reconciled the Siouxland Bank checking account since June 2021. The County Treasurer noted the following reconciling items in the June 2021 reconciliation; however, no current action had been taken to clear those items. Further, these reconciling items still existed through the August 2021 reconciliation:

- Prior to January 2019, an unknown variance of \$7, entitled “Wells Fargo unclaimed property,” was carried on the County Treasurer’s reconciliation. This is a shortage in the bank account and is likely related to a returned item charge.
- In February 2019, 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.

All of the above errors were noted in the prior audit.

First Community Bank Checking Account

As the only outstanding item in this account is typically interest, a formal written reconciliation is not completed. As of June 2021, we noted the following uncorrected reconciling items:

- In July 2020, the County Treasurer had a checking account and a Certificate of Deposit (CD) held at First Community Bank. In July 2020, the CD was closed. At the time of the closure, the book balance of the CD was \$501.12; however, the County Treasurer transferred \$511.67 to the Bank First investment account, resulting in a shortage of \$10.55 in the remaining First Community Bank account.
- In August 2020, when recording interest, the County Treasurer mistakenly recorded the June 2020 interest of \$151.55 instead of the July 2020 interest earned of \$146.90, resulting in an overage of \$4.65 in the bank account.

The overall effect of these two errors resulted in a \$5.90 shortage in the County Treasurer’s records.

Bank First Motor Vehicle Online Account

As of September 2021, the County Treasurer had not reconciled the Bank First checking account since June 2021. Further, the June 2021 reconciliation had an unknown variance of \$39.74. The majority of the reconciling items listed below were noted by the County Treasurer in the June 2021 reconciliation; however, no action had been taken to clear these items:

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

- In July 2021, a deposit cleared for \$0.30 less than recorded.

In July 2020, the County Treasurer attempted to correct the four items from May 2019 to May 2020 above, which were considered “unknown;” however, the County Treasurer again incorrectly reduced the deposits, which increased the variance by \$9.15. This error was noted in the prior audit.

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, these funds were never received in this account; instead, the funds were received in the Bank First checking account.
- In January 2020, an individual called the County Treasurer, claiming to have put 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 have been the repayment of an insufficient funds check; however, the check originally failed to clear in the Bank First investment account.

All of the above adjustments were noted in the prior audit.

Bank First Investment Account

As of September 2021, the County Treasurer had not reconciled the Bank First checking account since June 2021. Further, the June 2021 reconciliation had an unknown variance of \$314.04. The County Treasurer noted the majority of the following reconciling items in the June 2021 reconciliation; however, no action had been taken to clear these items:

- In May 2020, interest received was adjusted by four outstanding errors; however, due to a lack of an accurate reconciliation, the amount adjusted by the County Treasurer was not accurate. This error was noted in the prior year. 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
Returned Item Charge	3/18/2020	\$ (10.00)
Accurate Adjustment		\$ 3,544.75
Completed Adjustment	5/15/2020	\$ 351.49
Remaining Variance		\$ 3,193.26

- In July 2020, interest received was reduced by an NSF check for \$483.50; however, as discussed below, these amounts were received in the Bank First checking account, and interest should not have been reduced.

- We noted that six deposits were incorrectly recorded, 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

These errors were noted in the prior year.

- We noted one insufficient funds check, totaling \$276.70, that is still outstanding from June 2020. The County Treasurer noted this check in the reconciliation, 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 again caused a shortage in the account.
- In May 2019, two checks, totaling \$3,636.26, and two \$10 returned check fees were removed from the Bank First investment account for insufficient funds. These two checks and the associated fees were recovered in May 2019 and deposited into the Bank First checking account in error. In June 2019, the County Treasurer transferred these funds out of the Bank First checking account and into the Bank First investment account; however, they were also recorded in the records as a receipt at this time. As the funds were never receipted into the Bank First checking account, this error caused an overage in the records of \$3,656.26.
- We also noted that three deposits, totaling \$1,303.17, were made incorrectly to the Bank First investment account in May 2021 and June 2021.
 - One deposit, totaling \$989.13, was supposed to be paid to the Bank First checking account. A transfer was made in August 2021 to move the funds to the correct account; however, the County Treasurer erroneously recorded this transfer in the records, causing an overage in the bank account of the same amount.
 - The remaining two deposits, totaling \$314.04, were recorded in the records for the Bank First checking account instead of those for the Bank First investment account where the funds were deposited.

Bank First SSA Finders Fees Account

As the only outstanding item in this account is typically interest, a formal written reconciliation is not completed. As of June 2021, we noted that the May 2021 interest on this account was recorded twice, resulting in an overstatement of the book balance by \$1.52.

Sound accounting practices and good internal controls require that comprehensive, detailed reconciliation procedures be utilized, at least on a monthly basis, 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 not only loss, theft, or misuse of County funds, but also errors to go undetected more easily.

We recommend the County Treasurer implement monthly balancing procedures to ensure proper balancing and reconciliation of the County Treasurer's book and bank balances, as well as the timely identification and resolution of all variances noted.

Treasurer Response: End of Month Records Reconciliation – Because the audit corrections from 2020 were a priority before we could do the bank reconciliations for 2021, the reconciliations were not completed in a timely manner. Our office had been working with the auditors since February 2021 to rectify the 2020 audit. Some of the corrections we entered incorrectly during this process compounded our completion time. The comments regarding the 2021 audit: “All the above errors that were noted in the prior audit statements” have been completed. Our office has implemented monthly balancing procedures to ensure proper balancing and reconciliation of our book and bank balances. Our office was extremely short staffed with 4 out of 7 people on maternity leave throughout this process. 2 of which were out at the same time. This shortage hindered the timeliness of the audit corrections.

Homestead and Centrally Assessed Personal Property Tax Credit Distribution

In the prior year, we noted that the 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, but 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 February 2020 was already closed in the accounting system, the transaction did not post, and the funds were never distributed. During the fiscal year, the County Treasurer made a distribution of Homestead and Centrally Assessed Personal Property Tax Credit; however, the amount paid did not agree to the amount received in February 2020. See below for more information.

Homestead Distribution

In July 2020, the County Treasurer paid out \$91,798 of the amount received in February 2020, leaving \$25,731 that remained undistributed as of June 30, 2021. The remaining balances owed to the subdivisions are detailed in the table below:

Subdivision	Amount to Be Distributed	Amount Distributed	Variance
County General	\$ 22,287	\$ 16,658	\$ 5,629
Homer	407	321	86
Emerson	384	303	81
Hubbard	395	311	84
Jackson	885	699	186
South Sioux City	13,846	10,924	2,922
Dakota City	4,138	3,264	874
Dakota-Covington Fire District	302	238	64
Emerson Fire District	43	34	9
Homer Fire District	39	31	8
Ponca Fire District	31	17	14
Allen-Waterbury Fire District	4	3	1
Papio-Missouri NRD	2,122	1,674	448
Lower Elkhorn NRD	20	16	4
Historical Society	109	86	23
Ag Society	445	351	94
JPA Pathway 2 Tomorrow	29	23	6
ESU 1	864	682	182
Northeast Comm. College	5,474	4,319	1,155

Subdivision	Amount to Be Distributed	Amount Distributed	Variance
South Sioux City School 11*	55,222	43,568	11,654
Homer School 31	4,884	3,853	1,031
Ponca School 1*	2,482	1,964	518
Allen School 70*	133	105	28
Emerson-Hubbard School 561	2,269	1,790	479
TIF 25th/ 39th Street	715	564	151
Total	\$ 117,529	\$ 91,798	\$ 25,731

*Balance is associated with multiple funds within the entity.

Centrally Assessed Personal Property Tax Credit Distribution

In June 2021, the County Treasurer paid out \$31,072 of the amount received in February 2020, leaving \$10,720 that remained undistributed as of June 30, 2021. Further, the monies were distributed incorrectly due to the County Treasurer using the calculation for Personal Property Tax Credit, instead of Centrally Assessed Personal Property Tax Credit. This error caused additional variances in all funds. The remaining balances owed to the subdivisions are detailed in the following table:

	Amount to Be Distributed	Amount Distributed	Variance
County General	\$ 8,479	\$ 6,126	\$ 2,353
Dakota City	300	506	(206)
Emerson	23	51	(28)
Homer	65	82	(17)
Hubbard	-	65	(65)
Jackson	25	207	(182)
South Sioux City	3,822	3,096	726
Allen-Waterbury Fire District	3	6	(3)
Dakota-Covington Fire District	90	102	(12)
Emerson Fire District	1	33	(32)
Homer Fire District	188	43	145
Ponca Fire District	27	21	6
Papio-Missouri NRD	863	621	242
Lower Elkhorn NRD	1	3	(2)
Historical Society	44	32	12
JPA Pathway 2 Tomorrow	1	22	(21)
AG SOCIETY	179	129	50
ESU 1	347	251	96
Northeast Comm. College	2,199	1,588	611
South Sioux City School 11*	13,302	11,515	1,787
Homer School 31	10,496	3,093	7,403
Ponca School 1*	1,192	1,615	(423)
Allen School 70*	44	91	(47)
Emerson-Hubbard School 561	101	1,774	(1,673)
Total	\$ 41,792	\$ 31,072	\$ 10,720

*Balance is associated with multiple funds within the entity.

Neb. Rev. Stat. § 23-1601(4)(a) (2021 Neb. Laws, LB 41, § 2) 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, rural or suburban fire protection district, and township located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township 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.

A similar finding was noted in the prior year.

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

In Lieu Distributions

During our audit, we noted that one distribution of 5% Gross in Lieu was not calculated correctly due to the exclusion of the Homer School District Building Fund for the Jackson City calculation, as reflected in the table below:

Entity	Over/(Under) Payment
County General	\$ 27
South Sioux City School 11 *	\$ 77
South Sioux City School 11 Bond	\$ 7
Ponca School 1	\$ 76
Ponca School 1 Bond	\$ 9
Homer School 31 *	\$ (231)
Jackson City *	\$ 35

*Balance is associated with multiple funds within the entity.

Additionally, the County has failed to distribute \$322 in 1957 In Lieu funds receipted for Jackson School District #4, which was dissolved in 2005. Of the balance held, \$107 was received in fiscal year 2021.

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) provides 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.

Neb. Rev. Stat. § 23-1601(4)(a) (2021 Neb. Laws, LB 41, § 2) 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, rural or suburban fire protection district, and township located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township the previous calendar month

Additionally, good internal controls require procedures to ensure that 5% Gross In Lieu and 1957 In Lieu distributions are calculated correctly and paid 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.

A similar finding was noted in the prior year.

We recommend the County Treasurer correct the erroneous 5% Gros In Lieu distribution. Additionally, we recommend the County Treasurer distribute funds held for the dissolved Jackson School District to the consolidating school district(s). Further, we recommend the County Treasurer implement procedures to ensure future such distributions are calculated correctly and paid to the appropriate entities.

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, 2021:

- A monthly asset-to-liability reconciliation was not performed for the fee account. A cash long was noted at June 30, 2021, in the amount of \$18,622.18.
- An accurate listing of accounts payable was not provided. We noted that a \$12 refund check from April 2021 was recorded in the County Sheriff's records; however, the check was not issued and was still due.
- 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:
 - The office has not claimed prior year corrections to past accounts receivable amounts, totaling \$110. As the office remits earnings to the County Treasurer, these corrections would result in shortages to the account and, as such, need to be claimed.
 - A check order from April 2019, totaling \$180, had yet to be claimed from the County.
 - During the fiscal year ended June 30, 2021, \$204 received and \$17 in corrections made were not subtracted from the accounts receivable balance correctly, and earned fees, totaling \$27, were not remitted to the County Treasurer, nor listed on the accounts receivable balance.

County Jail Records

A complete and accurate monthly asset-to-liability reconciliation was not performed during the fiscal year ended June 30, 2021, resulting in unknown amounts in the following Jail bank accounts:

Account	Long/(Short) Amount
House Arrest	\$ 6,448
Prodigy Commissary	574
Petty Cash	2,236
Old Jail Commissary	(2,028)
Trinity Commissary	4,802
Total	\$ 12,032

Additionally, for the Prodigy Commissary account, the book balance maintained by the Jail at June 30, 2021, did not agree to the book balance in the accounting software due to outstanding ACH deposits and withdrawals, totaling \$743, which had not been recorded timely in the check register. Further, an accurate listing of accounts payable was not available for this account, resulting in \$4,692 held, for which the County Sheriff was unable to provide a listing to whom the money was owed.

Lastly, we noted that no request for reimbursement had yet been made for a payment made from the Petty Cash account for postage in October 2018, totaling \$43.15.

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

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

A similar finding was noted in prior years.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations. We further recommend the County Sheriff review all funds held and remit excess funds to the County Treasurer or request reimbursement through the County Board, when applicable.

Unclaimed Property

As of June 30, 2021, we noted numerous outstanding checks associated with four bank accounts. Being outstanding for more than three years, those checks qualified as unclaimed property and are required to be remitted to the State Treasurer. The following table details the outstanding checks at issue:

Due Date	Fee Account		House Arrest Account		Old Commissary Account		Trinity Commissary Account	
	# of Checks	Amount	# 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	-	-	33	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	7	123	2	120	70	1,861	-	-
11/1/2020	11	162	9	630	29	130	7	359
Totals	49	\$ 690	17	\$ 1,015	345	\$ 3,895	7	\$ 359

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 (2021 Neb. Laws, LB 532, § 4) 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 finding was noted in prior years.

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 OVERALL

Insufficient Pledged Collateral

During our audit, we noted that the County Clerk and the County Clerk of the District Court did not maintain securities for fully covering deposits held in their accounts, as follows:

- The County Clerk maintains multiple accounts at F&M Bank. Due to a miscommunication, the County Clerk's securities were reduced from \$1,250,000 to \$100,000 in February 2021. This caused the accounts maintained at F&M Bank to be undercollateralized for 83 days from February to June 2021, with an uncollateralized amount of \$570,579 as of June 30.
- The County Clerk of the District Court maintains a bank account at Bank First. The account was uncollateralized for 29 days during June 2021, with an uncollateralized amount of \$83,502 as of June 30.

Neb. Rev. Stat. § 77-2395(1) (2021 Neb. Laws, LB 66, § 4) states, in relevant part, the following:

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

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

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

We recommend the County Clerk and County Clerk of the District Court implement procedures for closely monitoring all bank accounts to ensure they are properly secured by either sufficient FDIC coverage or adequate collateral.

Clerk Response: The Clerk's Office has put procedures in place to track the Clerk Accounts Payable and Payroll average daily bank statement balances each month when reconciling those accounts and communicating any needed changes with the Bank.

District Court Response: The County Clerk of the District Court now has in place with F & M bank the proper securities going forward and will be monitored each month by myself and the bank.

Segregation of Duties

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

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

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

Board Response: The County has discussed the finding and will make every consideration feasible; but must also consider the cost of adequate segregation of duties when determining the use of taxpayer money.

Clerk Response: The Clerk's Office has put procedures in place to rotate balancing the Clerk's Office daily receipts; Payroll Clerk will balance the Accounts Payable bank statement and Accounts Payable Clerk will balance the Payroll bank statements. Register of Deeds has just one office clerk.

* * * * *

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.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long, sweeping horizontal line extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor