

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on April 20, 2021

DAWSON COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Cash Basis Net Position - Fiduciary Funds	8
Notes to Financial Statements	9 - 15
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	16 - 17
Budgetary Comparison Schedule - Budget and Actual - Major Funds	18 - 19
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	20 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	27 - 31
Schedule of Office Activities	32 - 33
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	34
Government Auditing Standards Section	
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 <i>Government Auditing Standards</i>	35 - 36

DAWSON COUNTY
700 N. Washington
Lexington, NE 68850

LIST OF COUNTY OFFICIALS
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Bill Stewart	Jan. 2023
	Dennis Rickertsen	Jan. 2023
	Dean Kugler	Jan. 2021
	PJ Jacobson	Jan. 2021
	Everett (Butch) Hagan	Jan. 2021
Assessor	John Moore	Jan. 2023
Attorney	Elizabeth Waterman	Jan. 2023
Clerk Election Commissioner	Karla Zlatkovsky	Jan. 2023
Register of Deeds	Dian Lauby	Jan. 2023
Clerk of the District Court	Becky Boryca	Jan. 2023
Sheriff	Ken Moody	Jan. 2023
Treasurer	Vickie Clements	Jan. 2023
Surveyor	Mark Streit	Jan. 2023
Veterans' Service Officer	Steve Zerr	Appointed
Weed Superintendent	Marty Craig	Appointed
Highway Superintendent	Mark Christiansen	Appointed
Planning & Zoning	Pam Holbrook	Appointed
Emergency Manager	Brian Woldt	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

DAWSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dawson 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 Dawson County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Dawson County as of June 30, 2020, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 16-34, 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 April 15, 2021, on our consideration of Dawson 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 Dawson County's internal control over financial reporting and compliance.



Pat Reding, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

April 15, 2021

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

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	\$	18,693,710
Investments (Note 1.D)		105,777
TOTAL ASSETS	\$	18,799,487
NET POSITION		
Restricted for:		
Visitor Promotion	\$	216,384
911 Emergency Services		526,493
Drug Education		28,838
Law Enforcement		63,740
Preservation of Records		21,387
Road and Bridge Projects		745,376
Historical Society		3,018
Unrestricted		17,194,251
TOTAL NET POSITION	\$	18,799,487

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (7,229,285)	\$ 913,502	\$ 238,332	\$ (6,077,451)
Public Safety	(5,352,608)	457,689	192,351	(4,702,568)
Public Works	(9,370,821)	50,923	3,327,905	(5,991,993)
Public Assistance	(263,484)	-	-	(263,484)
Culture and Recreation	(314,918)	-	-	(314,918)
Total Governmental Activities	<u>\$ (22,531,116)</u>	<u>\$ 1,422,114</u>	<u>\$ 3,758,588</u>	<u>(17,350,414)</u>

General Receipts:	
Property Taxes	11,352,001
Grants and Contributions Not Restricted to Specific Programs	2,562,501
Investment Income	216,829
Licenses and Permits	120,315
Insurance Reimbursements	482,822
Keno Proceeds	141,743
Miscellaneous	81,798
Total General Receipts	<u>14,958,009</u>
Increase in Net Position	(2,392,405)
Net Position - Beginning of year	21,191,892
Net Position - End of year	<u>\$ 18,799,487</u>

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

DAWSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2020

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Insurance Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 3,817,339	\$ 240,105	\$ 2,451,894	\$ 5,524,350	\$ 3,800,000	\$ 2,860,022	\$ 18,693,710
Investments (Note 1.D)	-	-	105,777	-	-	-	105,777
TOTAL ASSETS	<u>\$ 3,817,339</u>	<u>\$ 240,105</u>	<u>\$ 2,557,671</u>	<u>\$ 5,524,350</u>	<u>\$ 3,800,000</u>	<u>\$ 2,860,022</u>	<u>\$ 18,799,487</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	216,384	216,384
911 Emergency Services	-	-	-	-	-	526,493	526,493
Drug Education	-	-	-	-	-	28,838	28,838
Law Enforcement	-	-	-	-	-	63,740	63,740
Preservation of Records	-	-	-	-	-	21,387	21,387
Road and Bridge Projects	-	-	-	-	-	745,376	745,376
Historical Society	-	-	-	-	-	3,018	3,018
Committed to:							
Law Enforcement/Public Safety	-	-	-	-	-	220,068	220,068
Road Maintenance	-	240,105	-	-	-	-	240,105
Aid and Assistance	-	-	-	-	-	11,027	11,027
County Buildings	-	-	-	-	-	88,414	88,414
Self Insurance	-	-	-	5,524,350	-	-	5,524,350
Miscellaneous Projects	-	-	-	-	3,800,000	393,925	4,193,925
Unemployment Compensation	-	-	-	-	-	106,129	106,129
Employee Recognition	-	-	-	-	-	16,203	16,203
Watershed Management	-	-	-	-	-	413,395	413,395
Noxious Weed Control	-	-	-	-	-	5,625	5,625
Assigned to:							
Other Purposes	-	-	2,557,671	-	-	-	2,557,671
Unassigned	3,817,339	-	-	-	-	-	3,817,339
TOTAL CASH BASIS FUND BALANCES	<u>\$ 3,817,339</u>	<u>\$ 240,105</u>	<u>\$ 2,557,671</u>	<u>\$ 5,524,350</u>	<u>\$ 3,800,000</u>	<u>\$ 2,860,022</u>	<u>\$ 18,799,487</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 10,069,202	\$ -	\$ 820,907	\$ -	\$ -	\$ 461,892	\$ 11,352,001
Licenses and Permits	120,315	-	-	-	-	-	120,315
Investment Income	142,881	-	-	73,052	-	896	216,829
Intergovernmental	2,506,432	3,006,021	-	-	-	808,636	6,321,089
Charges for Services	1,144,894	4,208	-	-	-	273,012	1,422,114
Miscellaneous	17,365	8,371	-	482,822	-	197,805	706,363
TOTAL RECEIPTS	<u>14,001,089</u>	<u>3,018,600</u>	<u>820,907</u>	<u>555,874</u>	<u>-</u>	<u>1,742,241</u>	<u>20,138,711</u>
DISBURSEMENTS							
General Government	5,685,161	-	-	1,408,351	-	135,773	7,229,285
Public Safety	4,390,594	-	-	-	-	962,014	5,352,608
Public Works	178,705	7,969,135	-	-	-	1,222,981	9,370,821
Public Assistance	261,918	-	-	-	-	1,566	263,484
Culture and Recreation	-	-	-	-	-	314,918	314,918
TOTAL DISBURSEMENTS	<u>10,516,378</u>	<u>7,969,135</u>	<u>-</u>	<u>1,408,351</u>	<u>-</u>	<u>2,637,252</u>	<u>22,531,116</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>3,484,711</u>	<u>(4,950,535)</u>	<u>820,907</u>	<u>(852,477)</u>	<u>-</u>	<u>(895,011)</u>	<u>(2,392,405)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	5,081,463	-	1,451,112	-	683,898	7,216,473
Transfers out	(4,669,810)	-	(2,200,000)	-	-	(346,663)	(7,216,473)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,669,810)</u>	<u>5,081,463</u>	<u>(2,200,000)</u>	<u>1,451,112</u>	<u>-</u>	<u>337,235</u>	<u>-</u>
Net Change in Fund Balances	(1,185,099)	130,928	(1,379,093)	598,635	-	(557,776)	(2,392,405)
CASH BASIS FUND BALANCES - BEGINNING	<u>5,002,438</u>	<u>109,177</u>	<u>3,936,764</u>	<u>4,925,715</u>	<u>3,800,000</u>	<u>3,417,798</u>	<u>21,191,892</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 3,817,339</u>	<u>\$ 240,105</u>	<u>\$ 2,557,671</u>	<u>\$5,524,350</u>	<u>\$ 3,800,000</u>	<u>\$ 2,860,022</u>	<u>\$ 18,799,487</u>

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 3,119,781
 LIABILITIES	
Due to other governments	
State	876,908
Schools	903,525
Educational Service Units	9,512
Technical College	59,029
Natural Resource Districts	15,111
Cemetery Districts	330
Fire Districts	(371)
Sanitary and Improvement Districts	7,942
Municipalities	143,339
Agricultural Society	5,543
Drainage Districts	20,397
Railroad Transportation Safety District	580,816
Airport Authorities	10,711
Hospital	5,887
District Court Trust Balances	473,085
Others	8,017
TOTAL LIABILITIES	3,119,781
 TOTAL NET ASSETS	 \$ -

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Dawson 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 II – 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 II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

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 \$135,134 toward the operation of the Region during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2020). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

Insurance Fund. This fund is used to account for employee insurance premiums, health insurance reimbursements, and expenditures for health insurance claims.

Sinking Fund. This fund is used to account for transfers from other funds, which will be used for special projects.

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

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

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

The County designates fund balances as follows:

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

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

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

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

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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

D. Assets and Net Position

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

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

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

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

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

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 \$1,605,236 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$18,693,710 for County funds and \$3,119,781 for Fiduciary funds. The bank balances for all funds totaled \$21,775,308. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2020, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$105,777 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. **Property Taxes**

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

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

The levy set in October 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.295701/\$100 of assessed valuation. The levy set in October 2018, for the 2018 taxes, which were materially collected in May and September 2019, was set at \$.290189/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 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 by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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

For the year ended June 30, 2020, 189 employees contributed \$343,811, and the County contributed \$508,418. Contributions included \$14,594 in cash contributions towards the supplemental law enforcement plan for 30 law enforcement employees.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 98 counties and local governments throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

5. Risk Management (Concluded)

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

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

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

6. Interfund Transfers

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

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 2,881,463	\$ 2,200,000	\$ -	\$ 5,081,463
Insurance Fund	1,267,230	-	183,882	1,451,112
Nonmajor Funds	521,117	-	162,781	683,898
Total	<u>\$ 4,669,810</u>	<u>\$ 2,200,000</u>	<u>\$ 346,663</u>	<u>\$ 7,216,473</u>

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.

Transfers of \$11,693, \$10,772, and \$161,417 were made to the Insurance Fund from the CASA Fund, Victim Assistance Fund, and Dispatch Fund, respectively, to pay the County's portion of health insurance premiums.

In the year ended June 30, 2020, the County made a one-time transfer of \$80,388 from the 911 Enhanced Wireless Service Fund to the E-911 Fund to reimburse eligible costs originally paid from the E-911 Fund. Additionally, the County made a one-time transfer of \$50,000 from the E-911 Fund to the Dispatch Fund to cover E-911 eligible costs paid from the Dispatch Fund.

7. 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.

8. Noxious Weed Board

The County has a separately elected Noxious Weed Board (Weed Board). The Weed Board has the authority to set rates and approve bids for the activity of the County's Noxious Weed Department.

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 11,001,677	\$ 11,001,677	\$ 10,069,202	\$ (932,475)
Licenses and Permits	88,801	88,801	120,315	31,514
Interest	78,000	78,000	142,881	64,881
Intergovernmental	1,769,860	1,769,860	2,506,432	736,572
Charges for Services	1,243,280	1,243,280	1,144,894	(98,386)
Miscellaneous	400,000	400,000	17,365	(382,635)
TOTAL RECEIPTS	<u>14,581,618</u>	<u>14,581,618</u>	<u>14,001,089</u>	<u>(580,529)</u>
DISBURSEMENTS				
General Government:				
County Board	110,450	110,450	109,218	1,232
County Clerk	203,135	203,135	196,635	6,500
County Treasurer	312,435	312,435	297,429	15,006
Register of Deeds	146,565	146,565	139,639	6,926
County Assessor	522,704	522,704	501,736	20,968
Election Commissioner	86,225	86,225	60,673	25,552
Building and Zoning	28,275	28,275	23,672	4,603
Clerk of the District Court	309,673	309,673	241,441	68,232
County Court System	480,500	480,500	352,709	127,791
District Judge	219,793	219,793	194,487	25,306
Public Defender	239,425	239,425	237,047	2,378
Building and Grounds	1,657,600	1,657,600	1,017,750	639,850
Agricultural Extension Agent	161,858	161,858	144,186	17,672
Child Support	271,547	271,547	221,922	49,625
Miscellaneous	4,471,150	4,471,150	1,946,617	2,524,533
Public Safety				
County Sheriff	3,841,443	3,841,443	3,616,455	224,988
County Attorney	718,926	718,926	682,345	36,581
Emergency Management	185,900	185,900	91,794	94,106
Public Works				
County Surveyor	201,475	201,475	178,705	22,770
Public Assistance				
County Relief	50,000	50,000	30,407	19,593
Veterans' Service Officer	68,564	68,564	56,964	11,600
State Institutions	239,200	239,200	152,999	86,201
Senior Citizen Handi-Bus	44,950	44,950	21,548	23,402
TOTAL DISBURSEMENTS	<u>14,571,793</u>	<u>14,571,793</u>	<u>10,516,378</u>	<u>4,055,415</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	9,825	9,825	3,484,711	3,474,886
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	-	(200,000)
Transfers out	(4,281,956)	(4,281,956)	(4,669,810)	(387,854)
TOTAL OTHER FINANCING SOURCES (USES)	(4,081,956)	(4,081,956)	(4,669,810)	(587,854)
Net Change in Fund Balance	(4,072,131)	(4,072,131)	(1,185,099)	2,887,032
FUND BALANCE - BEGINNING	4,992,131	4,992,131	5,002,438	10,307
FUND BALANCE - ENDING	<u>\$ 920,000</u>	<u>\$ 920,000</u>	<u>\$ 3,817,339</u>	<u>\$ 2,897,339</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 2,936,054	\$ 2,936,054	\$ 3,006,021	\$ 69,967
Charges for Services	-	-	4,208	4,208
Miscellaneous	11,000	11,000	8,371	(2,629)
TOTAL RECEIPTS	<u>2,947,054</u>	<u>2,947,054</u>	<u>3,018,600</u>	<u>71,546</u>
DISBURSEMENTS	<u>8,179,070</u>	<u>8,179,070</u>	<u>7,969,135</u>	<u>209,935</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(5,232,016)</u>	<u>(5,232,016)</u>	<u>(4,950,535)</u>	<u>281,481</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,822,839	5,822,839	5,081,463	(741,376)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,822,839</u>	<u>5,822,839</u>	<u>5,081,463</u>	<u>(741,376)</u>
Net Change in Fund Balance	590,823	590,823	130,928	(459,895)
FUND BALANCE - BEGINNING	<u>109,177</u>	<u>109,177</u>	<u>109,177</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 240,105</u>	<u>\$ (459,895)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 563,236	\$ 563,236	\$ 820,907	\$ 257,671
TOTAL RECEIPTS	<u>563,236</u>	<u>563,236</u>	<u>820,907</u>	<u>257,671</u>
DISBURSEMENTS	<u>2,300,000</u>	<u>2,300,000</u>	<u>-</u>	<u>2,300,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,736,764)</u>	<u>(1,736,764)</u>	<u>820,907</u>	<u>2,557,671</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,200,000)	(2,200,000)	(2,200,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,936,764)	(3,936,764)	(1,379,093)	2,557,671
FUND BALANCE - BEGINNING	<u>3,936,764</u>	<u>3,936,764</u>	<u>3,936,764</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,557,671</u>	<u>\$ 2,557,671</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSURANCE FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 73,052	\$ 73,052
Miscellaneous	324,285	324,285	482,822	158,537
TOTAL RECEIPTS	<u>324,285</u>	<u>324,285</u>	<u>555,874</u>	<u>231,589</u>
DISBURSEMENTS	<u>4,800,000</u>	<u>4,800,000</u>	<u>1,408,351</u>	<u>3,391,649</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,475,715)</u>	<u>(4,475,715)</u>	<u>(852,477)</u>	<u>3,623,238</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,451,112	1,451,112
Transfers out	(200,000)	(200,000)	-	200,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,000)</u>	<u>(200,000)</u>	<u>1,451,112</u>	<u>1,651,112</u>
Net Change in Fund Balance	(4,675,715)	(4,675,715)	598,635	5,274,350
FUND BALANCE - BEGINNING	4,675,715	4,675,715	4,925,715	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,524,350</u>	<u>\$ 5,274,350</u>
SINKING FUND				
RECEIPTS				
	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,800,000)</u>	<u>(3,800,000)</u>	<u>-</u>	<u>3,800,000</u>
Net Change in Fund Balance	(3,800,000)	(3,800,000)	-	3,800,000
FUND BALANCE - BEGINNING	3,800,000	3,800,000	3,800,000	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,800,000</u>	<u>\$ 3,800,000</u>

(Concluded)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BUY BACK FUND				
Receipts	\$ 321,883	\$ 321,883	\$ 321,884	\$ 1
Disbursements	(1,798,756)	(1,798,756)	(1,053,381)	745,375
Net Change in Fund Balance	(1,476,873)	(1,476,873)	(731,497)	745,376
Fund Balance - Beginning	1,476,873	1,476,873	1,476,873	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745,376</u>	<u>\$ 745,376</u>
VISITORS' PROMOTION FUND				
Receipts	\$ 164,433	\$ 164,433	\$ 123,502	\$ (40,931)
Disbursements	(223,932)	(223,932)	(132,163)	91,769
Net Change in Fund Balance	(59,499)	(59,499)	(8,661)	50,838
Fund Balance - Beginning	59,499	59,499	59,499	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,838</u>	<u>\$ 50,838</u>
VISITORS' IMPROVEMENT FUND				
Receipts	\$ 87,041	\$ 87,041	\$ 123,502	\$ 36,461
Disbursements	(221,840)	(221,840)	(92,755)	129,085
Net Change in Fund Balance	(134,799)	(134,799)	30,747	165,546
Fund Balance - Beginning	134,799	134,799	134,799	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,546</u>	<u>\$ 165,546</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 26,422	\$ 26,422	\$ 14,186	\$ (12,236)
Disbursements	(55,000)	(55,000)	(21,377)	33,623
Net Change in Fund Balance	(28,578)	(28,578)	(7,191)	21,387
Fund Balance - Beginning	28,578	28,578	28,578	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,387</u>	<u>\$ 21,387</u>
UNEMPLOYMENT COMPENSATION FUND				
Receipts	\$ 10,444	\$ 10,444	\$ 5,052	\$ (5,392)
Disbursements	(105,000)	(105,000)	(3,479)	101,521
Net Change in Fund Balance	(94,556)	(94,556)	1,573	96,129
Fund Balance - Beginning	104,556	104,556	104,556	-
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 106,129</u>	<u>\$ 96,129</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PARENT CHILD CENTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(10,000)	(10,000)	(10,000)	-
Transfers in	10,000	10,000	10,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VETERANS' AID FUND				
Receipts	\$ 2,446	\$ 2,446	\$ 39	\$ (2,407)
Disbursements	(15,000)	(15,000)	(1,566)	13,434
Net Change in Fund Balance	(12,554)	(12,554)	(1,527)	11,027
Fund Balance - Beginning	12,554	12,554	12,554	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,027</u>	<u>\$ 11,027</u>
CASA FUND				
Receipts	\$ 88,512	\$ 88,512	\$ 110,242	\$ 21,730
Disbursements	(135,925)	(135,925)	(106,857)	29,068
Transfers in	20,000	20,000	4,500	(15,500)
Transfers out	-	-	(11,693)	(11,693)
Net Change in Fund Balance	(27,413)	(27,413)	(3,808)	23,605
Fund Balance - Beginning	27,413	27,413	27,413	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,605</u>	<u>\$ 23,605</u>
STOP FUND				
Receipts	\$ 13,772	\$ 13,772	\$ 3,200	\$ (10,572)
Disbursements	(35,000)	(35,000)	(3,185)	31,815
Net Change in Fund Balance	(21,228)	(21,228)	15	21,243
Fund Balance - Beginning	21,228	21,228	21,228	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,243</u>	<u>\$ 21,243</u>
COUNTY DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 21,162	\$ 21,162	\$ -	\$ (21,162)
Disbursements	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	(28,838)	(28,838)	-	28,838
Fund Balance - Beginning	28,838	28,838	28,838	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,838</u>	<u>\$ 28,838</u>

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MID-WEST NEBRASKA DRUG COURT FUND				
Receipts	\$ 91	\$ 91	\$ 18,767	\$ 18,676
Disbursements	(94,000)	(94,000)	(6,206)	87,794
Net Change in Fund Balance	(93,909)	(93,909)	12,561	106,470
Fund Balance - Beginning	93,909	93,909	93,909	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,470</u>	<u>\$ 106,470</u>
K-9 DOG FUND				
Receipts	\$ 195	\$ 195	\$ 6,109	\$ 5,914
Disbursements	(3,500)	(3,500)	(161)	3,339
Net Change in Fund Balance	(3,305)	(3,305)	5,948	9,253
Fund Balance - Beginning	3,305	3,305	3,305	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,253</u>	<u>\$ 9,253</u>
SHERIFF GRANT FUND				
Receipts	\$ 4,376	\$ 4,376	\$ 8,577	\$ 4,201
Disbursements	(27,300)	(27,300)	(9,521)	17,779
Net Change in Fund Balance	(22,924)	(22,924)	(944)	21,980
Fund Balance - Beginning	22,924	22,924	22,924	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,980</u>	<u>\$ 21,980</u>
SCAAP FUND				
Receipts	\$ 29,091	\$ 29,091	\$ 31,915	\$ 2,824
Disbursements	(48,000)	(48,000)	(16,063)	31,937
Net Change in Fund Balance	(18,909)	(18,909)	15,852	34,761
Fund Balance - Beginning	18,909	18,909	18,909	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,761</u>	<u>\$ 34,761</u>
CASA GRANT FUND				
Receipts	\$ -	\$ -	\$ 4,856	\$ 4,856
Disbursements	(1,447)	(1,447)	(1,447)	-
Net Change in Fund Balance	(1,447)	(1,447)	3,409	4,856
Fund Balance - Beginning	1,447	1,447	1,447	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,856</u>	<u>\$ 4,856</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE SERVICES - HEALING HEARTS FUND				
Receipts	\$ 51,001	\$ 51,001	\$ -	\$ (51,001)
Disbursements	(55,000)	(55,000)	-	55,000
Net Change in Fund Balance	(3,999)	(3,999)	-	3,999
Fund Balance - Beginning	3,999	3,999	3,999	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999</u>	<u>\$ 3,999</u>
COUNTY GRANT FUND				
Receipts	\$ 497,000	\$ 497,000	\$ -	\$ (497,000)
Disbursements	(500,000)	(500,000)	-	500,000
Net Change in Fund Balance	(3,000)	(3,000)	-	3,000
Fund Balance - Beginning	3,000	3,000	3,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
VICTIM ASSISTANCE FUND				
Receipts	\$ 38,322	\$ 38,322	\$ 50,608	\$ 12,286
Disbursements	(85,933)	(85,933)	(58,845)	27,088
Transfers in	35,500	35,500	15,500	(20,000)
Transfers out	-	-	(10,772)	(10,772)
Net Change in Fund Balance	(12,111)	(12,111)	(3,509)	8,602
Fund Balance - Beginning	12,111	12,111	12,111	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,602</u>	<u>\$ 8,602</u>
EMPLOYEE RECOGNITION FUND				
Receipts	\$ 5,589	\$ 5,589	\$ 4,055	\$ (1,534)
Disbursements	(20,000)	(20,000)	(2,263)	17,737
Net Change in Fund Balance	(14,411)	(14,411)	1,792	16,203
Fund Balance - Beginning	14,411	14,411	14,411	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,203</u>	<u>\$ 16,203</u>
LOTTERY FUND				
Receipts	\$ 85,224	\$ 85,224	\$ 142,639	\$ 57,415
Disbursements	(334,500)	(334,500)	(33,490)	301,010
Transfers in	-	-	-	-
Transfers out	(65,500)	(65,500)	(30,000)	35,500
Net Change in Fund Balance	(314,776)	(314,776)	79,149	393,925
Fund Balance - Beginning	314,776	314,776	314,776	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,925</u>	<u>\$ 393,925</u>

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
E-911 FUND				
Receipts	\$ 28,336	\$ 28,336	\$ 44,280	\$ 15,944
Disbursements	(390,000)	(390,000)	(59,848)	330,152
Transfers in	82,781	82,781	80,388	(2,393)
Transfers out	(60,000)	(60,000)	(50,000)	10,000
Net Change in Fund Balance	(338,883)	(338,883)	14,820	353,703
Fund Balance - Beginning	338,883	338,883	338,883	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,703</u>	<u>\$ 353,703</u>
911 ENHANCED WIRELESS SERVICE FUND				
Receipts	\$ 82,781	\$ 82,781	\$ 82,781	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(82,781)	(82,781)	(82,781)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 ENHANCED WIRELESS RESERVE FUND				
Receipts	\$ 1,603	\$ 1,603	\$ -	\$ (1,603)
Disbursements	(172,000)	(172,000)	-	172,000
Transfers in	-	-	2,393	2,393
Transfers out	-	-	-	-
Net Change in Fund Balance	(170,397)	(170,397)	2,393	172,790
Fund Balance - Beginning	170,397	170,397	170,397	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,790</u>	<u>\$ 172,790</u>
RANGE MANAGEMENT FUND				
Receipts	\$ 286	\$ 286	\$ (485)	\$ (771)
Disbursements	(3,500)	(3,500)	(1,380)	2,120
Net Change in Fund Balance	(3,214)	(3,214)	(1,865)	1,349
Fund Balance - Beginning	3,214	3,214	3,214	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,349</u>	<u>\$ 1,349</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISPATCH FUND				
Receipts	\$ 250,000	\$ 250,000	\$ 249,372	\$ (628)
Disbursements	(743,023)	(743,023)	(537,959)	205,064
Transfers in	489,117	489,117	479,117	(10,000)
Transfers out	-	-	(161,417)	(161,417)
Net Change in Fund Balance	(3,906)	(3,906)	29,113	33,019
Fund Balance - Beginning	3,906	3,906	3,906	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,019</u>	<u>\$ 33,019</u>
BUILDING FUND				
Receipts	\$ 5,002	\$ 5,002	\$ 56,783	\$ 51,781
Disbursements	(101,000)	(101,000)	(64,367)	36,633
Net Change in Fund Balance	(95,998)	(95,998)	(7,584)	88,414
Fund Balance - Beginning	95,998	95,998	95,998	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,414</u>	<u>\$ 88,414</u>
SPRING CREEK WATERSHED FUND				
Receipts	\$ 17,938	\$ 17,938	\$ 17,130	\$ (808)
Disbursements	(425,000)	(425,000)	(10,797)	414,203
Net Change in Fund Balance	(407,062)	(407,062)	6,333	413,395
Fund Balance - Beginning	407,062	407,062	407,062	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,395</u>	<u>\$ 413,395</u>
NOXIOUS WEED FUND				
Receipts	\$ 63,000	\$ 63,000	\$ 79,725	\$ 16,725
Disbursements	(196,500)	(196,500)	(169,600)	26,900
Transfers in	230,000	230,000	92,000	(138,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	96,500	96,500	2,125	(94,375)
Fund Balance - Beginning	3,500	3,500	3,500	-
Fund Balance - Ending	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 5,625</u>	<u>\$ (94,375)</u>
INVENTORY MAINTENANCE FUND				
Receipts	\$ 216,140	\$ 216,140	\$ 151,353	\$ (64,787)
Disbursements	(227,000)	(227,000)	(150,542)	76,458
Net Change in Fund Balance	(10,860)	(10,860)	811	11,671
Fund Balance - Beginning	10,860	10,860	10,860	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,671</u>	<u>\$ 11,671</u>

(Continued)

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>HISTORICAL SOCIETY FUND</u>				
Receipts	\$ 89,151	\$ 89,151	\$ 92,169	\$ 3,018
Disbursements	(90,000)	(90,000)	(90,000)	-
Net Change in Fund Balance	(849)	(849)	2,169	3,018
Fund Balance - Beginning	849	849	849	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,018</u>	<u>\$ 3,018</u>

(Concluded)

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

	Highway Buy Back Fund	Visitors' Promotion Fund	Visitors' Improvement Fund	Register of Deeds Preservation Fund	Unemployment Compensation Fund	Parent Child Center Fund
RECEIPTS						
Property Taxes	\$ -	\$ 123,502	\$ 123,502	\$ -	\$ 9,214	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	321,884	-	-	-	(4,162)	-
Charges for Services	-	-	-	14,186	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>321,884</u>	<u>123,502</u>	<u>123,502</u>	<u>14,186</u>	<u>5,052</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	21,377	3,479	-
Public Safety	-	-	-	-	-	10,000
Public Works	1,053,381	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	132,163	92,755	-	-	-
TOTAL DISBURSEMENTS	<u>1,053,381</u>	<u>132,163</u>	<u>92,755</u>	<u>21,377</u>	<u>3,479</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(731,497)</u>	<u>(8,661)</u>	<u>30,747</u>	<u>(7,191)</u>	<u>1,573</u>	<u>(10,000)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	10,000
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	(731,497)	(8,661)	30,747	(7,191)	1,573	-
FUND BALANCES - BEGINNING	<u>1,476,873</u>	<u>59,499</u>	<u>134,799</u>	<u>28,578</u>	<u>104,556</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 745,376</u>	<u>\$ 50,838</u>	<u>\$ 165,546</u>	<u>\$ 21,387</u>	<u>\$ 106,129</u>	<u>\$ -</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	50,838	165,546	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	21,387	-	-
Road and Bridge Projects	745,376	-	-	-	-	-
Historical Society	-	-	-	-	-	-
Committed to:						
Law Enforcement/Public Safety	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	106,129	-
Employee Recognition	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 745,376</u>	<u>\$ 50,838</u>	<u>\$ 165,546</u>	<u>\$ 21,387</u>	<u>\$ 106,129</u>	<u>\$ -</u>

(Continued)

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

	Veterans' Aid Fund	CASA Fund	STOP Fund	County Drug Law Enforcement and Education Fund	Mid-West Nebraska Drug Court Fund	K-9 Dog Fund	Sheriff Grant Fund
RECEIPTS							
Property Taxes	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-	-
Intergovernmental	1	69,676	-	-	-	-	8,577
Charges for Services	-	-	3,200	-	15,623	-	-
Miscellaneous	-	40,566	-	-	3,144	6,109	-
TOTAL RECEIPTS	39	110,242	3,200	-	18,767	6,109	8,577
DISBURSEMENTS							
General Government	-	-	-	-	-	-	-
Public Safety	-	106,857	3,185	-	6,206	161	9,521
Public Works	-	-	-	-	-	-	-
Public Assistance	1,566	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,566	106,857	3,185	-	6,206	161	9,521
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,527)	3,385	15	-	12,561	5,948	(944)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	4,500	-	-	-	-	-
Transfers out	-	(11,693)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(7,193)	-	-	-	-	-
Net Change in Fund Balances	(1,527)	(3,808)	15	-	12,561	5,948	(944)
FUND BALANCES - BEGINNING	12,554	27,413	21,228	28,838	93,909	3,305	22,924
FUND BALANCES - ENDING	\$11,027	\$23,605	\$21,243	\$ 28,838	\$ 106,470	\$ 9,253	\$21,980
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-	-
Drug Education	-	-	-	28,838	-	-	-
Law Enforcement	-	-	-	-	-	-	21,980
Preservation of Records	-	-	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-	-
Committed to:							
Law Enforcement/Public Safety	-	23,605	21,243	-	106,470	9,253	-
Aid and Assistance	11,027	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-	-
TOTAL FUND BALANCES	\$11,027	\$23,605	\$21,243	\$ 28,838	\$ 106,470	\$ 9,253	\$21,980

(Continued)

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

	SCAAP Fund	CASA Grant Fund	Juvenile Services - Healing Hearts Fund	County Grant Fund	Victim Assistance Fund	Employee Recognition Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	31,915	-	-	-	50,608	-
Charges for Services	-	-	-	-	-	4,055
Miscellaneous	-	4,856	-	-	-	-
TOTAL RECEIPTS	<u>31,915</u>	<u>4,856</u>	<u>-</u>	<u>-</u>	<u>50,608</u>	<u>4,055</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	2,263
Public Safety	16,063	1,447	-	-	58,845	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>16,063</u>	<u>1,447</u>	<u>-</u>	<u>-</u>	<u>58,845</u>	<u>2,263</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>15,852</u>	<u>3,409</u>	<u>-</u>	<u>-</u>	<u>(8,237)</u>	<u>1,792</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	15,500	-
Transfers out	-	-	-	-	(10,772)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,728</u>	<u>-</u>
Net Change in Fund Balances	15,852	3,409	-	-	(3,509)	1,792
FUND BALANCES - BEGINNING	<u>18,909</u>	<u>1,447</u>	<u>3,999</u>	<u>3,000</u>	<u>12,111</u>	<u>14,411</u>
FUND BALANCES - ENDING	<u>\$34,761</u>	<u>\$ 4,856</u>	<u>\$ 3,999</u>	<u>\$ 3,000</u>	<u>\$ 8,602</u>	<u>\$ 16,203</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	34,761	-	3,999	3,000	-	-
Preservation of Records	-	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
Committed to:						
Law Enforcement/Public Safety	-	4,856	-	-	8,602	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	16,203
Watershed Management	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$34,761</u>	<u>\$ 4,856</u>	<u>\$ 3,999</u>	<u>\$ 3,000</u>	<u>\$ 8,602</u>	<u>\$ 16,203</u>

(Continued)

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

	Lottery Fund	E-911 Fund	911 Enhanced Wireless Service Fund	911 Enhanced Wireless Reserve Fund	Range Management Fund	Dispatch Fund
RECEIPTS						
Property Taxes	\$ -	\$ 44,280	\$ 82,781	\$ -	\$ -	\$ -
Investment Income	896	-	-	-	-	-
Intergovernmental	-	-	-	-	-	247,500
Charges for Services	-	-	-	-	-	-
Miscellaneous	141,743	-	-	-	(485)	1,872
TOTAL RECEIPTS	142,639	44,280	82,781	-	(485)	249,372
DISBURSEMENTS						
General Government	33,490	-	-	-	-	-
Public Safety	-	59,848	-	-	1,380	537,959
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	33,490	59,848	-	-	1,380	537,959
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	109,149	(15,568)	82,781	-	(1,865)	(288,587)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	80,388	-	2,393	-	479,117
Transfers out	(30,000)	(50,000)	(82,781)	-	-	(161,417)
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	30,388	(82,781)	2,393	-	317,700
Net Change in Fund Balances	79,149	14,820	-	2,393	(1,865)	29,113
FUND BALANCES - BEGINNING	314,776	338,883	-	170,397	3,214	3,906
FUND BALANCES - ENDING	\$ 393,925	\$ 353,703	\$ -	\$ 172,790	\$ 1,349	\$ 33,019
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	353,703	-	172,790	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Road and Bridge Projects	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
Committed to:						
Law Enforcement/Public Safety	-	-	-	-	1,349	33,019
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Miscellaneous Projects	393,925	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 393,925	\$ 353,703	\$ -	\$ 172,790	\$ 1,349	\$ 33,019

(Continued)

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

	Building Fund	Spring Creek Watershed Fund	Noxious Weed Fund	Inventory Maintenance Fund	Historical Society Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 78,575	\$ 461,892
Investment Income	-	-	-	-	-	896
Intergovernmental	36,033	-	33,010	-	13,594	808,636
Charges for Services	20,750	17,130	46,715	151,353	-	273,012
Miscellaneous	-	-	-	-	-	197,805
TOTAL RECEIPTS	<u>56,783</u>	<u>17,130</u>	<u>79,725</u>	<u>151,353</u>	<u>92,169</u>	<u>1,742,241</u>
DISBURSEMENTS						
General Government	64,367	10,797	-	-	-	135,773
Public Safety	-	-	-	150,542	-	962,014
Public Works	-	-	169,600	-	-	1,222,981
Public Assistance	-	-	-	-	-	1,566
Culture and Recreation	-	-	-	-	90,000	314,918
TOTAL DISBURSEMENTS	<u>64,367</u>	<u>10,797</u>	<u>169,600</u>	<u>150,542</u>	<u>90,000</u>	<u>2,637,252</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(7,584)</u>	<u>6,333</u>	<u>(89,875)</u>	<u>811</u>	<u>2,169</u>	<u>(895,011)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	92,000	-	-	683,898
Transfers out	-	-	-	-	-	(346,663)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>92,000</u>	<u>-</u>	<u>-</u>	<u>337,235</u>
Net Change in Fund Balances	(7,584)	6,333	2,125	811	2,169	(557,776)
FUND BALANCES - BEGINNING	<u>95,998</u>	<u>407,062</u>	<u>3,500</u>	<u>10,860</u>	<u>849</u>	<u>3,417,798</u>
FUND BALANCES - ENDING	<u>\$ 88,414</u>	<u>\$ 413,395</u>	<u>\$ 5,625</u>	<u>\$ 11,671</u>	<u>\$ 3,018</u>	<u>\$ 2,860,022</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	216,384
911 Emergency Services	-	-	-	-	-	526,493
Drug Education	-	-	-	-	-	28,838
Law Enforcement	-	-	-	-	-	63,740
Preservation of Records	-	-	-	-	-	21,387
Road and Bridge Projects	-	-	-	-	-	745,376
Historical Society	-	-	-	-	3,018	3,018
Committed to:						
Law Enforcement/Public Safety	-	-	-	11,671	-	220,068
Aid and Assistance	-	-	-	-	-	11,027
County Buildings	88,414	-	-	-	-	88,414
Miscellaneous Projects	-	-	-	-	-	393,925
Unemployment Compensation	-	-	-	-	-	106,129
Employee Recognition	-	-	-	-	-	16,203
Watershed Management	-	413,395	-	-	-	413,395
Noxious Weed Control	-	-	5,625	-	-	5,625
TOTAL FUND BALANCES	<u>\$ 88,414</u>	<u>\$ 413,395</u>	<u>\$ 5,625</u>	<u>\$ 11,671</u>	<u>\$ 3,018</u>	<u>\$ 2,860,022</u>

(Concluded)

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

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2019	\$ 13,154	\$ 29,406	\$ 161,682	\$ 67,964	\$ 6,368	\$ 23,218
RECEIPTS						
Property Taxes	-	-	-	23,146	-	-
Licenses and Permits	7,321	-	-	2,160	-	-
Intergovernmental	-	-	-	1,479,569	-	33,000
Charges for Services	12,523	166,775	92,628	247,474	-	33,952
Miscellaneous	143,767	2	-	137,241	403	-
State Fees	-	217,568	90,841	-	-	-
Other Liabilities	-	324	1,465,399	474,356	-	-
TOTAL RECEIPTS	163,611	384,669	1,648,868	2,363,946	403	66,952
DISBURSEMENTS						
Payments to County Treasurer	168,992	163,166	91,825	1,834,997	356	79,714
Payments to State Treasurer	-	215,403	90,198	-	-	-
Other Liabilities	2,024	324	1,147,097	465,439	381	-
TOTAL DISBURSEMENTS	171,016	378,893	1,329,120	2,300,436	737	79,714
BALANCES JUNE 30, 2020	<u>\$ 5,749</u>	<u>\$ 35,182</u>	<u>\$ 481,430</u>	<u>\$ 131,474</u>	<u>\$ 6,034</u>	<u>\$ 10,456</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 5,299	\$ 16,780	\$ 8,245	\$ 77,720	\$ 5,734	\$ 10,456
Petty Cash	450	-	100	8,700	300	-
Due to State Treasurer	-	18,402	5,728	-	-	-
Due to Others	-	-	467,357	45,054	-	-
BALANCES JUNE 30, 2020	<u>\$ 5,749</u>	<u>\$ 35,182</u>	<u>\$ 481,430</u>	<u>\$ 131,474</u>	<u>\$ 6,034</u>	<u>\$ 10,456</u>

(Continued)

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

	Highway Superintendent	Veterans' Service Officer	County Surveyor	County Child Support	County Planning and Zoning	Imprest Accounts	Total
BALANCES JULY 1, 2019	\$ -	\$ 1,000	\$ 4,238	\$ 1,500	\$ -	\$ 251,200	\$ 559,730
RECEIPTS							
Property Taxes	-	-	-	-	-	-	23,146
Licenses and Permits	-	-	-	-	4,405	-	13,886
Intergovernmental	-	-	-	-	-	-	1,512,569
Charges for Services	-	-	54,065	-	-	-	607,417
Miscellaneous	8,431	650	-	4,597	-	1,422,938	1,718,029
State Fees	59	-	-	-	-	-	308,468
Other Liabilities	-	-	-	-	-	-	1,940,079
TOTAL RECEIPTS	8,490	650	54,065	4,597	4,405	1,422,938	6,123,594
DISBURSEMENTS							
Payments to County Treasurer	8,371	-	44,862	-	4,405	-	2,396,688
Payments to State Treasurer	119	-	-	-	-	-	305,720
Other Liabilities	-	650	-	4,590	-	1,422,938	3,043,443
TOTAL DISBURSEMENTS	8,490	650	44,862	4,590	4,405	1,422,938	5,745,851
BALANCES JUNE 30, 2020	\$ -	\$ 1,000	\$ 13,441	\$ 1,507	\$ -	\$ 251,200	\$ 937,473
BALANCES CONSIST OF:							
Due to County Treasurer	\$ -	\$ -	\$ 13,441	\$ 7	\$ -	\$ -	\$ 137,682
Petty Cash	-	1,000	-	1,500	-	251,200	263,250
Due to State Treasurer	-	-	-	-	-	-	24,130
Due to Others	-	-	-	-	-	-	512,411
BALANCES JUNE 30, 2020	\$ -	\$ 1,000	\$ 13,441	\$ 1,507	\$ -	\$ 251,200	\$ 937,473

(Concluded)

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

Item	2015	2016	2017	2018	2019
Tax Certified by Assessor					
Real Estate	\$ 46,045,549	\$ 48,385,550	\$ 48,533,898	\$ 48,251,160	\$ 48,703,621
Personal and Specials	2,868,862	2,493,445	3,111,618	2,543,512	2,386,821
Total	48,914,411	50,878,995	51,645,516	50,794,672	51,090,442
Corrections					
Additions	123,149	116,655	37,828	228,371	-
Deductions	(122,895)	(326,441)	(218,143)	(265,821)	(40,832)
Net Additions/ (Deductions)	254	(209,786)	(180,315)	(37,450)	(40,832)
Corrected Certified Tax	48,914,665	50,669,209	51,465,201	50,757,222	51,049,610
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	30,798,967	-	-	-	-
June 30, 2017	18,108,504	31,900,991	-	-	-
June 30, 2018	4,262	18,788,521	32,392,350	-	-
June 30, 2019	409	(23,541)	18,984,008	31,597,995	-
June 30, 2020	1,508	2,278	25,391	19,082,266	31,842,691
Total Net Collections	48,913,650	50,668,249	51,401,749	50,680,261	31,842,691
Total Uncollected Tax	\$ 1,015	\$ 960	\$ 63,452	\$ 76,961	\$ 19,206,919
Percentage Uncollected Tax	0.00%	0.00%	0.12%	0.15%	37.62%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

DAWSON 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
Dawson 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 Dawson County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Dawson County's basic financial statements, and have issued our report thereon dated April 15, 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 Dawson 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 Dawson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dawson 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 Dawson County in a separate letter dated April 15, 2021.

Dawson County's Response to Findings

Dawson County declined to respond to the finding described above.

Purpose of this Report

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



Pat Reding, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

April 15, 2021



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

April 15, 2021

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated April 15, 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 CLERK OF THE DISTRICT COURT

Overdue Case Account Report Review

We noted that the District Court was not performing adequate follow-up procedures to resolve the overdue balances on the Overdue Case Account Report (Report). Nine of 10 balances tested, totaling \$46,413, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. The Clerk of the District Court claims to have previously provided the Report to the County Attorney to initiate action necessary to resolve the overdue balances; however, due to the continued inaction of the County Attorney, the Clerk stopped providing the Report to her.

As of February 26, 2021, the Report contained 1,574 overdue balances on criminal cases, totaling \$737,232. Of these cases, only 59 had a current warrant or suspension issued for nonpayment.

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

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

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing, timely basis, and action is taken by the Clerk of the District Court within her authority. We further recommend the Report be forwarded to the County Attorney and the District Judge for any further action that may be necessary to resolve the overdue balances.

County Clerk of the District Court's Response: At the recommendation of the 2021 Auditing Team, District Court Clerk and staff will continue to review the overdue case action report on a timely basis. Furthermore, the Clerk of the District Court will provide the County Attorney and the District Judge a copy of the overdue case action report in order for them to review and determine if any further action may be taken to resolve these overdue case balances. Actions such as issuing warrants, judges determination to waive fees or a declaration that certain balances are uncollectible, as the Clerk of the District Court has no power to collect and discharge judgements the report is showing overdue.

COUNTY SHERIFF

Office Procedures

During the audit, we noted the following issues with the County Sheriff's financial balancing, recordkeeping, and general office procedures:

- As of June 30, 2020, we noted a cash shortage of \$401 in the Inmate Account. This was a result of the office not performing a monthly asset-to-liability reconciliation to ensure the office had sufficient assets (reconciled bank balance, cash on hand, and accounts receivable) to pay office liabilities (authorized petty cash, unremitted fees, and inmate trust accounts). The following table provides details of how this shortage was calculated:

Office Assets:	
Reconciled Bank Balance	\$ 6,494
Total Office Assets	\$ 6,494
Office Liabilities:	
Authorized Petty Cash	\$ 2,000
Unremitted Bank Interest	\$ 205
Inmate Trust Balances	\$ 4,690
Total Office Liabilities	\$ 6,895
Unknown Shortage	\$ (401)

- Receipts were not accurately recorded in the accounting system for the Sheriff Fee account. The Sheriff's office recorded most receipts to the VIN Inspection account; however, those receipts were for VIN Inspections, Gun Permits, Fingerprint Fees, and other miscellaneous fees. The total amount received for these fees types during the fiscal year was \$14,447.
- The office did not keep records of petty cash transactions during the fiscal year. Based on claims submitted to the County for petty cash reimbursements, there was approximately \$289 in petty cash activity during the fiscal year.
- Distress warrants collected, totaling \$270, had not been remitted to the County Treasurer as of June 30, 2020. This amount includes \$254 that was noted as not remitted as of June 30, 2019, during the prior audit.
- Interest, totaling \$205, earned on the County Sheriff's Inmate Trust Account had not been remitted to the County Treasurer as of June 30, 2020. This unremitted interest increased from \$125 noted during the prior audit.
- The bank reconciliation for the Sheriff Grant Fund account failed to identify \$168 that was recorded erroneously as a deposit in the accounting system when, in fact, this money was never actually deposited to the bank account. Instead, it was remitted directly to the County Treasurer.
- The County Sheriff's office was unable to provide the underlying supporting documentation for how the following invoiced amounts were calculated:

- \$18,600 billed to the Nebraska Department of Correctional Services
- \$1,638 billed for inmate transport
- Bank fees of \$15 incurred in November 2018 had not been submitted to the County Board for reimbursement as of June 30, 2020.
- The bank reconciliation for the Civil Fee Trust Account did not include five outstanding checks, totaling \$137. These checks were issued on June 30, 2020, but did not clear the bank until July 2020. Therefore, they should have been included as outstanding checks.
- The Sheriff's office was not maintaining voided checks on file for subsequent review.

Neb. Rev. Stat. § 23-1601(1) (Cum. Supp. 2020) states the following:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.

Good internal controls and sound business practices require procedures to ensure that assets (reconciled bank balance, cash on hand, and accounts receivable) agree to office liabilities (authorized petty cash, unremitted fees, and inmate trust accounts). Those same procedures should also ensure the following: 1) transactions are recorded accurately in the accounting system; 2) funds received or earned are remitted timely to the County Treasurer; 3) bank charges are submitted timely to the County for reimbursement; and 4) complete and accurate financial records are maintained.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds, as well as errors going undetected more easily, but also noncompliance with State statute.

A similar finding was noted in the prior audit.

We recommend the County Sheriff implement procedures to ensure the performance of accurate monthly asset-to-liability balancing procedures and maintenance of complete and accurate financial records. Additionally, those same procedures should ensure that funds are remitted timely to the County Treasurer. If the County Sheriff is unsure of the necessary balancing and recordkeeping procedures, he should consult the County Sheriff's Manual available on the Auditor of Public Accounts' website.

County Sheriff's Response: We have acknowledged the errors we have made and therefore are taking the necessary actions in an attempt to fix the errors. There have been some personnel changes and we are implementing some new procedures to ensure we have accurate records. We have printed out and will be referencing the Sheriff's Manual from the Auditor of Public Accounts.

COUNTY SURVEYOR

Accounts Receivable Procedures

The County Surveyor charges for surveying services required by outside entities and utilizes the QuickBooks accounting system for invoicing and tracking accounts receivable balances. As of June 30, 2020, we noted accounts receivable balances, totaling \$957, that appear to have been deleted from QuickBooks because they were determined uncollectible. Additionally, we noted \$398 that appears to have been receipted in QuickBooks twice; however, the money was only received once.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns to the County Board the responsibility of managing the County’s funds and business activities.

Sound business practices and a good internal control plan require procedures to ensure that all adjustments to accounts receivable balances in the accounting system are supported by adequate documentation, transactions are recorded properly in the accounting system, and prior approval from the governing body is received before amounts due to the County are written off as uncollectible.

Without such procedures, and when invoices are deleted from the accounting system used by the County Surveyor, there is an increased risk for the loss and/or misuse of funds, as there would no longer be a record of what funds should have been received by the office.

A similar finding was noted in the prior audit.

We recommend the County Surveyor implement procedures to ensure that activity related to accounts receivable balances is entered accurately into the accounting system, and any adjustments or write-offs are approved by the County Board.

COUNTY TREASURER

5% Gross In-Lieu Distribution

The distribution of the 5% Gross In-Lieu payment received from the Dawson Public Power District was not correct for the City of Lexington. The levy for the City of Lexington was not included in the County Treasurer’s calculation, resulting in the over and under payments noted in the table below:

Entity	Over/(Under) Payment
Dawson County	\$ 2,415
Lexington Public Schools	\$ 8,576
City of Lexington	\$ (10,991)

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

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

Additionally, good internal controls require procedures to ensure that the distribution of 5% Gross In-Lieu taxes is calculated in accordance with State statute.

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

We recommend the County Treasurer correct the erroneous distribution. Additionally, we recommend the County Treasurer implement procedures to ensure future distributions are calculated correctly and in compliance with State statute.

Improper Journal Entry

During fiscal year 2020, the County Treasurer posted a journal entry to correct an error noted during the prior audit in which the County Treasurer switched the fund number for the Farnam Fire District and the Cozad Fire District in the distribution of real estate tax credit. Consequently, the Farnam Fire District received an overpayment of \$4,526, and the Cozad Fire District received an underpayment of \$4,526.

However, when correcting the prior error, the journal entry was posted for \$9,052, or double the original error. This resulted in the Farnam Fire District being underpaid \$4,526 and the Cozad Fire District being overpaid \$4,526. This erroneous journal entry also caused the Farnam Fire District's fund to have a negative \$6,026 fund balance as of June 30, 2020. The County Treasurer has no authority to allow funds to have a negative balance. Instead, she needs to require the repayment of funds or follow the registered warrant statutes.

Neb. Rev. Stat. § 77-2203 (Reissue 2018) states the following:

Whenever a warrant is presented for payment to any such treasurer and there is not sufficient money on hand to the credit of the proper fund to pay the same, it shall be the duty of every such treasurer to enter such warrant in his warrant register for payment in the order of its presentation, and upon every warrant so presented and registered, he shall endorse registered for payment, with the date of registration, and shall sign such endorsement.

Additionally, good internal controls and sound accounting practice requires procedures to ensure correcting journal entries are posted for the proper amounts, and funds are not allowed to have negative fund balances.

Without such procedures, there is an increased risk that political subdivisions will not receive the correct amount of funding in addition to an increased risk for loss or misuse of funds.

We recommend the County Treasurer correct the erroneous journal entry and implement procedures to ensure future journal entries are proper, and negative fund balances are prevented.

County Treasurer's Response: The Dawson County Treasurer and Deputy Treasurer will make the corrections and implement a procedure to review our distributions by cross checking with one another and utilizing the MIPS distribution program whenever possible. This will minimize the chance of miscalculations and posting errors.

HISTORICAL SOCIETY

Gothenburg Historical Museum Agreement

We noted that the Dawson County Historical Society paid \$3,684 to the Gothenburg Historical Museum based on a funding formula; however, there was no written contract or agreement on file to support this calculation.

Good internal controls require any payments based on a formula be supported by a written agreement outlining the formula methodology used.

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

We recommend the Historical Society execute a written agreement with the Gothenburg Historical Museum outlining the methodology used to determine the annual payment to the museum.

COUNTY OVERALL

Segregation of Duties

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

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

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

* * * * *

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

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



Pat Reding, CPA
Assistant Deputy Auditor