

**AUDIT REPORT  
OF  
DIXON COUNTY**

**JULY 1, 2020, THROUGH JUNE 30, 2021**

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**Issued on December 6, 2021**

DIXON COUNTY

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DIXON COUNTY  
302 3<sup>rd</sup> St.  
Ponca, NE 68770

**LIST OF COUNTY OFFICIALS**  
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Lisa Lunz	Jan. 2023
	Donald Andersen	Jan. 2023
	Alan Mackling	Jan. 2023
	Terry Nicholson	Jan. 2025
	Neil Blohm	Jan. 2025
	Deric Anderson	Jan. 2025
	Roger Peterson	Jan. 2023
Assessor	Amy Watchorn	Jan. 2023
Attorney	Leland Miner	Jan. 2023
Clerk Election Commissioner Register of Deeds	Cindy Purucker	Jan. 2023
Clerk of the District Court	Jackie King-Couplin	Jan. 2023
Sheriff	Tom Decker	Jan. 2023
Treasurer	JoAnn Brennan	Jan. 2023
Veterans' Service Officer	Bill Johnston	Appointed
Weed Superintendent	Douglas Ellis	Appointed
Highway Superintendent	Arnold Mellick	Appointed
Emergency Manager	Shea Scollard	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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DIXON COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Dixon 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 Dixon County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Dixon County as of June 30, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

## Emphasis of Matters – Basis of Accounting

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

## Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, 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 18-30, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of Dixon 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 Dixon County's internal control over financial reporting and compliance.



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

November 29, 2021

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,661,337
Investments (Note 1.D)	5,407,038
<b>TOTAL ASSETS</b>	<b>\$ 11,068,375</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 105,450
911 Emergency Services	216,760
Drug Education	1,500
Law Enforcement	3,648
Preservation of Records	9,126
Road & Bridge Maintenance	624,002
Child Support Enforcement	2,119
Coronavirus Relief & Assistance	547,365
Unrestricted	9,558,405
<b>TOTAL NET POSITION</b>	<b>\$ 11,068,375</b>

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

DIXON COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2021

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (2,941,296)	\$ 295,128	\$ 636,665	\$ (2,009,503)
Public Safety	(1,415,041)	20,503	261,166	(1,133,372)
Public Works	(2,550,122)	37,374	2,486,003	(26,745)
Public Assistance	(23,738)	-	-	(23,738)
Culture and Recreation	(7,753)	-	-	(7,753)
Debt Payments	(103,785)	-	-	(103,785)
<b>Total Governmental Activities</b>	<b>\$ (7,041,735)</b>	<b>\$ 353,005</b>	<b>\$ 3,383,834</b>	<b>(3,304,896)</b>

General Receipts:

Taxes	4,419,523
Grants and Contributions Not Restricted to Specific Programs	896,986
Investment Income	49,466
Licenses and Permits	29,622
Loan Proceeds	422,000
Miscellaneous	39,115
<b>Total General Receipts</b>	<b>5,856,712</b>
Increase in Net Position	2,551,816
Net Position - Beginning of year	8,516,559
Net Position - End of year	<b>\$ 11,068,375</b>

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

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

June 30, 2021

	General Fund	Road & Bridge Fund	County Health Insurance Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 584,186	\$ 632,516	\$ 2,829,536	\$ -	\$ 1,615,099	\$ 5,661,337
Investments (Note 1.D)	1,882,249	-	-	3,524,789	-	5,407,038
<b>TOTAL ASSETS</b>	<b><u>\$ 2,466,435</u></b>	<b><u>\$ 632,516</u></b>	<b><u>\$ 2,829,536</u></b>	<b><u>\$ 3,524,789</u></b>	<b><u>\$ 1,615,099</u></b>	<b><u>\$ 11,068,375</u></b>
<b>FUND BALANCES</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	105,450	105,450
911 Emergency Services	-	-	-	-	216,760	216,760
Drug Education	-	-	-	-	1,500	1,500
Law Enforcement	-	-	-	-	3,648	3,648
Preservation of Records	-	-	-	-	9,126	9,126
Road & Bridge Maintenance	-	-	-	-	624,002	624,002
Child Support Enforcement	-	-	-	-	2,119	2,119
Coronavirus Relief & Assistance	-	-	-	-	547,365	547,365
Committed to:						
Law Enforcement	-	-	-	-	6,336	6,336
Aid and Assistance	-	-	-	-	7,120	7,120
Property Reappraisal	-	-	-	-	24,127	24,127
Weed Control	-	-	-	-	67,546	67,546
Health Insurance	-	-	2,829,536	-	-	2,829,536
Road & Bridge Maintenance	-	632,516	-	-	-	632,516
Assigned to:						
Other Purposes	-	-	-	3,524,789	-	3,524,789
Unassigned	2,466,435	-	-	-	-	2,466,435
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b><u>\$ 2,466,435</u></b>	<b><u>\$ 632,516</u></b>	<b><u>\$ 2,829,536</u></b>	<b><u>\$ 3,524,789</u></b>	<b><u>\$ 1,615,099</u></b>	<b><u>\$ 11,068,375</u></b>

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



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

	General Fund	Road & Bridge Fund	County Health Insurance Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Taxes	\$4,003,199	\$ -	\$ -	\$ 312,802	\$ 103,522	\$ 4,419,523
Licenses and Permits	29,622	-	-	-	-	29,622
Investment Income	49,440	-	-	1	25	49,466
Intergovernmental	1,231,065	2,140,083	-	-	909,672	4,280,820
Charges for Services	309,937	4,906	-	-	38,162	353,005
Miscellaneous	99,625	341,888	17,790	105	1,707	461,115
<b>TOTAL RECEIPTS</b>	<u>5,722,888</u>	<u>2,486,877</u>	<u>17,790</u>	<u>312,908</u>	<u>1,053,088</u>	<u>9,593,551</u>
<b>DISBURSEMENTS</b>						
General Government	1,493,051	-	1,262,993	177,907	7,345	2,941,296
Public Safety	1,246,720	-	-	-	168,321	1,415,041
Public Works	4,686	2,407,405	-	-	138,031	2,550,122
Public Assistance	22,238	-	-	-	1,500	23,738
Culture and Recreation	-	-	-	-	7,753	7,753
Debt Service:						
Principal Payments	-	-	-	-	90,000	90,000
Interest and Fiscal Charges	-	-	-	-	13,785	13,785
<b>TOTAL DISBURSEMENTS</b>	<u>2,766,695</u>	<u>2,407,405</u>	<u>1,262,993</u>	<u>177,907</u>	<u>426,735</u>	<u>7,041,735</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,956,193</u>	<u>79,472</u>	<u>(1,245,203)</u>	<u>135,001</u>	<u>626,353</u>	<u>2,551,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	23,684	204,355	1,904,501	-	175,351	2,307,891
Transfers out	(2,240,948)	-	-	-	(66,943)	(2,307,891)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,217,264)</u>	<u>204,355</u>	<u>1,904,501</u>	<u>-</u>	<u>108,408</u>	<u>-</u>
Net Change in Fund Balances	738,929	283,827	659,298	135,001	734,761	2,551,816
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>1,727,506</u>	<u>348,689</u>	<u>2,170,238</u>	<u>3,389,788</u>	<u>880,338</u>	<u>8,516,559</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$2,466,435</u>	<u>\$ 632,516</u>	<u>\$2,829,536</u>	<u>\$3,524,789</u>	<u>\$ 1,615,099</u>	<u>\$ 11,068,375</u>

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

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

	Custodial Funds			Fund Balances June 30, 2021
	Fund Balances July 1, 2020 (as restated)	Receipts	Disbursements	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 491,850	\$21,314,705	\$ 21,120,484	\$ 686,071
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	189,340	1,786,311	1,806,603	169,048
State - Collected by Other Offices	5,078	66,618	60,048	11,648
Schools	213,073	13,473,459	13,318,338	368,194
Educational Service Units	2,732	237,077	233,860	5,949
Technical College	16,597	1,443,653	1,423,869	36,381
Natural Resource Districts	4,246	385,529	379,871	9,904
Fire Districts	5,785	373,296	369,725	9,356
Municipalities	26,783	1,154,339	1,151,227	29,895
Agricultural Society	513	46,393	45,716	1,190
Townships	10,825	1,133,292	1,116,444	27,673
Others - Collected by County Treasurer	5,601	129,870	134,759	712
Others - Collected by Other Offices	11,277	1,084,868	1,080,024	16,121
<b>TOTAL LIABILITIES</b>	<b>491,850</b>	<b>21,314,705</b>	<b>21,120,484</b>	<b>686,071</b>
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

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

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$25,934 toward the operation of the Region during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the Northeast Nebraska 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).

DIXON 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 2021. 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.

DIXON 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 & Bridge 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.

**County Health Insurance Fund.** This fund is used to account for the costs of insurance premiums and claims and is primarily funded by County and employee payroll deductions.

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

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

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

**Debt Service Fund.** The Highway Bridge Buyback Program Fund partially accounts for the resources for, and the payment of, general long-term principal, interest, and related costs.

The County designates fund balances as follows:

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

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

**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.

DIXON 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 claims, and judgments are recorded only when payment is due.

**D. Assets and Net Position**

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

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

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

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

**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 \$1,509,976 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.

DIXON 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.

**Excess of Disbursements Over Appropriations.** For the year ended June 30, 2021, disbursements exceeded budgeted appropriations in the Child Support Incentive Fund by \$29. The over-expenditures were funded by the available fund balance in the Fund.

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 \$5,661,337 for County funds and \$686,071 for Fiduciary funds. The bank balances for all funds totaled \$6,269,791. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$4,859,673 deposited in Nebraska Federal Investment Trust (NFIT) and of \$547,365 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. NFIT is a public entity investment pool. 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 NFIT are not held in the County's name.

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes**

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

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

The levy set in October 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.325280/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.297369/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

The tax receipts classification also contains collections from the assessment of inheritance taxes, all surcharges, and lodging taxes.

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.



DIXON COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

For the year ended June 30, 2021, 65 employees contributed \$99,604, and the County contributed \$147,470. Contributions included \$3,872 in cash contributions towards the supplemental law enforcement plan for nine law enforcement employees. Lastly, the County paid \$1,550 directly to 15 retired employees for prior service benefits.

**5. Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 104 counties and local governments throughout Nebraska.

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

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

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

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

**6. Interfund Transfers**

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

<b>Transfers to</b>	Transfers from		Total
	General Fund	Nonmajor Funds	
General Fund	\$ -	\$ 23,684	\$ 23,684
Road & Bridge Fund	204,355	-	204,355
County Health Insurance Fund	1,881,394	23,107	1,904,501
Nonmajor Funds	155,199	20,152	175,351
Total	\$ 2,240,948	\$ 66,943	\$ 2,307,891

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers** (Concluded)

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

In the year ended June 30, 2021, the County made one-time transfers of \$23,684 from the E911 Wireless Service Fund to the General Fund to pay the costs of dispatcher wages, \$23,107 from the Emergency Services Fund to the County Health Insurance Fund to pay for the cost of health insurance for the emergency management employees, \$13,038 from the E911 Wireless Service Fund to the Emergency Services Fund to pay for the costs of a wireless radio, and a transfer of \$7,114 from the E911 Wireless Service Fund to the E911 Wireless Service Holding Fund, which is a transfer mandated by the Public Service Commission to set aside funds for future projects.

7. **Long-Term Obligations**

Capital Leases

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

	CAT Backhoe	Brite – In Car Video Equipment	JD Motor Grader	Total
Balance July 1, 2020	\$ -	\$ -	\$ -	\$ -
Purchases	139,000	86,800	196,200	422,000
Payments	139,000	17,938	12,496	169,434
Balance June 30, 2021	\$ -	\$ 68,862	\$ 183,704	\$ 252,566
Future Payments:				
<b>Year</b>				
2022	\$ -	\$ 18,085	\$ 41,266	\$ 59,351
2023	-	18,085	41,265	59,350
2024	-	18,085	41,265	59,350
2025	-	18,085	41,265	59,350
2026	-	-	27,510	27,510
Total Payments	-	72,340	192,571	264,911
Less Interest	-	3,478	8,867	12,345
Present Value of Future Minimum Lease Payments	\$ -	\$ 68,862	\$ 183,704	\$ 252,566
Carrying Value of the Related Fixed Asset	\$ 139,000	\$ 86,800	\$ 196,200	\$ 422,000

Bonds

The County issued bonds on July 14, 2017, in the amount of \$910,000 for the purpose of paying the costs of the improvements of certain bridges, drainage structures, streets, highways, and roads within the County. The bond payable balance, as of June 30, 2021, was \$580,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and buyback resources will be used to pay off the bonds.

DIXON COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**7. Long-Term Obligations** (Concluded)

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 90,000	\$ 12,080	\$ 102,080
2023	90,000	10,415	100,415
2024	100,000	8,750	108,750
2025	100,000	6,900	106,900
2026	100,000	4,600	104,600
2027	100,000	2,300	102,300
Total Payments	\$ 580,000	\$ 45,045	\$ 625,045

**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.

**9. Prior Period Adjustment**

The beginning balances were increased by \$16,355 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,124,219	\$ 4,124,219	\$ 4,003,199	\$ (121,020)
Licenses and Permits	16,600	16,600	29,622	13,022
Investment Income	30,000	30,000	49,440	19,440
Intergovernmental	378,175	378,175	1,231,065	852,890
Charges for Services	263,380	263,380	309,937	46,557
Miscellaneous	20,000	20,000	99,625	79,625
<b>TOTAL RECEIPTS</b>	<b>4,832,374</b>	<b>4,832,374</b>	<b>5,722,888</b>	<b>890,514</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	132,880	132,880	128,119	4,761
County Clerk	169,190	169,190	162,258	6,932
County Treasurer	148,035	148,035	139,084	8,951
County Assessor	130,420	130,420	125,952	4,468
Election Commissioner	44,500	44,500	33,382	11,118
Clerk of the District Court	95,100	95,100	94,455	645
County Court System	10,618	10,618	5,009	5,609
District Judge	7,210	7,210	3,897	3,313
Public Defender	121,288	121,288	111,213	10,075
Building and Grounds	187,672	187,672	137,675	49,997
Reappraisal	51,677	51,677	37,179	14,498
Agricultural Extension Agent	88,605	88,605	57,768	30,837
Miscellaneous	542,270	542,270	457,060	85,210
Public Safety				
County Sheriff	515,586	515,586	470,849	44,737
County Attorney	124,370	124,370	107,160	17,210
County Jail	292,592	292,592	243,693	48,899
Emergency Management	107,881	107,881	68,337	39,544
Law Enforcement - Wakefield	215,575	215,575	159,527	56,048
County Attorney - Child Support Agreement	32,316	32,316	31,512	804
Law Enforcement Grants	230,000	230,000	165,642	64,358
Public Works				
County Surveyor	13,000	13,000	4,686	8,314
Public Assistance				
County Relief & Assistance	11,600	11,600	3,000	8,600
Veterans' Service Officer	20,900	20,900	19,238	1,662
<b>TOTAL DISBURSEMENTS</b>	<b>3,293,285</b>	<b>3,293,285</b>	<b>2,766,695</b>	<b>526,590</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>1,539,089</b>	<b>1,539,089</b>	<b>2,956,193</b>	<b>1,417,104</b>

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,877	19,877	23,684	3,807
Transfers out	(2,134,472)	(2,134,472)	(2,240,948)	(106,476)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,114,595)</u>	<u>(2,114,595)</u>	<u>(2,217,264)</u>	<u>(102,669)</u>
Net Change in Fund Balance	(575,506)	(575,506)	738,929	1,314,435
<b>FUND BALANCE - BEGINNING</b>	<u>1,727,506</u>	<u>1,727,506</u>	<u>1,727,506</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 1,152,000</u></u>	<u><u>\$ 1,152,000</u></u>	<u><u>\$ 2,466,435</u></u>	<u><u>\$ 1,314,435</u></u>

(Concluded)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD &amp; BRIDGE FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,899,856	\$ 1,899,856	\$ 2,140,083	\$ 240,227
Charges for Services	500	500	4,906	4,406
Miscellaneous	3,000	3,000	341,888	338,888
<b>TOTAL RECEIPTS</b>	<u>1,903,356</u>	<u>1,903,356</u>	<u>2,486,877</u>	<u>583,521</u>
<b>DISBURSEMENTS</b>	<u>2,456,400</u>	<u>2,456,400</u>	<u>2,407,405</u>	<u>48,995</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(553,044)</u>	<u>(553,044)</u>	<u>79,472</u>	<u>632,516</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	204,355	204,355	204,355	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>204,355</u>	<u>204,355</u>	<u>204,355</u>	<u>-</u>
Net Change in Fund Balance	(348,689)	(348,689)	283,827	632,516
FUND BALANCE - BEGINNING	348,689	348,689	348,689	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,516</u>	<u>\$ 632,516</u>
<b>COUNTY HEALTH INSURANCE FUND</b>				
<b>RECEIPTS</b>				
Miscellaneous	\$ 127,537	\$ 127,537	\$ 17,790	\$ (109,747)
<b>TOTAL RECEIPTS</b>	<u>127,537</u>	<u>127,537</u>	<u>17,790</u>	<u>(109,747)</u>
<b>DISBURSEMENTS</b>	<u>3,686,738</u>	<u>3,686,738</u>	<u>1,262,993</u>	<u>2,423,745</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(3,559,201)</u>	<u>(3,559,201)</u>	<u>(1,245,203)</u>	<u>2,313,998</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,788,963	1,788,963	1,904,501	115,538
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,788,963</u>	<u>1,788,963</u>	<u>1,904,501</u>	<u>115,538</u>
Net Change in Fund Balance	(1,770,238)	(1,770,238)	659,298	2,429,536
FUND BALANCE - BEGINNING	1,870,238	1,870,238	2,170,238	\$ 300,000
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 2,829,536</u>	<u>\$ 2,729,536</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 300,000	\$ 300,000	\$ 312,802	\$ 12,802
Investment Income	-	-	1	1
Miscellaneous	-	-	105	105
TOTAL RECEIPTS	<u>300,000</u>	<u>300,000</u>	<u>312,908</u>	<u>12,908</u>
 DISBURSEMENTS	 <u>3,689,788</u>	 <u>3,689,788</u>	 <u>177,907</u>	 <u>3,511,881</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(3,389,788)</u>	 <u>(3,389,788)</u>	 <u>135,001</u>	 <u>3,524,789</u>
 FUND BALANCE - BEGINNING	 <u>3,389,788</u>	 <u>3,389,788</u>	 <u>3,389,788</u>	 <u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,524,789</u>	<u>\$ 3,524,789</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BRIDGE BUYBACK PROGRAM</b>				
<b>FUND</b>				
Receipts	\$ 187,819	\$ 187,819	\$ 356,570	\$ 168,751
Disbursements	(559,036)	(559,036)	(103,785)	455,251
Net Change in Fund Balance	(371,217)	(371,217)	252,785	624,002
Fund Balance - Beginning	371,217	371,217	371,217	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,002</u>	<u>\$ 624,002</u>
<b>JUVENILE DIVERSION GRANT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(6,336)	(6,336)	-	6,336
Net Change in Fund Balance	(6,336)	(6,336)	-	6,336
Fund Balance - Beginning	6,336	6,336	6,336	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,336</u>	<u>\$ 6,336</u>
<b>CHILD SUPPORT INCENTIVE FUND</b>				
Receipts	\$ 3,589	\$ 3,589	\$ 5,737	\$ 2,148
Disbursements	(9,204)	(9,204)	(9,233)	(29)
Net Change in Fund Balance	(5,615)	(5,615)	(3,496)	2,119
Fund Balance - Beginning	5,615	5,615	5,615	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,119</u>	<u>\$ 2,119</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 33,719	\$ 33,719	\$ 17,721	\$ (15,998)
Disbursements	(61,408)	(61,408)	(6,493)	54,915
Net Change in Fund Balance	(27,689)	(27,689)	11,228	38,917
Fund Balance - Beginning	27,689	27,689	27,689	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,917</u>	<u>\$ 38,917</u>
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ 33,718	\$ 33,718	\$ 17,721	\$ (15,997)
Disbursements	(83,790)	(83,790)	(1,260)	82,530
Net Change in Fund Balance	(50,072)	(50,072)	16,461	66,533
Fund Balance - Beginning	50,072	50,072	50,072	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,533</u>	<u>\$ 66,533</u>

(Continued)



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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REAPPRAISAL FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(12,018)	(12,018)	(5,937)	6,081
Transfers in	-	-	18,046	18,046
Transfers out	-	-	-	-
Net Change in Fund Balance	(12,018)	(12,018)	12,109	24,127
Fund Balance - Beginning	12,018	12,018	12,018	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,127</u>	<u>\$ 24,127</u>
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 4,000	\$ 4,000	\$ 5,694	\$ 1,694
Disbursements	(8,840)	(8,840)	(1,408)	7,432
Net Change in Fund Balance	(4,840)	(4,840)	4,286	9,126
Fund Balance - Beginning	4,840	4,840	4,840	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,126</u>	<u>\$ 9,126</u>
<b>VETERANS AID FUND</b>				
Receipts	\$ -	\$ -	\$ 25	\$ 25
Disbursements	(8,595)	(8,595)	(1,500)	7,095
Net Change in Fund Balance	(8,595)	(8,595)	(1,475)	7,120
Fund Balance - Beginning	8,595	8,595	8,595	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,120</u>	<u>\$ 7,120</u>
<b>DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,500)	(1,500)	-	1,500
Net Change in Fund Balance	(1,500)	(1,500)	-	1,500
Fund Balance - Beginning	1,500	1,500	1,500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
<b>SHERIFF FEDERAL GRANT FUND</b>				
Receipts	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Disbursements	(75,000)	(75,000)	-	75,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ATTORNEY FEDERAL GRANT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,648)	(3,648)	-	3,648
Net Change in Fund Balance	(3,648)	(3,648)	-	3,648
Fund Balance - Beginning	3,648	3,648	3,648	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,648</u>	<u>\$ 3,648</u>
<b>HOMELAND SECURITY FEDERAL GRANT FUND</b>				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>COVID AMERICAN RESCUE PLAN FUND</b>				
Receipts	\$ -	\$ -	\$ 547,365	\$ 547,365
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	547,365	547,365
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,365</u>	<u>\$ 547,365</u>
<b>EMERGENCY SERVICES FUND</b>				
Receipts	\$ 12,400	\$ 12,400	\$ 24,560	\$ 12,160
Disbursements	(201,548)	(201,548)	(159,088)	42,460
Transfers in	90,376	90,376	86,414	(3,962)
Transfers out	-	-	(23,107)	(23,107)
Net Change in Fund Balance	(98,772)	(98,772)	(71,221)	27,551
Fund Balance - Beginning	98,772	98,772	98,772	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,551</u>	<u>\$ 27,551</u>
<b>E911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 43,835	\$ 43,835	\$ 43,837	\$ 2
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(43,835)	(43,835)	(43,836)	(1)
Net Change in Fund Balance	-	-	1	1
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>E911 WIRELESS SERVICE HOLDING</b>				
<b>FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(193,053)	(193,053)	-	193,053
Transfers in	10,959	10,959	7,114	(3,845)
Transfers out	-	-	-	-
Net Change in Fund Balance	(182,094)	(182,094)	7,114	189,208
Fund Balance - Beginning	182,094	182,094	182,094	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,208</u>	<u>\$ 189,208</u>
<b>NOXIOUS WEED FUND</b>				
Receipts	\$ 30,000	\$ 30,000	\$ 33,858	\$ 3,858
Disbursements	(201,719)	(201,719)	(138,031)	63,688
Transfers in	63,777	63,777	63,777	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(107,942)	(107,942)	(40,396)	67,546
Fund Balance - Beginning	107,942	107,942	107,942	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,546</u>	<u>\$ 67,546</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Highway Bridge Buyback Program Fund	Juvenile Diversion Grant Fund	Child Support Incentive Fund	Visitor Promotion Fund	Visitor Improvement Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ -	\$ 17,721	\$ 17,721
Investment Income	-	-	-	-	-
Intergovernmental	356,570	-	5,737	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>356,570</u>	<u>-</u>	<u>5,737</u>	<u>17,721</u>	<u>17,721</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	9,233	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	6,493	1,260
Debt Service:					
Principal Payments	90,000	-	-	-	-
Interest and Fiscal Charges	13,785	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>103,785</u>	<u>-</u>	<u>9,233</u>	<u>6,493</u>	<u>1,260</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>252,785</u>	<u>-</u>	<u>(3,496)</u>	<u>11,228</u>	<u>16,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	252,785	-	(3,496)	11,228	16,461
<b>FUND BALANCES - BEGINNING</b>	<u>371,217</u>	<u>6,336</u>	<u>5,615</u>	<u>27,689</u>	<u>50,072</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 624,002</u>	<u>\$ 6,336</u>	<u>\$ 2,119</u>	<u>\$ 38,917</u>	<u>\$ 66,533</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	38,917	66,533
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road & Bridge Maintenance	624,002	-	-	-	-
Child Support Enforcement	-	-	2,119	-	-
Coronavirus Relief & Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	6,336	-	-	-
Aid and Assistance	-	-	-	-	-
Property Reappraisal	-	-	-	-	-
Weed Control	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 624,002</u>	<u>\$ 6,336</u>	<u>\$ 2,119</u>	<u>\$ 38,917</u>	<u>\$ 66,533</u>

(Continued)

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

For the Year Ended June 30, 2021

	Reappraisal Fund	Preservation and Modernization Fund	Veterans Aid Fund	Drug Law Enforcement Fund	Attorney Federal Grant Fund	Covid American Rescue Plan Fund
<b>RECEIPTS</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	25	-	-	-
Intergovernmental	-	-	-	-	-	547,365
Charges for Services	-	5,694	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>5,694</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>547,365</u>
<b>DISBURSEMENTS</b>						
General Government	5,937	1,408	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	1,500	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>5,937</u>	<u>1,408</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(5,937)</u>	<u>4,286</u>	<u>(1,475)</u>	<u>-</u>	<u>-</u>	<u>547,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	18,046	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>18,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,109	4,286	(1,475)	-	-	547,365
<b>FUND BALANCES - BEGINNING</b>	<u>12,018</u>	<u>4,840</u>	<u>8,595</u>	<u>1,500</u>	<u>3,648</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 24,127</u>	<u>\$ 9,126</u>	<u>\$ 7,120</u>	<u>\$ 1,500</u>	<u>\$ 3,648</u>	<u>\$ 547,365</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	1,500	-	-
Law Enforcement	-	-	-	-	3,648	-
Preservation of Records	-	9,126	-	-	-	-
Road & Bridge Maintenance	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Coronavirus Relief & Assistance	-	-	-	-	-	547,365
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	7,120	-	-	-
Property Reappraisal	24,127	-	-	-	-	-
Weed Control	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 24,127</u>	<u>\$ 9,126</u>	<u>\$ 7,120</u>	<u>\$ 1,500</u>	<u>\$ 3,648</u>	<u>\$ 547,365</u>

(Continued)

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

For the Year Ended June 30, 2021

	Emergency Services Fund	E911 Wireless Service Fund	E911 Wireless Service Holding Fund	Noxious Weed Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes	\$ 24,243	\$ 43,837	\$ -	\$ -	\$ 103,522
Investment Income	-	-	-	-	25
Intergovernmental	-	-	-	-	909,672
Charges for Services	-	-	-	32,468	38,162
Miscellaneous	317	-	-	1,390	1,707
<b>TOTAL RECEIPTS</b>	<u>24,560</u>	<u>43,837</u>	<u>-</u>	<u>33,858</u>	<u>1,053,088</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	7,345
Public Safety	159,088	-	-	-	168,321
Public Works	-	-	-	138,031	138,031
Public Assistance	-	-	-	-	1,500
Culture and Recreation	-	-	-	-	7,753
Debt Service:					-
Principal Payments	-	-	-	-	90,000
Interest and Fiscal Charges	-	-	-	-	13,785
<b>TOTAL DISBURSEMENTS</b>	<u>159,088</u>	<u>-</u>	<u>-</u>	<u>138,031</u>	<u>426,735</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(134,528)</u>	<u>43,837</u>	<u>-</u>	<u>(104,173)</u>	<u>626,353</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	86,414	-	7,114	63,777	175,351
Transfers out	(23,107)	(43,836)	-	-	(66,943)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>63,307</u>	<u>(43,836)</u>	<u>7,114</u>	<u>63,777</u>	<u>108,408</u>
Net Change in Fund Balances	(71,221)	1	7,114	(40,396)	734,761
<b>FUND BALANCES - BEGINNING</b>	<u>98,772</u>	<u>-</u>	<u>182,094</u>	<u>107,942</u>	<u>880,338</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 27,551</u>	<u>\$ 1</u>	<u>\$ 189,208</u>	<u>\$ 67,546</u>	<u>\$ 1,615,099</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	105,450
911 Emergency Services	27,551	1	189,208	-	216,760
Drug Education	-	-	-	-	1,500
Law Enforcement	-	-	-	-	3,648
Preservation of Records	-	-	-	-	9,126
Road & Bridge Maintenance	-	-	-	-	624,002
Child Support Enforcement	-	-	-	-	2,119
Coronavirus Relief & Assistance	-	-	-	-	547,365
Committed to:					
Law Enforcement	-	-	-	-	6,336
Aid and Assistance	-	-	-	-	7,120
Property Reappraisal	-	-	-	-	24,127
Weed Control	-	-	-	67,546	67,546
<b>TOTAL FUND BALANCES</b>	<u>\$ 27,551</u>	<u>\$ 1</u>	<u>\$ 189,208</u>	<u>\$ 67,546</u>	<u>\$ 1,615,099</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	Weed Superintendent	Veterans' Service Officer	County Health Insurance Account	Total
BALANCES JULY 1, 2020	\$ 9,975	\$ 18,068	\$ 37,206	\$ -	\$ 1,655	\$ 300,000	\$ 366,904
<b>RECEIPTS</b>							
Licenses and Permits	300	-	970	-	-	-	1,270
Intergovernmental	-	-	-	-	1,500	-	1,500
Charges for Services	68,627	9,928	20,382	32,468	-	-	131,405
Miscellaneous	-	724	992	1,390	-	-	3,106
State Fees	58,614	8,004	-	-	-	-	66,618
Other Liabilities	124	52,512	48,952	-	-	983,280	1,084,868
<b>TOTAL RECEIPTS</b>	<b>127,665</b>	<b>71,168</b>	<b>71,296</b>	<b>33,858</b>	<b>1,500</b>	<b>983,280</b>	<b>1,288,767</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	66,997	9,327	22,622	33,858	-	-	132,804
Payments to State Treasurer	51,118	8,930	-	-	-	-	60,048
Petty Cash	-	724	8,331	-	1,556	-	10,611
Other Liabilities	124	49,454	47,166	-	-	983,280	1,080,024
<b>TOTAL DISBURSEMENTS</b>	<b>118,239</b>	<b>68,435</b>	<b>78,119</b>	<b>33,858</b>	<b>1,556</b>	<b>983,280</b>	<b>1,283,487</b>
BALANCES JUNE 30, 2021	<u>\$ 19,401</u>	<u>\$ 20,801</u>	<u>\$ 30,383</u>	<u>\$ -</u>	<u>\$ 1,599</u>	<u>\$ 300,000</u>	<u>\$ 372,184</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 8,023	\$ 998	\$ 8,700	\$ -	\$ 99	\$ -	\$ 17,820
Petty Cash	-	8,100	16,995	-	1,500	300,000	326,595
Due to State Treasurer	11,378	270	-	-	-	-	11,648
Due to Others	-	11,433	4,688	-	-	-	16,121
BALANCES JUNE 30, 2021	<u>\$ 19,401</u>	<u>\$ 20,801</u>	<u>\$ 30,383</u>	<u>\$ -</u>	<u>\$ 1,599</u>	<u>\$ 300,000</u>	<u>\$ 372,184</u>

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

Item	2016	2017	2018	2019	2020
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 17,526,563	\$ 17,587,358	\$ 17,810,056	\$ 17,684,352	\$ 17,140,075
Personal and Specials	1,142,941	1,108,876	1,089,696	1,073,138	948,915
<b>Total</b>	<b>18,669,504</b>	<b>18,696,234</b>	<b>18,899,752</b>	<b>18,757,490</b>	<b>18,088,990</b>
<b>Corrections</b>					
Additions	256	6,829	-	935	749
Deductions	(11,275)	(10,329)	(2,332)	(6,987)	(404)
Net Additions/ (Deductions)	(11,019)	(3,500)	(2,332)	(6,052)	345
<b>Corrected Certified Tax</b>	<b>18,658,485</b>	<b>18,692,734</b>	<b>18,897,420</b>	<b>18,751,438</b>	<b>18,089,335</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2017	12,062,449	-	-	-	-
June 30, 2018	6,591,073	12,345,714	-	-	-
June 30, 2019	2,038	6,339,910	12,362,557	-	-
June 30, 2020	1,799	3,619	6,522,267	12,345,037	-
June 30, 2021	466	2,125	9,692	6,400,515	12,255,738
<b>Total Net Collections</b>	<b>18,657,825</b>	<b>18,691,368</b>	<b>18,894,516</b>	<b>18,745,552</b>	<b>12,255,738</b>
<b>Total Uncollected Tax</b>	<b>\$ 660</b>	<b>\$ 1,366</b>	<b>\$ 2,904</b>	<b>\$ 5,886</b>	<b>\$ 5,833,597</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>32.25%</b>

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





# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors  
Dixon 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 Dixon County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Dixon County's basic financial statements, and have issued our report thereon dated November 29, 2021. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

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

In planning and performing our audit of the financial statements, we considered Dixon 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 Dixon 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 Dixon 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 Dixon County in a separate letter dated November 29, 2021.

**Dixon County's Response to Findings**

Dixon 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.



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

November 29, 2021



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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November 29, 2021

Board of Supervisors  
Dixon County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Dixon County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 29, 2021. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

## COUNTY SHERIFF

### Purchases Made with Fee Collections

During the audit, we noted that the County Sheriff made purchases using office collections without going through the claim and warrant process in three bank accounts, as follows:

#### *K-9 Account*

Donations received were not remitted to the County Treasurer; instead, they were used for the following purchases:

Payee	Amount	Check Register Description
Bank of Dixon County	\$ 109	Dog Food
Sheriff Employee	213	Pet Spa Reimbursement
Bank of Dixon County	65	Dog Food
Bank of Dixon County	157	Dog Food, Vet
Bank of Dixon County	123	Dog Food
Bank of Dixon County	82	Dog Food
Bank of Dixon County	270	Dog Food and Supplies
Bank of Dixon County	104	Dog Food
Bank of Dixon County	106	Dog Food
Bank of Dixon County	136	Dog Food and Supplies
Wayne Vet Clinic	300	Vet Services
Pet Spa	325	Pet Spa
Bank of Dixon County	142	Meds, Food, Misc.
Bank of Dixon County	43	Dog Food
Wayne Vet Clinic	135	Vet Services
<b>Total</b>	<b>\$ 2,310</b>	

\*The items with a payee of "Bank of Dixon County" were purchased with a County credit card. Our testing did not include verification of the Description column above.

The K-9 Account was subsequently closed in July 2021.

*Commissary Account*

In the Commissary Account, commissions received were not remitted to the County Treasurer; instead, they were used for the following purchases:

Payee	Amount	Check Register Description
Bank of Dixon County**	\$ 49	Boat Part
Staples**	175	Toaster Oven
Bank of Dixon County	1,654	CIDNET Portal
Dakota County Sheriff	750	Radar Speed Trailer
Allen School Annual	25	Advertising
Bank of Dixon County	470	Boat Parts
Ekberg Auto Parts	34	Ball Hitch - Boat
Bank of Dixon County	58	Vacuum
5 Star Award	35	Appreciation Plaque
K & K Catering	175	Retirement Party
D. Anderson	136	Repair Work
Bank of Dixon County**	216	Side by Side Cover
Ponca Year Book	25	Advertising
Cimmarina	1,055	Depth Finder
Chase Electronics	265	Repair Speed Trailer
<b>Total</b>	<b>\$ 5,122</b>	

\*The items with a payee of "Bank of Dixon County" were purchased with a County credit card. Our testing did not include verification of the Description column above.

\*\*These purchases contained actual commissary purchases; however, the entire check was included above.

As noted in the table above, multiple purchases were made for a boat; however, that boat was not included on the County Sheriff's inventory listing. Additionally, as of June 30, 2021, the County Sheriff still had \$14,440 of commissions and \$355 of fingerprinting fees that had not been remitted to the County Treasurer.

*Intox Account*

In the Intox Account, lab fees and breath tests payments received were not remitted to the County Treasurer; instead, they were used to purchase the following items:

Payee	Amount	Check Register Description
Miller Building Supply	\$ 51	Shipping
Bank of Dixon County	544	Intoximeters
Intoximeter	154	Intoximeters
<b>Total</b>	<b>\$ 749</b>	

\*The items with a payee of "Bank of Dixon County" were purchased with a County credit card. Our testing did not include verification of the Description column above.

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.*

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

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

Good internal control and sound business practices require procedures to ensure that public funds held by a County officer, including receipts in the K-9, commissary, and intox accounts, are remitted timely to the County Treasurer, and no expenditure of such money occurs without the proper approval of the County Board.

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

A similar finding was noted in the prior audit.

We recommend the County offices implement procedures to ensure all funds received are remitted to the County Treasurer, and all purchases and expenditures are made through the claims process for inclusion in the budget.

*Sheriff Response: As the budgets have already been set for 2021/2022, the Dixon County Sheriff's Office would not be able to absorb the expenditures associated with the commissary fund and intox funds through the regular budget. Sheriff Decker, along with County Clerk Cindy Purucker, and Lisa Lunz President of the Board of Supervisors, have agreed to open new line items within the 2022/2023 budget so that all funds received into both the commissary fund and intox fund will be paid to the County Treasurer. By this same process all expenditures for these funds will be made through the claims process.*

## **COUNTY BOARD**

### **Expenditures in Excess of Budget**

For the fiscal year ended June 30, 2021, the expenditures in the Child Support Incentive Fund exceeded the adopted budget by \$29.

Neb. Rev. Stat. § 23-916 (Reissue 2012) provides the following:

*After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.*

When expenditures are made in excess of amounts budgeted, with no appropriate adjustments by the County Board to address those excesses, the County is not in compliance with State statute.

We recommend the County Board implement procedures for monitoring closely its budget status on an ongoing basis to avoid any individual functions incurring expenses in excess of the budgeted amount.

### **Duplicate Payment**

During the audit, we noted that one claim for \$369 was a duplicate payment. The original \$369 payment was made to Visa on Claim #21040008 for purchases made from Glad & Emblem for grave markers, and a second \$369 payment was made to Visa on Claim #21050006 for the same purchase. The County received a credit to recover the overpayment after inquiry during the audit.

Good internal controls and sound business practices require procedures to ensure that recipients of County funding provide documentation to support the proper use of those public monies. Such procedures should include a review of original supporting documents, to ensure that claims are accurate, reasonable, and allowable.

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

We recommend the County Board implement procedures to ensure all claims are reviewed prior to approval to ensure they are not duplicate payments.

## **COUNTY TREASURER**

### **Tax Sale Receipts and Disbursements**

During fiscal year 2021, we noted five payments for tax sale redemptions, totaling \$25,741, for which the County Treasurer erroneously recorded a negative revenue upon distribution rather than recording a disbursement. As a result of this recorded negative revenue, the County's financial statements' revenue and disbursements were understated by the same amount.

Good internal control and sound business practice require procedures to ensure that financial transactions are properly recorded so financial records accurately reflect the activity of the County.

Without such procedures, there is an increased risk for the misstatement of receipt and disbursement activity in the financial statements.

We recommend the County Treasurer implement procedures to ensure that all tax sale redemptions are recorded properly.

## **COUNTY CLERK OF THE DISTRICT COURT**

### **Petty Cash**

During our audit, we noted that the Clerk of the District Court maintained an approved petty cash fund, totaling \$8,100; however, such a fund was not included in the accounting records of the office.

Good internal control and sound business practices require procedures to ensure that all funds held by the office are accurately reflected in the financial records of the office.

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

A similar finding was noted in the prior year audit.

We recommend the Clerk of the District Court implement procedures to ensure all funds held by the office are recorded accurately in the accounting system.

*District Court Response: A Cash and Fee Ledger as well as a Trust Fund Ledger were provided to the auditors upon request regarding the \$8,100.00 petty cash fund which details all the activity of such. This is a separate bank account from the JUSTICE account that is recorded in the State accounting system. Every 3 months a claim is made to the County of Dixon for expenses incurred from the Non-JUSTICE (AKA petty cash fund) account in accordance with the suggestion of last year's audit report.*

## 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,



Mark Avery, CPA  
Assistant Deputy Auditor