

**AUDIT REPORT
OF
KIMBALL COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

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the Auditor of Public Accounts.**

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Issued on March 29, 2021

KIMBALL COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Basis Net Position - Fiduciary Funds	9
Notes to Financial Statements	10 - 19
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	20 - 21
Budgetary Comparison Schedule - Budget and Actual - Major Funds	22 - 23
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	24 - 28
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Governmental Funds	29 - 31
Schedule of Office Activities	32
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	33
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
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>	36 - 37
Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	38 - 39
Schedule of Findings and Questioned Costs	40 - 41

KIMBALL COUNTY
114 E. 3rd St.
Kimball, NE 69145

LIST OF COUNTY OFFICIALS
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Larry Engstrom Daria Anderson-Faden Brandon Mossberg	Jan. 2023 Jan. 2021 Jan. 2023
Assessor	Sherry Winstrom	Jan. 2023
Attorney	David Wilson	Jan. 2023
Clerk Election Commissioner Register of Deeds	Cathleen Sibal	Jan. 2023
Clerk of the District Court	Debra Diemoz	Jan. 2023
Sheriff	Harry Gillway	Jan. 2023
Treasurer	Cindy Rahmig	Jan. 2023
Surveyor	Donald Brush	Appointed
Weed Superintendent	Rick Wangler	Appointed
Highway Superintendent	Randal Bymer	Appointed
Planning & Zoning	Sheila Newell	Appointed
Emergency Manager	Ronald Leal	Appointed
Rural Transit Administrator	Christy Warner	Appointed



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KIMBALL COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Kimball 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 Kimball County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, 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 audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the County’s legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component units of Kimball County, as of June 30, 2020, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Kimball County, as of June 30, 2020, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

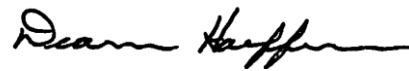
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County’s basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and schedule of taxes certified and collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and schedule of taxes certified and collected, pages 20-34, 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 March 25, 2021, on our consideration of Kimball 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* and considering Kimball County’s internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 25, 2021

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 3,838,385
TOTAL ASSETS	\$ 3,838,385
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 21,150
911 Emergency Services	101,741
Drug Education	2,647
Preservation of Records	23,799
Child Support Enforcement	18,671
Aid and Assistance	3,991
Unrestricted	3,666,386
TOTAL NET POSITION	\$ 3,838,385

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

KIMBALL 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	\$ (2,251,601)	\$ 194,300	\$ 47,730	\$ (2,009,571)
Public Safety	(953,393)	17,459	-	(935,934)
Public Works	(1,343,699)	84,088	897,475	(362,136)
Public Assistance	(488,280)	83,137	930,019	524,876
Culture and Recreation	(89,642)	2,850	-	(86,792)
Debt Payments	(312,533)	-	-	(312,533)
Capital Outlay	(991,005)	-	-	(991,005)
Total Governmental Activities	<u>\$ (6,430,153)</u>	<u>\$ 381,834</u>	<u>\$ 1,875,224</u>	<u>(4,173,095)</u>

General Receipts:

Property Taxes	3,247,391
Grants and Contributions Not Restricted to Specific Programs	714,697
Investment Income	21,277
Licenses and Permits	19,482
Miscellaneous	82,050
Total General Receipts	<u>4,084,897</u>
Increase in Net Position	(88,198)
Net Position - Beginning of year	3,926,583
Net Position - End of year	<u>\$ 3,838,385</u>

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

KIMBALL 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>Road Sinking Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 763,784	\$ 93,119	\$ 1,712,860	\$ 769,441	\$ 208,559	\$ 290,622	\$ 3,838,385
TOTAL ASSETS	<u><u>\$ 763,784</u></u>	<u><u>\$ 93,119</u></u>	<u><u>\$ 1,712,860</u></u>	<u><u>\$ 769,441</u></u>	<u><u>\$ 208,559</u></u>	<u><u>\$ 290,622</u></u>	<u><u>\$ 3,838,385</u></u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	21,150	21,150
911 Emergency Services	-	-	-	-	-	101,741	101,741
Drug Education	-	-	-	-	-	2,647	2,647
Preservation of Records	-	-	-	-	-	23,799	23,799
Child Support Enforcement	-	-	-	-	-	18,671	18,671
Aid and Assistance	-	-	-	-	-	3,991	3,991
Committed to:							
Law Enforcement	-	-	-	-	-	23,969	23,969
Road Maintenance	-	93,119	-	769,441	-	-	862,560
Aid and Assistance	-	-	-	-	-	57,667	57,667
County Buildings	-	-	-	-	208,559	-	208,559
Landfill	-	-	-	-	-	36,987	36,987
Assigned to:							
Other Purposes	-	-	1,712,860	-	-	-	1,712,860
Unassigned	763,784	-	-	-	-	-	763,784
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 763,784</u></u>	<u><u>\$ 93,119</u></u>	<u><u>\$ 1,712,860</u></u>	<u><u>\$ 769,441</u></u>	<u><u>\$ 208,559</u></u>	<u><u>\$ 290,622</u></u>	<u><u>\$ 3,838,385</u></u>

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

KIMBALL 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	Road Sinking Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 3,027,560	\$ -	\$ 115,691	\$ -	\$ -	\$ 104,140	\$ 3,247,391
Licenses and Permits	17,297	2,185	-	-	-	-	19,482
Investment Income	18,966	-	-	-	-	2,311	21,277
Intergovernmental	418,929	806,702	-	90,773	597,420	676,097	2,589,921
Charges for Services	204,871	1,716	-	-	-	175,247	381,834
Miscellaneous	55,338	3,101	-	-	-	23,611	82,050
TOTAL RECEIPTS	<u>3,742,961</u>	<u>813,704</u>	<u>115,691</u>	<u>90,773</u>	<u>597,420</u>	<u>981,406</u>	<u>6,341,955</u>
DISBURSEMENTS							
General Government	1,984,697	-	26,029	-	-	240,875	2,251,601
Public Safety	882,424	-	-	-	-	70,969	953,393
Public Works	95,119	1,167,730	-	5,000	-	75,850	1,343,699
Public Assistance	46,378	-	-	-	-	441,902	488,280
Culture and Recreation	-	-	-	-	-	89,642	89,642
Debt Service:							
Principal Payments	-	-	-	-	-	270,000	270,000
Interest and Fiscal Charges	-	-	-	-	-	42,533	42,533
Capital Outlay	-	-	-	-	991,005	-	991,005
TOTAL DISBURSEMENTS	<u>3,008,618</u>	<u>1,167,730</u>	<u>26,029</u>	<u>5,000</u>	<u>991,005</u>	<u>1,231,771</u>	<u>6,430,153</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>734,343</u>	<u>(354,026)</u>	<u>89,662</u>	<u>85,773</u>	<u>(393,585)</u>	<u>(250,365)</u>	<u>(88,198)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	92,236	450,000	-	100,000	150,000	184,529	976,765
Transfers out	(754,882)	(100,000)	-	-	-	(121,883)	(976,765)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(662,646)</u>	<u>350,000</u>	<u>-</u>	<u>100,000</u>	<u>150,000</u>	<u>62,646</u>	<u>-</u>
Net Change in Fund Balances	71,697	(4,026)	89,662	185,773	(243,585)	(187,719)	(88,198)
CASH BASIS FUND BALANCES - BEGINNING							
	<u>692,087</u>	<u>97,145</u>	<u>1,623,198</u>	<u>583,668</u>	<u>452,144</u>	<u>478,341</u>	<u>3,926,583</u>
CASH BASIS FUND BALANCES - ENDING							
	<u>\$ 763,784</u>	<u>\$ 93,119</u>	<u>\$ 1,712,860</u>	<u>\$ 769,441</u>	<u>\$ 208,559</u>	<u>\$ 290,622</u>	<u>\$ 3,838,385</u>

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 291,590
 LIABILITIES	
Due to other governments	
State	106,414
Schools	103,288
Educational Service Units	1,047
Technical College	7,114
Natural Resource Districts	3,425
Cemetery Districts	111
Fire Districts	1,348
Municipalities	19,815
Airport Authority	1,112
Agricultural Society	360
Historical Society	137
District Court Trust Balance	39,033
Others	8,386
TOTAL LIABILITIES	291,590
 TOTAL NET ASSETS	 \$ -

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

KIMBALL 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 Kimball County.

A. Reporting Entity

Kimball 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.

Component Units. These financial statements present the County (the primary government). The Kimball County Hospital (Hospital) and the Kimball County Manor (Nursing Home) are component units of the County because of the significance of their operational and financial relationships with the County. The financial statements do not include the data of the Hospital or Nursing Home necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital and Nursing Home can be obtained from the Hospital's and Nursing Home's administrative offices.

Joint Organization.

Behavioral Health Region I – 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 I (Region) consists of the following counties: Sioux, Dawes, Box Butte, Sheridan, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel.

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 \$17,057 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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The Department’s governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$275 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.

Region 21 Emergency Management (Region 21) – The County has entered into an agreement with the governing boards of Cheyenne County, Garden County, Deuel County, and Morrill County to provide services to carry out the provisions of the Emergency Management Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under Neb. Rev. Stat. § 81-829.36 (Reissue 2014) et seq. The governing board for Region 21 is established by statute, and the agreement includes representatives from the participating member boards. Each member contributes to the financial support of Region 21 based on formulas developed by the agreement. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$24,566 toward the operation of Region 21 during fiscal year 2020. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Cheyenne County acts as the fiscal agent of Region 21.

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 and the Hospital and Nursing Home. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable. 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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

The County reports the following major governmental funds:

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

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

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

Road Sinking Fund. This fund is used to account for the costs of necessary road and bridge construction and improvements, and is primarily funded by State receipts.

Capital Projects Fund. This fund is used to account for resources received and used for the acquisition and development of major capital improvements. This fund is primarily funded by grant reimbursements received from the Nebraska Department of Transportation.

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.

Debt Service Fund. The Welcome Center Bond Fund, Hospital Bond Fund, Courthouse/Road Building Bond Fund, and Manor Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$171,999 of restricted net position, which is fully restricted by enabling legislation.

Budgetary Process. The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

Excess of Disbursements Over Appropriations. For the year ended June 30, 2020, disbursements exceeded budgeted appropriations in the Hospital Bond Fund by \$2,206. These over-expenditures were funded by interest earned. This interest was paid to the Hospital; however, these additional payments were not included in the budget.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 \$3,838,385 for County funds and \$291,590 for Fiduciary funds. The bank balances for all funds totaled \$4,116,598. 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.

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 \$.445032/\$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 \$.425514/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 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

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System (Concluded)

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, 63 employees contributed \$88,400, and the County contributed \$131,828. Contributions included \$1,544 in cash contributions towards the supplemental law enforcement plan for three 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.

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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

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

Transfers to	Transfers from			Total
	General Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 450,000	\$ -	\$ -	\$ 450,000
General Fund	-	-	92,236	92,236
Capital Projects Fund	150,000	-	-	150,000
Road Sinking Fund	-	100,000	-	100,000
Nonmajor Funds	154,882	-	29,647	184,529
Total	\$ 754,882	\$ 100,000	\$ 121,883	\$ 976,765

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, 2020, the County made a one-time transfer of \$100,000 from the Road Fund to the Road Sinking Fund to set aside funds for future projects. Additionally, the following transfers were made:

- \$22,415 was transferred from the Visitor’s Promotion Fund to the Welcome Center Bond Fund to make the annual bond payments.
- \$20,000 was transferred from the Transit Service Fund to the General Fund to repay previous transfers.
- \$7,232 was transferred from the 911 Emergency Services Fund to the 911 Wireless Fund at the direction of the Nebraska Public Service Commission.
- \$2,908 was transferred from the Landfill Fund to the General Fund. Per Resolution 98-18, late fees assessed on delinquent landfill accounts are to be transferred from the Landfill Fund to the General Fund prior to the end of June each year.
- \$69,328 was transferred from the Ambulance Fund to the General Fund to close the Ambulance Fund, and transferred the remaining balance to the General Fund.

7. Capital Leases Payable

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

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Capital Leases Payable** (Concluded)

	Road Equipment	911 Equipment	Sheriff Vehicles	2016 Ambulance	Total
Balance July 1, 2019	\$ 204,230	\$ 7,880	\$ 23,590	\$ 83,116	\$ 318,816
Purchases	200,862	-	39,846	-	240,708
Payments	82,757	7,880	9,295	41,268	141,200
Balance June 30, 2020	<u>\$ 322,335</u>	<u>\$ -</u>	<u>\$ 54,141</u>	<u>\$ 41,848</u>	<u>\$ 418,324</u>
Future Payments:					
Year					
2021	\$ 80,272	\$ -	\$ 27,564	\$ 42,288	\$ 150,124
2022	80,272	-	16,756	-	97,028
2023	80,272	-	11,895	-	92,167
2024	41,349	-	-	-	41,349
2025	37,710	-	-	-	37,710
2026-2030	18,855	-	-	-	18,855
Total Payments	338,730	-	56,215	42,288	437,233
Less Interest	(16,395)	-	(2,074)	(440)	(18,909)
Present Value of Future Minimum Lease Payments	<u>\$ 322,335</u>	<u>\$ -</u>	<u>\$ 54,141</u>	<u>\$ 41,848</u>	<u>\$ 418,324</u>
Carrying Value of the Related Fixed Asset	<u>\$ 404,944</u>	<u>\$ -</u>	<u>\$ 72,499</u>	<u>\$ 204,082</u>	<u>\$ 681,525</u>

8. **Contingent Liabilities**

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

9. **Long-Term Debt**

Manor Bond. The County issued bonds on May 30, 2019, in the amount of \$1,125,000 for the purpose of refunding the County's outstanding General Obligation Nursing Home Bonds, Series 2014. The bond payable balance, as of June 30, 2020, was \$1,125,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County expects the Nursing Home to cover bond payments due. There was also remaining payments of \$65,000 principle and \$569 interest due in fiscal year 2021 for the 2014 Nursing Home Bond. Full disclosure can be found in the Nursing Home's audit report.

Future Payments:	Principal	Interest	Total
Year			
2021	\$ -	\$ 28,090	\$ 28,090
2022	75,000	27,415	102,415
2023	75,000	26,028	101,028
2024	80,000	24,515	104,515
2025	80,000	22,875	102,875
2026-2030	430,000	85,655	515,655
2031-2035	385,000	23,722	408,722
Total Payments	<u>\$ 1,125,000</u>	<u>\$ 238,300</u>	<u>\$ 1,363,300</u>

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Long-Term Debt (Concluded)

Welcome Center Bond. The County issued bonds on July 1, 2014, in the amount of \$205,000 for the purpose of paying the costs of acquiring and furnishing a building for the use as a welcome center for the County. The bond payable balance, as of June 30, 2020, was \$85,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County expects the bonds to be paid from lodging tax receipts.

Future Payments:

Year	Principal	Interest	Total
2021	\$ 20,000	\$ 1,955	\$ 21,955
2022	20,000	1,495	21,495
2023	20,000	1,035	21,035
2024	25,000	575	25,575
Total Payments	\$ 85,000	\$ 5,060	\$ 90,060

Hospital Bond and Courthouse/Road Building Bond. These bonds were paid off in full during fiscal year 2020.

KIMBALL 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	\$ 3,287,900	\$ 3,287,900	\$ 3,027,560	\$ (260,340)
Licenses and Permits	12,750	12,750	17,297	4,547
Interest	10,000	10,000	18,966	8,966
Intergovernmental	440,225	440,225	418,929	(21,296)
Charges for Services	182,650	182,650	204,871	22,221
Miscellaneous	274,500	274,500	55,338	(219,162)
TOTAL RECEIPTS	4,208,025	4,208,025	3,742,961	(465,064)
DISBURSEMENTS				
General Government:				
County Board	66,465	66,465	60,939	5,526
County Clerk	181,908	181,908	170,691	11,217
County Treasurer	163,073	163,073	157,001	6,072
County Assessor	154,682	154,682	146,751	7,931
Election Commissioner	23,200	23,200	22,597	603
Building and Zoning	18,640	18,640	14,119	4,521
Human Resources	9,195	9,195	6,684	2,511
Clerk of the District Court	78,375	78,375	77,370	1,005
County Court System	4,750	4,750	3,734	1,016
Building and Grounds	191,969	191,969	156,806	35,163
Reappraisal	39,911	39,911	36,808	3,103
Agricultural Extension Agent	71,300	71,300	57,722	13,578
Employment Security	8,000	8,000	2,344	5,656
Grants	300,000	300,000	1,500	298,500
Miscellaneous	1,396,300	1,396,300	1,069,631	326,669
Public Safety				
County Sheriff	304,031	304,031	287,419	16,612
County Attorney	114,993	114,993	110,796	4,197
Dispatchers	243,000	243,000	216,369	26,631
County Jail	145,136	145,136	104,580	40,556
Emergency Management	29,500	29,500	24,566	4,934
Ambulance	149,750	149,750	138,694	11,056
Public Works				
County Surveyor	17,700	17,700	10,403	7,297
Noxious Weed Control	104,566	104,566	84,716	19,850
Public Assistance				
Veterans' Service Officer	46,447	46,447	38,376	8,071
Institutions	2,000	2,000	-	2,000
Relief	16,950	16,950	8,002	8,948
TOTAL DISBURSEMENTS	3,881,841	3,881,841	3,008,618	873,223

(Continued)

KIMBALL 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	326,184	326,184	734,343	408,159
OTHER FINANCING SOURCES (USES)				
Transfers in	695,500	695,500	92,236	(603,264)
Transfers out	(1,163,771)	(1,163,771)	(754,882)	408,889
TOTAL OTHER FINANCING SOURCES (USES)	(468,271)	(468,271)	(662,646)	(194,375)
Net Change in Fund Balance	(142,087)	(142,087)	71,697	213,784
FUND BALANCE - BEGINNING	692,087	692,087	692,087	-
FUND BALANCE - ENDING	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 763,784</u>	<u>\$ 213,784</u>

(Concluded)

KIMBALL COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Licenses and Permits	\$ 150	\$ 150	\$ 2,185	\$ 2,035
Intergovernmental	717,000	717,000	806,702	89,702
Charges for Services	650	650	1,716	1,066
Miscellaneous	54,990	54,990	3,101	(51,889)
TOTAL RECEIPTS	<u>772,790</u>	<u>772,790</u>	<u>813,704</u>	<u>40,914</u>
DISBURSEMENTS	<u>1,332,823</u>	<u>1,332,823</u>	<u>1,167,730</u>	<u>165,093</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(560,033)</u>	<u>(560,033)</u>	<u>(354,026)</u>	<u>206,007</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	737,888	737,888	450,000	(287,888)
Transfers out	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>637,888</u>	<u>637,888</u>	<u>350,000</u>	<u>(287,888)</u>
Net Change in Fund Balance	77,855	77,855	(4,026)	(81,881)
FUND BALANCE - BEGINNING	<u>97,145</u>	<u>97,145</u>	<u>97,145</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 93,119</u>	<u>\$ (81,881)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 90,300	\$ 90,300	\$ 115,691	\$ 25,391
TOTAL RECEIPTS	<u>90,300</u>	<u>90,300</u>	<u>115,691</u>	<u>25,391</u>
DISBURSEMENTS	<u>1,063,498</u>	<u>1,063,498</u>	<u>26,029</u>	<u>1,037,469</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(973,198)</u>	<u>(973,198)</u>	<u>89,662</u>	<u>1,062,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(650,000)	(650,000)	-	650,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>	<u>650,000</u>
Net Change in Fund Balance	(1,623,198)	(1,623,198)	89,662	1,712,860
FUND BALANCE - BEGINNING	<u>1,623,198</u>	<u>1,623,198</u>	<u>1,623,198</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,712,860</u>	<u>\$ 1,712,860</u>

(Continued)

KIMBALL 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 SINKING FUND				
RECEIPTS				
Intergovernmental	\$ 90,774	\$ 90,774	\$ 90,773	\$ (1)
TOTAL RECEIPTS	<u>90,774</u>	<u>90,774</u>	<u>90,773</u>	<u>(1)</u>
DISBURSEMENTS	<u>774,442</u>	<u>774,442</u>	<u>5,000</u>	<u>769,442</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(683,668)</u>	<u>(683,668)</u>	<u>85,773</u>	<u>769,441</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(583,668)	(583,668)	185,773	769,441
FUND BALANCE - BEGINNING	<u>583,668</u>	<u>583,668</u>	<u>583,668</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 769,441</u>	<u>\$ 769,441</u>
CAPITAL PROJECTS FUND				
RECEIPTS				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 597,420	\$ (2,580)
TOTAL RECEIPTS	<u>600,000</u>	<u>600,000</u>	<u>597,420</u>	<u>(2,580)</u>
DISBURSEMENTS	<u>1,352,144</u>	<u>1,352,144</u>	<u>991,005</u>	<u>361,139</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(752,144)</u>	<u>(752,144)</u>	<u>(393,585)</u>	<u>358,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	150,000	(150,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>300,000</u>	<u>300,000</u>	<u>150,000</u>	<u>(150,000)</u>
Net Change in Fund Balance	(452,144)	(452,144)	(243,585)	208,559
FUND BALANCE - BEGINNING	<u>452,144</u>	<u>452,144</u>	<u>452,144</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,559</u>	<u>\$ 208,559</u>

(Concluded)

KIMBALL 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)
CHILD SUPPORT - DISTRICT COURT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(46,932)	(46,932)	(30,271)	16,661
Transfers in	18,472	18,472	18,471	(1)
Transfers out	-	-	-	-
Net Change in Fund Balance	(28,460)	(28,460)	(11,800)	16,660
Fund Balance - Beginning	28,460	28,460	28,460	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,660</u>	<u>\$ 16,660</u>
CHILD SUPPORT - COUNTY ATTORNEY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(32,832)	(32,832)	(30,821)	2,011
Transfers in	31,011	31,011	31,011	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,821)	(1,821)	190	2,011
Fund Balance - Beginning	1,821	1,821	1,821	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,011</u>	<u>\$ 2,011</u>
VISITOR'S PROMOTION FUND				
Receipts	\$ 51,750	\$ 51,750	\$ 46,543	\$ (5,207)
Disbursements	(55,375)	(55,375)	(44,095)	11,280
Transfers in	30,500	30,500	5,000	(25,500)
Transfers out	(30,500)	(30,500)	-	30,500
Net Change in Fund Balance	(3,625)	(3,625)	7,448	11,073
Fund Balance - Beginning	3,625	3,625	3,625	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,073</u>	<u>\$ 11,073</u>
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 74,750	\$ 74,750	\$ 68,483	\$ (6,267)
Disbursements	(56,306)	(56,306)	(45,547)	10,759
Transfers in	50,000	50,000	5,000	(45,000)
Transfers out	(73,000)	(73,000)	(22,415)	50,585
Net Change in Fund Balance	(4,556)	(4,556)	5,521	10,077
Fund Balance - Beginning	4,556	4,556	4,556	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,077</u>	<u>\$ 10,077</u>

(Continued)

KIMBALL 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)
PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 6,500	\$ 6,500	\$ 5,538	\$ (962)
Disbursements	(25,359)	(25,359)	(598)	24,761
Net Change in Fund Balance	(18,859)	(18,859)	4,940	23,799
Fund Balance - Beginning	18,859	18,859	18,859	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,799</u>	<u>\$ 23,799</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ 1,013	\$ 1,013
Disbursements	(2,628)	(2,628)	-	2,628
Net Change in Fund Balance	(2,628)	(2,628)	1,013	3,641
Fund Balance - Beginning	2,978	2,978	2,978	-
Fund Balance - Ending	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ 3,991</u>	<u>\$ 3,641</u>
TRANSIT SERVICE FUND				
Receipts	\$ 468,926	\$ 468,926	\$ 449,136	\$ (19,790)
Disbursements	(469,359)	(469,359)	(441,902)	27,457
Transfers in	30,000	30,000	70,000	40,000
Transfers out	(30,000)	(30,000)	(20,000)	10,000
Net Change in Fund Balance	(433)	(433)	57,234	57,667
Fund Balance - Beginning	433	433	433	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,667</u>	<u>\$ 57,667</u>
STOP PROGRAM FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 1,350	\$ (3,650)
Disbursements	(27,619)	(27,619)	-	27,619
Net Change in Fund Balance	(22,619)	(22,619)	1,350	23,969
Fund Balance - Beginning	22,619	22,619	22,619	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,969</u>	<u>\$ 23,969</u>
DRUG LAW ENFORCEMENT & EDUCATION FUND				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	(54,647)	(54,647)	(2,000)	52,647
Net Change in Fund Balance	(4,647)	(4,647)	(2,000)	2,647
Fund Balance - Beginning	4,647	4,647	4,647	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,647</u>	<u>\$ 2,647</u>

(Continued)

KIMBALL 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)
911 EMERGENCY SERVICES FUND				
Receipts	\$ 15,620	\$ 15,620	\$ 13,808	\$ (1,812)
Disbursements	(59,975)	(59,975)	(12,129)	47,846
Transfers in	-	-	-	-
Transfers out	-	-	(7,232)	(7,232)
Net Change in Fund Balance	(44,355)	(44,355)	(5,553)	38,802
Fund Balance - Beginning	44,355	44,355	44,355	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,802</u>	<u>\$ 38,802</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 46,000	\$ 46,000	\$ 46,225	\$ 225
Disbursements	(81,501)	(81,501)	(26,019)	55,482
Transfers in	-	-	7,232	7,232
Transfers out	-	-	-	-
Net Change in Fund Balance	(35,501)	(35,501)	27,438	62,939
Fund Balance - Beginning	35,501	35,501	35,501	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,939</u>	<u>\$ 62,939</u>
WELCOME CENTER BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(113,000)	(113,000)	(22,415)	90,585
Transfers in	113,000	113,000	22,415	(90,585)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
HOSPITAL BOND FUND				
Receipts	\$ 221,770	\$ 221,770	\$ 171,991	\$ (49,779)
Disbursements	(377,585)	(377,585)	(379,791)	(2,206)
Net Change in Fund Balance	(155,815)	(155,815)	(207,800)	(51,985)
Fund Balance - Beginning	155,815	155,815	207,800	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,985)</u>

(Continued)

KIMBALL 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)
MANOR BOND FUND				
Receipts	\$ 96,333	\$ 96,333	\$ 94,933	\$ (1,400)
Disbursements	(96,333)	(96,333)	(94,933)	1,400
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COURTHOUSE/ROAD BUILDING BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(25,900)	(25,900)	(25,400)	500
Transfers in	25,900	25,900	25,400	(500)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LANDFILL FUND				
Receipts	\$ 74,750	\$ 74,750	\$ 82,372	\$ 7,622
Disbursements	(98,123)	(98,123)	(75,850)	22,273
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	(2,908)	7,092
Net Change in Fund Balance	(33,373)	(33,373)	3,614	36,987
Fund Balance - Beginning	33,373	33,373	33,373	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,987</u>	<u>\$ 36,987</u>
AMBULANCE FUND				
Receipts	\$ 5,686	\$ 5,686	\$ 14	\$ (5,672)
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(75,000)	(75,000)	(69,328)	5,672
Net Change in Fund Balance	(69,314)	(69,314)	(69,314)	-
Fund Balance - Beginning	69,314	69,314	69,314	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

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

	Child Support - District Court Fund	Child Support - County Attorney Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Preservation & Modernization Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 21,600	\$ 21,600	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	18,000	40,415	-
Charges for Services	-	-	1,425	1,425	5,538
Miscellaneous	-	-	5,518	5,043	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>46,543</u>	<u>68,483</u>	<u>5,538</u>
DISBURSEMENTS					
General Government	30,271	-	-	-	598
Public Safety	-	30,821	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	44,095	45,547	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>30,271</u>	<u>30,821</u>	<u>44,095</u>	<u>45,547</u>	<u>598</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(30,271)</u>	<u>(30,821)</u>	<u>2,448</u>	<u>22,936</u>	<u>4,940</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	18,471	31,011	5,000	5,000	-
Transfers out	-	-	-	(22,415)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,471</u>	<u>31,011</u>	<u>5,000</u>	<u>(17,415)</u>	<u>-</u>
Net Change in Fund Balances	(11,800)	190	7,448	5,521	4,940
FUND BALANCES - BEGINNING	<u>28,460</u>	<u>1,821</u>	<u>3,625</u>	<u>4,556</u>	<u>18,859</u>
FUND BALANCES - ENDING	<u>\$ 16,660</u>	<u>\$ 2,011</u>	<u>\$ 11,073</u>	<u>\$ 10,077</u>	<u>\$ 23,799</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	11,073	10,077	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	23,799
Child Support Enforcement	16,660	2,011	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Landfill	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 16,660</u>	<u>\$ 2,011</u>	<u>\$ 11,073</u>	<u>\$ 10,077</u>	<u>\$ 23,799</u>

(Continued)

KIMBALL 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	Transit Service Fund	STOP Program Fund	Drug Law Enforcement & Education Fund	911 Emergency Services Fund	911 Wireless Service Fund	Welcome Center Bond Fund
RECEIPTS							
Property Taxes	\$ 998	\$ -	\$ -	\$ -	\$ 13,703	\$46,225	\$ -
Investment Income	-	-	-	-	105	-	-
Intergovernmental	15	352,949	-	-	-	-	-
Charges for Services	-	83,137	1,350	-	-	-	-
Miscellaneous	-	13,050	-	-	-	-	-
TOTAL RECEIPTS	<u>1,013</u>	<u>449,136</u>	<u>1,350</u>	<u>-</u>	<u>13,808</u>	<u>46,225</u>	<u>-</u>
DISBURSEMENTS							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	2,000	12,129	26,019	-
Public Works	-	-	-	-	-	-	-
Public Assistance	-	441,902	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	20,000
Interest and Fiscal Charges	-	-	-	-	-	-	2,415
TOTAL DISBURSEMENTS	<u>-</u>	<u>441,902</u>	<u>-</u>	<u>2,000</u>	<u>12,129</u>	<u>26,019</u>	<u>22,415</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,013</u>	<u>7,234</u>	<u>1,350</u>	<u>(2,000)</u>	<u>1,679</u>	<u>20,206</u>	<u>(22,415)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	70,000	-	-	-	7,232	22,415
Transfers out	-	(20,000)	-	-	(7,232)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(7,232)</u>	<u>7,232</u>	<u>22,415</u>
Net Change in Fund Balances	1,013	57,234	1,350	(2,000)	(5,553)	27,438	-
FUND BALANCES - BEGINNING	<u>2,978</u>	<u>433</u>	<u>22,619</u>	<u>4,647</u>	<u>44,355</u>	<u>35,501</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,991</u>	<u>\$57,667</u>	<u>\$23,969</u>	<u>\$ 2,647</u>	<u>\$ 38,802</u>	<u>\$62,939</u>	<u>\$ -</u>
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	38,802	62,939	-
Drug Education	-	-	-	2,647	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-	-
Aid and Assistance	3,991	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	23,969	-	-	-	-
Aid and Assistance	-	57,667	-	-	-	-	-
Landfill	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 3,991</u>	<u>\$57,667</u>	<u>\$23,969</u>	<u>\$ 2,647</u>	<u>\$ 38,802</u>	<u>\$62,939</u>	<u>\$ -</u>

(Continued)

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

	Hospital Bond Fund	Manor Bond Fund	Courthouse/ Road Building Bond Fund	Landfill Fund	Ambulance Fund	Total Nonmajor Governmental Funds
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ 104,140
Investment Income	2,206	-	-	-	-	2,311
Intergovernmental	169,785	94,933	-	-	-	676,097
Charges for Services	-	-	-	82,372	-	175,247
Miscellaneous	-	-	-	-	-	23,611
TOTAL RECEIPTS	<u>171,991</u>	<u>94,933</u>	<u>-</u>	<u>82,372</u>	<u>14</u>	<u>981,406</u>
DISBURSEMENTS						
General Government	210,006	-	-	-	-	240,875
Public Safety	-	-	-	-	-	70,969
Public Works	-	-	-	75,850	-	75,850
Public Assistance	-	-	-	-	-	441,902
Culture and Recreation	-	-	-	-	-	89,642
Debt Service:						
Principal Payments	165,000	60,000	25,000	-	-	270,000
Interest and Fiscal Charges	4,785	34,933	400	-	-	42,533
TOTAL DISBURSEMENTS	<u>379,791</u>	<u>94,933</u>	<u>25,400</u>	<u>75,850</u>	<u>-</u>	<u>1,231,771</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(207,800)</u>	<u>-</u>	<u>(25,400)</u>	<u>6,522</u>	<u>14</u>	<u>(250,365)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	25,400	-	-	184,529
Transfers out	-	-	-	(2,908)	(69,328)	(121,883)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>25,400</u>	<u>(2,908)</u>	<u>(69,328)</u>	<u>62,646</u>
Net Change in Fund Balances	(207,800)	-	-	3,614	(69,314)	(187,719)
FUND BALANCES - BEGINNING	<u>207,800</u>	<u>-</u>	<u>-</u>	<u>33,373</u>	<u>69,314</u>	<u>478,341</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,987</u>	<u>\$ -</u>	<u>\$ 290,622</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	21,150
911 Emergency Services	-	-	-	-	-	101,741
Drug Education	-	-	-	-	-	2,647
Preservation of Records	-	-	-	-	-	23,799
Child Support Enforcement	-	-	-	-	-	18,671
Aid and Assistance	-	-	-	-	-	3,991
Committed to:						
Law Enforcement	-	-	-	-	-	23,969
Aid and Assistance	-	-	-	-	-	57,667
Landfill	-	-	-	36,987	-	36,987
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,987</u>	<u>\$ -</u>	<u>\$ 290,622</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Visitor's Committee	County Ambulance	County Transit	Total
BALANCES JULY 1, 2019	\$ 12,652	\$ 42,748	\$ 4,209	\$ 91	\$ 150	\$ 1,275	\$ 50	\$ 12,293	\$ 73,468
RECEIPTS									
Property Taxes	-	-	-	-	-	-	-	-	-
Licenses and Permits	650	-	495	-	2,185	-	-	-	3,330
Intergovernmental	-	-	-	-	-	-	-	917,313	917,313
Charges for Services	60,529	9,371	15,150	10	1,025	1,895	-	46,931	134,911
Miscellaneous	2,186	33	717	-	2,992	442	-	150	6,520
State Fees	29,461	9,349	-	-	6	19	-	-	38,835
Other Liabilities	325	87,536	31,274	70	-	1,437	-	-	120,642
TOTAL RECEIPTS	93,151	106,289	47,636	80	6,208	3,793	-	964,394	1,221,551
DISBURSEMENTS									
Payments to County Treasurer	64,273	14,808	16,785	100	6,252	3,424	50	973,097	1,078,789
Payments to State Treasurer	29,112	8,817	-	-	6	19	-	-	37,954
Other Liabilities	2,512	84,935	31,991	70	-	1,436	-	210	121,154
TOTAL DISBURSEMENTS	95,897	108,560	48,776	170	6,258	4,879	50	973,307	1,237,897
BALANCES JUNE 30, 2020	<u>\$ 9,906</u>	<u>\$ 40,477</u>	<u>\$ 3,069</u>	<u>\$ 1</u>	<u>\$ 100</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ 57,122</u>
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 4,830	\$ 1,344	\$ 1,469	\$ 1	\$ 100	\$ 89	\$ -	\$ 3,180	\$ 11,013
Petty Cash	2,540	100	1,600	-	-	100	-	200	4,540
Due to State Treasurer	2,536	1,130	-	-	-	-	-	-	3,666
Due to Others	-	37,903	-	-	-	-	-	-	37,903
BALANCES JUNE 30, 2020	<u>\$ 9,906</u>	<u>\$ 40,477</u>	<u>\$ 3,069</u>	<u>\$ 1</u>	<u>\$ 100</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ 57,122</u>

KIMBALL 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	\$ 8,801,345	\$ 8,334,425	\$ 8,239,684	\$ 8,177,497	\$ 8,452,639
Personal and Specials	3,310,447	3,054,645	2,968,900	3,086,093	3,060,197
Total	12,111,792	11,389,070	11,208,584	11,263,590	11,512,836
Corrections					
Additions	4,130	6,857	3,402	2,568	5,474
Deductions	(8,699)	(6,384)	(7,548)	(53,426)	(3,794)
Net Additions/ (Deductions)	(4,569)	473	(4,146)	(50,858)	1,680
Corrected Certified Tax	12,107,223	11,389,543	11,204,438	11,212,732	11,514,516
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	7,286,876	-	-	-	-
June 30, 2017	4,790,949	6,747,376	-	-	-
June 30, 2018	17,746	4,613,292	6,622,065	-	-
June 30, 2019	3,024	16,518	4,554,022	6,450,922	-
June 30, 2020	2,536	4,359	15,701	4,729,317	7,746,375
Total Net Collections	12,101,131	11,381,545	11,191,788	11,180,239	7,746,375
Total Uncollected Tax	\$ 6,092	\$ 7,998	\$ 12,650	\$ 32,493	\$ 3,768,141
Percentage Uncollected Tax	0.05%	0.07%	0.11%	0.29%	32.73%

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	unavailable	<u>\$ 17,922</u>
Total U.S. Department of Homeland Security			<u>17,922</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	unavailable	<u>43,401</u>
Total U.S. Department of Health and Human Services			<u>43,401</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Formula Grants for Rural Areas	20.509	unavailable	967,653
COVID-19 - Formula Grants for Rural Areas	20.509	unavailable	<u>113,785</u>
Total - Formula Grants for Rural Areas			<u>* 1,081,438</u>
Total U.S. Department of Transportation			<u>1,081,438</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,142,761</u></u>

* Represents Major Program
See accompanying Notes to the Schedule of Expenditures of Federal Awards

KIMBALL COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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KIMBALL 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
Kimball 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 Kimball County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Kimball County's basic financial statements, and have issued our report thereon dated March 25, 2021. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Kimball County Hospital or Nursing Home, component units of Kimball County.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kimball 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 Kimball 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 Kimball 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

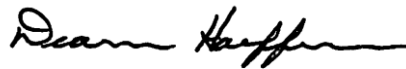
We also noted certain matters that we reported to the management of Kimball County in a separate letter dated March 25, 2021.

Kimball County's Response to Findings

Kimball County declined to respond to the finding described above.

Purpose of this Report

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



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 25, 2021



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

Independent Auditor's Report

Board of Commissioners
Kimball County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Kimball County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Kimball County's major Federal programs for the year ended June 30, 2020. Kimball County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Kimball County's basic financial statements do not include the financial data of the Kimball County Hospital and Nursing Home, component units of Kimball County.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

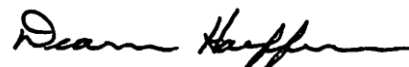
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of Kimball County as of and for the year ended June 30, 2020, and have issued our report thereon dated March 25, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

March 25, 2021



Deann Haeffner
Assistant Deputy Auditor
Lincoln, Nebraska

KIMBALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes None Reported

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes None Reported

Significant deficiencies identified? Yes None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Major programs: **Formula Grants for Rural Areas: CFDA #20.509**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

KIMBALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2020-1

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

Section III – Federal Award Findings and Questioned Costs

None Noted



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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March 25, 2021

Board of Commissioners
Kimball County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Kimball County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated March 25, 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 BOARD

Publishing of Meeting Minutes

Neb. Rev. Stat. § 23-122 (Reissue 2012) requires the County Board (Board) to publish, within 10 working days after the close of each meeting, "a brief statement of the proceedings thereof." Such statement must include "the amount of each claim allowed, the purpose of the claim, and the name of the claimant."

During the audit, we tested five County Board meeting minute publications and noted that none were published within the required 10 days. See the table below for the delays noted:

Meeting Date	Published Date	# of Days
7/16/2019	8/15/2019	22
10/15/2019	11/14/2019	22
1/7/2020	1/30/2020	17
4/7/2020	4/30/2020	17
5/19/2020	6/11/2020	17

Good internal controls require procedures to ensure that the Board publishes the required information within 10 working days of its meeting, as mandated by State statute.

Without such procedures, there is an increased risk of failure not only to comply with § 23-122 but also to provide the public with timely notice of the County Board's activities.

We recommend the County Board implement procedures to ensure publication of a brief statement of its proceedings within 10 working days after the close of a meeting.

Claims and Payroll Issues

We noted the following during our testing of vendor claims and employee payroll:

- The County provided \$0.50 shift differential pay for dispatchers working the overnight shift; however, there was no formal documentation available to support this additional pay.
- We tested two credit card claims and noted that the claims included taxes on in-state hotel stays, as well as payments not supported by itemized receipts. Details of the items noted are included in the table below.

Date	Payee	Amount	Issue Noted
Claim 1200054			
11/5/2019	America’s Best Value Inn (Lincoln, NE)	\$ 8.48	Sales & Lodging Tax Paid
11/7/2019	America’s Best Value Inn (Lincoln, NE)	8.48	Sales & Lodging Tax Paid
11/7/2019	Amigo’s (North Platte, NE)	16.51	No receipt provided
11/20/2019	Asian Buffet (Lincoln, NE)	36.68	Itemized receipt not provided
11/21/2019	Nelly’s Restaurant (St. Joseph, MO)	23.86	Itemized receipt not provided
11/21/2019	La Quinta Inn (Lincoln, NE)	23.10	Sales & Lodging Tax Paid
11/22/2019	Thai Chicken Bowl (Fort Smith, AR)	40.01	Itemized receipt not provided
11/23/2019	Berry’s Seafood (Florence, MS)	53.85	Itemized receipt not provided
11/30/2019	Pizza Hut (Ogallala, NE)	10.69	Itemized receipt not provided
12/1/2019	Days Inn (Ogallala, NE)	7.70	Sales & Lodging Tax Paid
Total Claim 1200054		\$ 229.36	
Claim 11190238			
10/9/2019	Ramada Inn (Kearney, NE)	\$ 32.95	Sales & Lodging Tax Paid
10/23/2019	La Quinta Inn (Lincoln, NE)	24.78	Sales & Lodging Tax Paid
11/2/2019	Buffet House Chinese (Grand Island, NE)	26.35	Itemized receipt not provided
11/3/2019	IHOP (Lincoln, NE)	42.50	Itemized receipt not provided
Total Claim 11190238		\$ 126.58	

Neb. Rev. Stat. § 77-2704.15(1)(a) (Reissue 2018) states, in relevant part, the following:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village, rural or suburban fire protection district, city airport authority, county airport authority, joint airport authority

Neb. Rev. Stat. § 13-610 (Reissue 2012) provides, as is relevant, the following:

(1) A political subdivision, through its governing body, may create its own purchasing card program

* * * *

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

(Emphasis added). Good internal controls and sound business practices require procedures to ensure: 1) differential pay rates are supported by formal documentation; 2) sales and lodging taxes on in-state hotel stays are avoided; and 3) all credit card transactions are supported by itemized receipts.

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

We recommend the County Board implement procedures to ensure the following: 1) differential pay rates are supported by formal documentation; 2) sales and lodging taxes on in-state hotel stays are avoided; and 3) all credit card transactions are supported by itemized receipts.

COUNTY CLERK

Imprest Account Pledged Collateral

During the audit, we noted that the deposits in the vendor and payroll imprest banks accounts were not secured adequately for 67 days during the fiscal year. Unsecured deposits ranged from \$10,979 to \$528,647.

Neb. Rev. Stat. § 77-2395(1) (Cum. Supp. 2020) states, in relevant part, the following:

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

Good internal controls require procedures to ensure that public funds deposited in banks are protected fully by FDIC coverage or otherwise collateralized adequately, in accordance with statutory requirements.

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

We recommend the County Clerk implement procedures for monitoring bank balances closely to ensure that all deposits are collateralized adequately.

COUNTY CLERK OF THE DISTRICT COURT

Monthly Financial Report Review

We noted that the Clerk of the District Court was not adequately reviewing the Monthly Case Balance Report or the Overdue Case Account Report.

Monthly Case Balance Report

We tested 10 balances held by the District Court and noted that two of those balances, totaling \$180, did not have timely action taken to resolve them. For both of those balances, warrants were issued in May 2016 and June 2018, respectively; however, no further action has occurred since.

Overdue Case Account Report

We tested five balances that were past due to the District Court and noted that all of those balances, totaling \$5,438, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. The last activity on these cases ranged from 2006 to 2017.

As of January 29, 2021, the Overdue Case Account Report contained 182 overdue balances on criminal cases, totaling \$56,678. Of these cases, only seven had a current warrant or suspension issued.

Good internal controls and sound business practices require procedures to ensure that trust case balances and overdue amounts of the District Court are reviewed on an ongoing, timely basis to determine what action should be taken to collect, remit, and/or otherwise resolve those balances.

Without such procedures, there is an increased risk that balances may either not have proper follow-up action timely or have been previously resolved and should no longer be reflected in the accounting system. Additionally, 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 financial reports are reviewed on an ongoing, timely basis. Potential courses of action for follow-up on overdue case balances include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or declaration of balances as uncollectible.

COUNTY SHERIFF

Office Procedures

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

- The office was unable to provide documentation that a monthly asset-to-liability reconciliation was performed. Per the County Sheriff's office, such reconciliations were performed; however, they were not retained for subsequent review. Consequently, as of June 30, 2020, we noted a shortage of \$395 without support or other information to determine the cause of the variance.
- The County Sheriff issued 15 checks, totaling \$243, to replenish the Office's car wash petty cash fund and to purchase postage. These checks were issued from the bank account used to deposit fee collections. Because the balance of this bank account did not include any petty cash funds, the County Sheriff lacks authority to use fee collections to issue such payments. All fees received by the County Sheriff must be remitted in full to the County Treasurer.

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

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

Sound accounting practices and good internal controls require procedures to ensure the following: 1) adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fee and trust accounts) on at least a monthly basis; 2) proper documentation is maintained to support any reconciliations performed; and 3) petty cash funds are replenished only through claims approved by the County Board, and all fees collected are remitted to the County Treasurer.

Without such procedures, there is an increased risk for theft, loss, or misuse of funds, as well as errors occurring and remaining undetected more easily.

We recommend the County Sheriff implement monthly balancing procedures to ensure the performance of asset-to-liability reconciliations, and documentation of any reconciliations performed is maintained for subsequent review. We also recommend that petty cash funds are replenished only through claims approved by the County Board.

COUNTY VISITOR’S CENTER

Office Procedures

During the audit, we noted that the sales logs kept by the Visitor’s Center to track the sale of gift shop items, consignment sales, and donations were not adequate. The logs did not indicate if the funds collected were deposited to the Visitor’s Center bank account, remitted directly to the County Treasurer, or paid to the consignor. Additionally, the logs appeared to be incomplete and missing sales receipts and donations. As a result, we were unable to determine how much money should have been remitted to the County Treasurer and how much money should have been reimbursed to the consignor from the sale of items during the month.

We also noted that all money received by the Visitor’s Center was not remitted to the County Treasurer and disbursed only upon claims approved by the County Board, as required by Neb. Rev. Stat. § 23-1601 (Cum. Supp. 2020). Instead, funds collected by the Visitor Center were used to make the following payments:

Purchase Description	Amount
Donations	\$ 500.00
Supplies & Other Expenses	448.00
Total	\$ 948.00

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

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

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

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.

Finally, good internal control and sound accounting practices require procedures to ensure that adequate records are maintained to document all money received by the Visitor’s Center. Such procedures should ensure also that all money received by the Visitor’s Center is remitted to the County Treasurer, and purchases are made only through the claim and warrant process of the County Board.

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

We recommend the County Visitor’s Center implement procedures for documenting all collections, ensuring all fees collected are remitted to the County Treasurer in accordance with § 23-1601, and permitting all expenditures to be made through the County Board’s claim and warrant process.

COUNTY OVERALL

Unclaimed Property

During the audit, we noted that the following offices had checks that were outstanding for over three years and, therefore, qualified as unclaimed property required to be remitted to the State Treasurer.

- The Clerk of the District Court had three checks, totaling \$98, that were originally issued in fiscal years 2016 and 2017 but had not been remitted to the State Treasurer as unclaimed property.
- The County Attorney remitted nine unclaimed checks, totaling \$135, to the County Treasurer rather than to the State Treasurer.
- The County Board Vendor Imprest Account had three checks, totaling \$126, that were originally issued in fiscal years 2015 and 2017 but had not been remitted to the State Treasurer as unclaimed property.

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

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

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

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

* * * *

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

Good internal controls require procedures to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer.

Without such procedures, there is an increased risk of noncompliance with State statute.

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

County Attorney's Response: I noted in the audit a statement about the County Attorney's office turned abandoned money over to the County Treasurer instead of the State Treasurer. I would note that we did that at the suggestion and request of our prior auditor.

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.

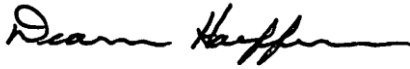
We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

* * * * *

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,

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

Deann Haeffner, CPA
Assistant Deputy Auditor