

**AUDIT REPORT
OF
ADAMS COUNTY**

JULY 1, 2020, THROUGH JUNE 30, 2021

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Issued on March 10, 2022

ADAMS COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor’s Report	2 - 3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	8
Notes to Financial Statements	9 - 18
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	19 - 20
Budgetary Comparison Schedule - Budget and Actual - Major Funds	21 - 23
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	24 - 27
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	28 - 31
Schedule of Office Activities	32 - 33
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	34
Schedule of Expenditures of Federal Awards	35 - 36
Notes to the Schedule of Expenditures of Federal Awards	37
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>	38 - 39
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	40 - 41
Schedule of Findings and Questioned Costs	42 - 43
Auditee Section	
Schedule of Prior Audit Findings	44
Corrective Action Plan	45

ADAMS COUNTY
500 W. 4th Street
Hastings, NE 68901

LIST OF COUNTY OFFICIALS
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Lee Hogan	Jan. 2023
	Charles Neumann	Jan. 2025
	Michael Stromer	Jan. 2023
	Glen Larsen	Jan. 2025
	Harold Johnson	Jan. 2025
	Dale Curtis	Jan. 2023
	Joe Patterson	Jan. 2023
Assessor	Jackie Russell	Jan. 2023
Attorney	Donna Fegler Daiss	Jan. 2023
Clerk Election Commissioner	Ramona Thomas	Jan. 2023
Clerk of the District Court	Amanda Bauer	Jan. 2023
Register of Deeds	Rachel Ormsby	Jan. 2023
Sheriff	John Rust	Jan. 2023
Treasurer	Melanie Curry	Jan. 2023
Surveyor	Tom Krueger	Jan. 2023
Public Defender	Shon Lieske	Jan. 2023
Veterans' Service Officer	Chris Long	Appointed
Weed Superintendent	Eric Walston	Appointed
Highway Superintendent	Dawn Miller	Appointed
Planning & Zoning	Judy Mignery	Appointed
Emergency Manager	Ron Pughes	Appointed



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ADAMS COUNTY

INDEPENDENT AUDITOR'S REPORT

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

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

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-36, 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 3, 2022, on our consideration of Adams County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Adams County's internal control over financial reporting and compliance.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 3, 2022

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 19,855,607
Investments (Note 1.D)	1,706,783
TOTAL ASSETS	\$ 21,562,390
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 551,430
Drug Education	2,113
Law Enforcement	3,792
Preservation of Records	75,238
Road Projects	267,305
Federal Relief	3,045,948
County Buildings	9,854,663
Juvenile Services	40,922
Unrestricted	7,720,979
TOTAL NET POSITION	\$ 21,562,390

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,026,450)	\$ 1,143,853	\$ 99,345	\$ (4,783,252)
Public Safety	(7,191,761)	175,437	717,256	(6,299,068)
Public Works	(5,404,624)	18,396	3,011,925	(2,374,303)
Public Assistance	(188,855)	-	-	(188,855)
Culture and Recreation	(384,201)	-	-	(384,201)
Debt Payments	(4,923,575)	-	-	(4,923,575)
Capital Outlay	(4,332,450)	-	-	(4,332,450)
Total Governmental Activities	<u><u>\$ (28,451,916)</u></u>	<u><u>\$ 1,337,686</u></u>	<u><u>\$ 3,828,526</u></u>	<u><u>(23,285,704)</u></u>

General Receipts:

Taxes	12,666,401
Grants and Contributions Not Restricted to Specific Programs	4,472,382
Investment Income	29,355
Licenses and Permits	207,764
Proceeds from Sale of Bonds	14,176,063
Miscellaneous	289,705
Total General Receipts	<u><u>31,841,670</u></u>
 Increase in Net Position	 8,555,966
Net Position - Beginning of year	13,006,424
Net Position - End of year	<u><u>\$ 21,562,390</u></u>

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

ADAMS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Road/Bridge Fund	Rural Road Improvement Fund	COVID American Rescue Plan Fund	Law Enforcement Center Fund	Escrow Holding Fund	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents (Note 1.D)	\$ 1,494,916	\$ 546,630	\$ 267,305	\$ 3,045,948	\$ 9,854,663	\$ 2,246,333	\$ 2,399,812	\$ 19,855,607
Investments (Note 1.D)	-	-	-	-	-	-	1,706,783	1,706,783
TOTAL ASSETS	<u>\$ 1,494,916</u>	<u>\$ 546,630</u>	<u>\$ 267,305</u>	<u>\$ 3,045,948</u>	<u>\$ 9,854,663</u>	<u>\$ 2,246,333</u>	<u>\$ 4,106,595</u>	<u>\$ 21,562,390</u>
FUND BALANCES								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	551,430	551,430
Drug Education	-	-	-	-	-	-	2,113	2,113
Law Enforcement	-	-	-	-	-	-	3,792	3,792
Preservation of Records	-	-	-	-	-	-	75,238	75,238
Road Projects	-	-	267,305	-	-	-	-	267,305
Federal Relief	-	-	-	3,045,948	-	-	-	3,045,948
County Buildings	-	-	-	-	9,854,663	-	-	9,854,663
Juvenile Services	-	-	-	-	-	-	40,922	40,922
Committed to:								
Law Enforcement/Public Safety	-	-	-	-	-	140,957	11,604	152,561
Road/Bridge Maintenance & Equipment	-	546,630	-	-	-	1,735,709	-	2,282,339
Aid and Assistance	-	-	-	-	-	-	1	1
County Buildings	-	-	-	-	-	289,831	-	289,831
Insurance Premiums	-	-	-	-	-	-	849,402	849,402
Library Services	-	-	-	-	-	-	3,616	3,616
Office Furnishings, Supplies & Equipment	-	-	-	-	-	62,794	-	62,794
Debt Service	-	-	-	-	-	-	553,614	553,614
Assigned to:								
Other Purposes	-	-	-	-	-	17,042	2,014,863	2,031,905
Unassigned	1,494,916	-	-	-	-	-	-	1,494,916
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,494,916</u>	<u>\$ 546,630</u>	<u>\$ 267,305</u>	<u>\$ 3,045,948</u>	<u>\$ 9,854,663</u>	<u>\$ 2,246,333</u>	<u>\$ 4,106,595</u>	<u>\$ 21,562,390</u>

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

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

	General Fund	Road/Bridge Fund	Rural Road Improvement Fund	COVID American Rescue Plan Fund	Law Enforcement Center Fund	Escrow Holding Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS								
Taxes	\$11,058,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,607,938	\$ 12,666,401
Licenses and Permits	201,080	6,684	-	-	-	-	-	207,764
Investment Income	29,355	-	-	-	-	-	-	29,355
Intergovernmental	1,751,370	3,180,292	10,914	3,045,948	-	-	312,384	8,300,908
Charges for Services	1,294,409	18,396	-	-	-	-	24,881	1,337,686
Miscellaneous	66,573	23,647	-	-	-	-	199,485	289,705
TOTAL RECEIPTS	14,401,250	3,229,019	10,914	3,045,948	-	-	2,144,688	22,831,819
DISBURSEMENTS								
General Government	5,496,133	-	-	-	-	5,068	525,249	6,026,450
Public Safety	6,834,907	-	-	-	-	150,378	206,476	7,191,761
Public Works	94,867	3,717,403	-	-	-	1,592,354	-	5,404,624
Public Assistance	186,032	-	-	-	-	-	2,823	188,855
Culture and Recreation	-	-	-	-	-	-	384,201	384,201
Debt Service:								
Principal Payments	-	-	4,031,511	-	-	-	748,000	4,779,511
Interest and Fiscal Charges	-	-	53,489	-	-	-	90,575	144,064
Capital Outlay	-	-	2,953,513	-	-	-	1,378,937	4,332,450
TOTAL DISBURSEMENTS	12,611,939	3,717,403	7,038,513	-	-	1,747,800	3,336,261	28,451,916
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,789,311	(488,384)	(7,027,599)	3,045,948	-	(1,747,800)	(1,191,573)	(5,620,097)
OTHER FINANCING SOURCES (USES)								
Transfers in	1,305,824	3,152,317	9,014	-	-	2,238,865	683,925	7,389,945
Transfers out	(3,655,473)	(2,201,409)	-	-	-	-	(1,533,063)	(7,389,945)
Proceeds from Sale of Bonds	-	-	4,085,000	-	9,854,663	-	236,400	14,176,063
TOTAL OTHER FINANCING SOURCES (USES)	(2,349,649)	950,908	4,094,014	-	9,854,663	2,238,865	(612,738)	14,176,063
Net Change in Fund Balances	(560,338)	462,524	(2,933,585)	3,045,948	9,854,663	491,065	(1,804,311)	8,555,966
CASH BASIS FUND BALANCES - BEGINNING								
	2,055,254	84,106	3,200,890	-	-	1,755,268	5,910,906	13,006,424
CASH BASIS FUND BALANCES - ENDING								
	<u>\$ 1,494,916</u>	<u>\$ 546,630</u>	<u>\$ 267,305</u>	<u>\$3,045,948</u>	<u>\$ 9,854,663</u>	<u>\$2,246,333</u>	<u>\$ 4,106,595</u>	<u>\$ 21,562,390</u>

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

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

	Custodial Fund Balances July 1, 2020 (as restated)	Receipts	Disbursements	Custodial Fund Balances June 30, 2021
ASSETS				
Cash and Cash Equivalents	\$ 2,038,863	\$ 69,152,936	\$ 68,622,089	\$ 2,569,710
Investments	122,385	198	-	122,583
TOTAL ASSETS	<u>2,161,248</u>	<u>69,153,134</u>	<u>68,622,089</u>	<u>2,692,293</u>
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	737,867	9,260,435	9,218,046	780,256
State - Collected by Other Offices	22,940	404,105	396,246	30,799
Schools	735,627	41,053,872	40,660,866	1,128,633
Educational Service Units	6,587	585,689	579,947	12,329
Technical College	40,909	3,606,369	3,571,655	75,623
Natural Resource Districts	11,253	922,497	915,264	18,486
Fire Districts	3,635	580,017	572,669	10,983
Municipalities	229,350	9,486,846	9,399,956	316,240
Agricultural Society	7,780	699,502	692,437	14,845
Townships	41,446	106,141	147,587	-
Sanitary and Improvement Districts	123,469	90,048	88,164	125,353
Others - Collected by County Treasurer	426	606,474	605,472	1,428
Others - Collected by Other Offices	199,959	1,751,139	1,773,780	177,318
TOTAL LIABILITIES	<u>2,161,248</u>	<u>69,153,134</u>	<u>68,622,089</u>	<u>2,692,293</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

Behavioral Health Region III – 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 III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

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 \$82,733 toward the operation of the Region during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the South Heartland District 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).

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$2,500 toward the operation of the Department during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2021). Financial information for the Department is available in that report.

South Central Planning, Exercise, and Training Region (Region) – The County has entered into an agreement with the surrounding counties and municipalities to establish, maintain, and operate a public safety planning, exercise, and training program. Agreements were established under the authority of the Interlocal Cooperation Act for services provided per the agreement.

The governing board of the Region is established by the agreement and includes representatives from participating county and municipality boards. The County is the fiscal agent for the Region, and pays for expenditures through a separate fund set up for that purpose. The fund is included in the financial activity of the County as the Regional Emergency Management Fund.

B. Basis of Presentation

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

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

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

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

Rural Road Improvement Fund. This fund is used to account for costs associated with road, highway, and drainage improvements in the County. It is primarily funded by proceeds from the sale of bonds.

COVID American Rescue Plan Fund. This fund is used to account for aid received from the Federal government through the American Rescue Plan Act and will be used as allowed by Federal requirements. As of June 30, 2021, the County was still in the process of determining how to use these funds.

Law Enforcement Center Fund. This fund is used to account for costs related to the construction, equipping, and furnishing of the new County Justice Center. It is primarily funded by proceeds from the sale of bonds.

Escrow Holding Fund. This fund is used to account for activity related to budgeting open and contracted commitments of the County. It is primarily funded by transfers from the General Fund and Road/Bridge Fund.

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

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

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

Capital Project Funds. The County Building/ACOB Parking Lot Fund, Adams Central Road Project Fund, and the Showboat South of Hwy 6 Fund account for all resources received and used for the acquisition or development of major capital improvements.

Debt Service Funds. The Courthouse Building Bond Fund and Highway Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

ADAMS 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, certificates of deposits, and demand deposits.

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

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$13,841,411 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, 2021, disbursements exceeded budgeted appropriations in the Rural Road Improvement Fund by \$3,837,623. These over-expenditures were funded by bond refinancing proceeds.

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).

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

At year end, the County's carrying amount of deposits was \$19,855,607 for County funds and \$2,569,710 for Fiduciary funds. The bank balances for all funds totaled \$21,626,881. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$1,706,783 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$122,583 for Fiduciary Funds. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

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

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

The levy set in October 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.295171/\$100 of assessed valuation. The levy set in October 2019, for the 2019 taxes, which were materially collected in May and September 2020, was set at \$.267959/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2020) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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

For the year ended June 30, 2021, 179 employees contributed \$339,149, and the County contributed \$502,575. Contributions included \$12,262 in cash contributions towards the supplemental law enforcement plan for 18 law enforcement employees. Lastly, the County paid \$230 directly to three retired employees for prior service benefits.

5. **Risk Management**

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

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

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

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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

6. **Interfund Transfers**

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

Transfers to	Transfers from			Total
	General Fund	Road/Bridge Fund	Nonmajor Funds	
Road/Bridge Fund	\$ 3,152,317	\$ -	\$ -	\$ 3,152,317
Escrow Holding Fund	503,156	1,735,709	-	2,238,865
General Fund	-	-	1,305,824	1,305,824
Rural Road Improvement Fund	-	-	9,014	9,014
Nonmajor Funds	-	465,700	218,225	683,925
Total	\$ 3,655,473	\$ 2,201,409	\$ 1,533,063	\$ 7,389,945

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

In the year ended June 30, 2021, the County made a one-time transfer of \$465,700 from the Road/Bridge Fund to the Highway Bond Fund to ensure sufficient funds were available to disburse a bond payment. Additionally, \$503,156 was transferred from the General Fund and \$1,735,709 was transferred from the Road/Bridge Fund to the Escrow Holding Fund to set aside funds that were budgeted in fiscal year 2021 but were not used. These funds will be spent during fiscal year 2022 or transferred back to the General Fund or Road/Bridge Fund.

7. **Long-Term Obligations**

Capital Leases

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

	<u>Motorgraders</u>
Balance July 1, 2020	\$ 373,960
Purchases	-
Payments	233,800
Balance June 30, 2021	<u>\$ 140,160</u>
Future Payments:	
Year	
2022	\$ 46,720
2023	46,720
2024	46,720
Total Future Payments	<u>\$ 140,160</u>
Carrying Value of the Related Fixed Asset	<u>\$ 233,600</u>

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Bonds

Highway Allocation Construction Bonds. The County issued bonds on May 12, 2016, in the amount of \$2,670,000 to refund the outstanding balance of the Series 2011 bonds and to pay the costs of certain streets, highways, and roads within the County. The bond payable balance, as of June 30, 2021, was \$460,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2022	\$ 460,000	\$ 3,565	\$ 463,565

Highway Allocation Road Bonds. The County issued bonds on July 16, 2018, in the amount of \$795,000 to pay the construction costs of certain roads within the County for the Southeast Truck Route. The bond payable balance, as of June 30, 2021, was \$540,000. 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 plans to use future highway allocation receipts to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2022	\$ 265,000	\$ 10,106	\$ 275,106
2023	275,000	3,410	278,410
Total Payments	\$ 540,000	\$ 13,516	\$ 553,516

Building Bonds. The County issued bonds on July 30, 2020, in the amount of \$240,000 to pay the costs of constructing and improving the site of a County building and paying certain costs of issuance of the bonds. The bond payable balance, as of June 30, 2021, was \$202,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2022	\$ 44,000	\$ 3,820	\$ 47,820
2023	44,000	2,940	46,940
2024	45,000	2,060	47,060
2025	46,000	1,150	47,150
2026	23,000	230	23,230
Total Payments	\$ 202,000	\$ 10,200	\$ 212,200

Justice Center Bonds. The County issued bonds on April 15, 2021, in the amount of \$9,630,000 to pay the costs of constructing, equipping, and furnishing a new County Justice Center. The bond payable balance, as of June 30, 2021, was \$9,630,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

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

Future Payments:			
Year	Principal	Interest	Total
2022	\$ -	\$ 192,600	\$ 192,600
2023	-	192,600	192,600
2024	600,000	186,600	786,600
2025	615,000	174,450	789,450
2026	625,000	162,050	787,050
2027-2031	3,335,000	614,950	3,949,950
2032-2036	3,675,000	264,750	3,939,750
2036	780,000	7,800	787,800
Total Payments	<u>\$ 9,630,000</u>	<u>\$ 1,795,800</u>	<u>\$ 11,425,800</u>

Rural Road Improvement Bonds. The County issued bonds on December 30, 2020, in the amount of \$4,085,000 to refinance the Bond Anticipation Notes issued on June 30, 2020, and provide permanent financing for the construction of improvements in Rural Road Improvement District No. 2020-1, along with related drainage improvements. The bond payable balance, as of June 30, 2021, was \$4,085,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2022	\$ 575,000	\$ 21,663	\$ 596,663
2023	575,000	19,219	594,219
2024	580,000	16,475	596,475
2025	585,000	13,416	598,416
2026	585,000	10,052	595,052
2027-2028	1,185,000	8,611	1,193,611
Total Payments	<u>\$ 4,085,000</u>	<u>\$ 89,436</u>	<u>\$ 4,174,436</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. **Historical Society**

During the fiscal year ending June 30, 2021, the Adams County Historical Society (Historical Society) received \$12,400 of funding from the County per Neb. Rev. Stat. § 23-355.01(2) (Reissue 2012). The full amount received was spent by the Historical Society. Because the Historical Society is a separate non-profit organization, its bank and investment balances were not included in the financial statements.

10. **Prior-Period Adjustment**

The beginning balances were increased by \$19,553 on the Fiduciary Fund Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances from the balances reported in the County's fiscal year 2020 financial statements. These adjustments were made to report the monies held by County officials other than the County Treasurer.

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 11,848,542	\$ 11,848,542	\$11,058,463	\$ (790,079)
Licenses and Permits	120,545	120,545	201,080	80,535
Investment Income	100,000	100,000	29,355	(70,645)
Intergovernmental	1,674,295	1,674,295	1,751,370	77,075
Charges for Services	1,029,300	1,029,300	1,294,409	265,109
Miscellaneous	34,300	34,300	66,573	32,273
TOTAL RECEIPTS	14,806,982	14,806,982	14,401,250	(405,732)
DISBURSEMENTS				
General Government:				
County Board	263,820	254,245	242,922	11,323
County Clerk	388,083	373,057	338,387	34,670
County Treasurer	622,163	607,131	578,671	28,460
Register of Deeds	266,983	266,983	259,022	7,961
County Assessor	510,973	510,973	465,829	45,144
Election Commissioner	79,670	79,670	57,832	21,838
Building and Zoning	69,296	69,296	58,632	10,664
Data Processing	319,765	319,765	287,230	32,535
Clerk of the District Court	492,697	411,346	391,345	20,001
County Court System	171,000	129,566	117,347	12,219
District Judge	63,652	63,652	59,106	4,546
Public Defender	1,096,195	1,163,707	1,154,132	9,575
Building and Grounds	562,765	552,073	552,073	-
Agricultural Extension Agent	227,634	227,634	203,039	24,595
Microfilm	9,425	9,425	8,472	953
Miscellaneous	880,404	880,404	722,094	158,310
Public Safety				
County Sheriff	2,360,721	2,312,116	2,180,357	131,759
County Attorney	1,456,121	1,366,236	1,342,371	23,865
Communication Center	102,000	102,000	84,442	17,558
County Jail	2,614,151	2,581,352	2,492,153	89,199
Emergency Management	1,405,081	1,405,081	519,154	885,927
Adult Probation	63,886	63,886	60,923	2,963
Ambulance	62,500	62,500	62,500	-
Building Security	101,500	101,500	93,007	8,493
Public Works				
County Surveyor	27,935	27,935	17,689	10,246
Noxious Weed Control	93,566	93,566	77,178	16,388

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Assistance				
Veterans' Service Officer	189,637	189,637	167,009	22,628
County Relief	30,000	30,000	10,007	19,993
Institutions	15,000	15,000	9,016	5,984
TOTAL DISBURSEMENTS	<u>14,546,623</u>	<u>14,269,736</u>	<u>12,611,939</u>	<u>1,657,797</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>260,359</u>	<u>537,246</u>	<u>1,789,311</u>	<u>1,252,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,309,817	1,309,817	1,305,824	(3,993)
Transfers out	<u>(2,875,430)</u>	<u>(2,598,543)</u>	<u>(3,655,473)</u>	<u>(1,056,930)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,565,613)</u>	<u>(1,288,726)</u>	<u>(2,349,649)</u>	<u>(1,060,923)</u>
Net Change in Fund Balance	(1,305,254)	(751,480)	(560,338)	191,142
FUND BALANCE - BEGINNING	<u>2,055,254</u>	<u>2,055,254</u>	<u>2,055,254</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 750,000</u>	<u>\$ 1,303,774</u>	<u>\$ 1,494,916</u>	<u>\$ 191,142</u>

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD/BRIDGE FUND				
RECEIPTS				
Licenses and Permits	\$ 7,500	\$ 7,500	\$ 6,684	\$ (816)
Intergovernmental	3,094,916	3,094,916	3,180,292	85,376
Charges for Services	6,700	6,700	18,396	11,696
Miscellaneous	12,200	12,200	23,647	11,447
TOTAL RECEIPTS	3,121,316	3,121,316	3,229,019	107,703
DISBURSEMENTS	5,615,152	5,615,152	3,717,403	1,897,749
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,493,836)	(2,493,836)	(488,384)	2,005,452
OTHER FINANCING SOURCES (USES)				
Transfers in	2,875,430	2,875,430	3,152,317	276,887
Transfers out	(465,700)	(465,700)	(2,201,409)	(1,735,709)
TOTAL OTHER FINANCING SOURCES (USES)	2,409,730	2,409,730	950,908	(1,458,822)
Net Change in Fund Balance	(84,106)	(84,106)	462,524	546,630
FUND BALANCE - BEGINNING	84,106	84,106	84,106	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,630</u>	<u>\$ 546,630</u>
RURAL ROAD IMPROVEMENT FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 10,914	\$ 10,914
TOTAL RECEIPTS	-	-	10,914	10,914
DISBURSEMENTS	3,200,890	3,200,890	7,038,513	(3,837,623)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,200,890)	(3,200,890)	(7,027,599)	(3,826,709)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,014	9,014
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	4,085,000	4,085,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	4,094,014	4,094,014
Net Change in Fund Balance	(3,200,890)	(3,200,890)	(2,933,585)	267,305
FUND BALANCE - BEGINNING	3,200,890	3,200,890	3,200,890	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,305</u>	<u>\$ 267,305</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>COVID AMERICAN RESCUE PLAN FUND</u>				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 3,045,948	\$ 3,045,948
TOTAL RECEIPTS	-	-	3,045,948	3,045,948
DISBURSEMENTS				
	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	-	-	3,045,948	3,045,948
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	-	-	3,045,948	3,045,948
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,045,948	\$ 3,045,948
<u>LAW ENFORCEMENT CENTER FUND</u>				
RECEIPTS				
	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS				
	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	9,854,663	9,854,663
TOTAL OTHER FINANCING SOURCES (USES)	-	-	9,854,663	9,854,663
Net Change in Fund Balance	-	-	9,854,663	9,854,663
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 9,854,663	\$ 9,854,663

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ESCROW HOLDING FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	1,751,275	1,751,275	1,747,800	3,475
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,751,275)	(1,751,275)	(1,747,800)	3,475
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,238,865	2,238,865
Transfers out	(3,993)	(3,993)	-	3,993
TOTAL OTHER FINANCING SOURCES (USES)	(3,993)	(3,993)	2,238,865	2,242,858
Net Change in Fund Balance	(1,755,268)	(1,755,268)	491,065	2,246,333
FUND BALANCE - BEGINNING	1,755,268	1,755,268	1,755,268	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,246,333	\$ 2,246,333

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS PROMOTION FUND				
Receipts	\$ 446	\$ 446	\$ 99,118	\$ 98,672
Disbursements	(260,632)	(260,632)	(69,181)	191,451
Net Change in Fund Balance	(260,186)	(260,186)	29,937	290,123
Fund Balance - Beginning	260,186	260,186	260,186	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,123</u>	<u>\$ 290,123</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ 49,516	\$ 49,516
Disbursements	(259,191)	(259,191)	(47,400)	211,791
Net Change in Fund Balance	(259,191)	(259,191)	2,116	261,307
Fund Balance - Beginning	259,191	259,191	259,191	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,307</u>	<u>\$ 261,307</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 18,000	\$ 18,000	\$ 24,881	\$ 6,881
Disbursements	(86,288)	(86,288)	(17,931)	68,357
Net Change in Fund Balance	(68,288)	(68,288)	6,950	75,238
Fund Balance - Beginning	68,288	68,288	68,288	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,238</u>	<u>\$ 75,238</u>
HEALTH FUND				
Receipts	\$ -	\$ -	\$ 197,985	\$ 197,985
Disbursements	(230,339)	(230,339)	(209,992)	20,347
Net Change in Fund Balance	(230,339)	(230,339)	(12,007)	218,332
Fund Balance - Beginning	230,339	230,339	861,409	631,070
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,402</u>	<u>\$ 849,402</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(2,823)	(2,823)	(2,823)	-
Transfers in	2,822	2,822	2,822	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1)	(1)	-	1
Fund Balance - Beginning	1	1	1	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LIBRARY FUND				
Receipts	\$ 205,728	\$ 205,728	\$ 197,697	\$ (8,031)
Disbursements	(206,927)	(206,927)	(195,280)	11,647
Net Change in Fund Balance	(1,199)	(1,199)	2,417	3,616
Fund Balance - Beginning	1,199	1,199	1,199	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,616</u>	<u>\$ 3,616</u>
BOOKMOBILE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(72,340)	(72,340)	(72,340)	-
Net Change in Fund Balance	(72,340)	(72,340)	(72,340)	-
Fund Balance - Beginning	72,340	72,340	72,340	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ -	\$ -	\$ 1,500	\$ 1,500
Disbursements	(926)	(926)	(313)	613
Net Change in Fund Balance	(926)	(926)	1,187	2,113
Fund Balance - Beginning	926	926	926	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113</u>	<u>\$ 2,113</u>
FEDERAL DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(8,566)	(8,566)	(4,774)	3,792
Net Change in Fund Balance	(8,566)	(8,566)	(4,774)	3,792
Fund Balance - Beginning	8,566	8,566	8,566	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,792</u>	<u>\$ 3,792</u>
REGIONAL EMERGENCY MANAGEMENT FUND				
Receipts	\$ 1,569	\$ 1,569	\$ 1,500	\$ (69)
Disbursements	(11,673)	(11,673)	-	11,673
Net Change in Fund Balance	(10,104)	(10,104)	1,500	11,604
Fund Balance - Beginning	10,104	10,104	10,104	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ 11,604</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE GRANT FUND				
Receipts	\$ 251,359	\$ 251,359	\$ 233,661	\$ (17,698)
Disbursements	(260,009)	(260,009)	(201,389)	58,620
Net Change in Fund Balance	(8,650)	(8,650)	32,272	40,922
Fund Balance - Beginning	8,650	8,650	8,650	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,922</u>	<u>\$ 40,922</u>

COURTHOUSE BUILDING BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(89,860)	(89,860)	(42,040)	47,820
Transfers in	89,860	89,860	113,909	24,049
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	71,869	71,869
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,869</u>	<u>\$ 71,869</u>

HIGHWAY BOND FUND				
Receipts	\$ 633,042	\$ 633,042	\$ 495,937	\$ (137,105)
Disbursements	(1,383,285)	(1,383,285)	(764,435)	618,850
Transfers in	465,700	465,700	465,700	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(284,543)	(284,543)	197,202	481,745
Fund Balance - Beginning	284,543	284,543	284,543	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,745</u>	<u>\$ 481,745</u>

COUNTY BUILDING/ACOB PARKING LOT FUND				
Receipts	\$ 265,100	\$ 265,100	\$ 236,400	\$ (28,700)
Disbursements	(320,200)	(320,200)	(267,451)	52,749
Transfers in	55,100	55,100	55,100	-
Transfers out	-	-	(24,049)	(24,049)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>ADAMS CENTRAL ROAD PROJECT FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,000,000)	(1,000,000)	(1,000,000)	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,000,000)	(1,000,000)	(1,000,000)	-
Fund Balance - Beginning	1,000,000	1,000,000	1,000,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>SHOWBOAT SOUTH OF HWY 6 FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(120,500)	(120,500)	(111,486)	9,014
Transfers in	46,394	46,394	46,394	-
Transfers out	-	-	(9,014)	(9,014)
Net Change in Fund Balance	(74,106)	(74,106)	(74,106)	-
Fund Balance - Beginning	74,106	74,106	74,106	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>INHERITANCE FUND</u>				
Receipts	\$ 800,000	\$ 800,000	\$ 842,892	\$ 42,892
Disbursements	(2,301,397)	(2,301,397)	(329,426)	1,971,971
Transfers in	-	-	-	-
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-
Net Change in Fund Balance	(3,001,397)	(3,001,397)	(986,534)	2,014,863
Fund Balance - Beginning	3,001,397	3,001,397	3,001,397	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,863</u>	<u>\$ 2,014,863</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Visitors Promotion Fund	Visitors Improvement Fund	Preservation and Modernization Fund	Health Fund	Veterans' Aid Fund
RECEIPTS					
Taxes	\$ 99,118	\$ 49,516	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1
Charges for Services	-	-	24,881	-	-
Miscellaneous	-	-	-	197,985	-
TOTAL RECEIPTS	99,118	49,516	24,881	197,985	1
DISBURSEMENTS					
General Government	-	-	17,931	209,992	-
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	2,823
Culture and Recreation	69,181	47,400	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
TOTAL DISBURSEMENTS	69,181	47,400	17,931	209,992	2,823
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	29,937	2,116	6,950	(12,007)	(2,822)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	2,822
Transfers out	-	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	2,822
Net Change in Fund Balances	29,937	2,116	6,950	(12,007)	-
FUND BALANCES - BEGINNING	260,186	259,191	68,288	861,409	1
FUND BALANCES - ENDING	\$ 290,123	\$ 261,307	\$ 75,238	\$ 849,402	\$ 1
FUND BALANCES:					
Restricted for:					
Visitor Promotion	290,123	261,307	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	75,238	-	-
Juvenile Services	-	-	-	-	-
Committed to:					
Law Enforcement/Public Safety	-	-	-	-	-
Aid and Assistance	-	-	-	-	1
Insurance Premiums	-	-	-	849,402	-
Library Services	-	-	-	-	-
Debt Service	-	-	-	-	-
Assigned to:					
Other Purposes	-	-	-	-	-
TOTAL FUND BALANCES	\$ 290,123	\$ 261,307	\$ 75,238	\$ 849,402	\$ 1

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

For the Year Ended June 30, 2021

	Library Fund	Bookmobile Fund	Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund
RECEIPTS				
Taxes	\$ 178,260	\$ -	\$ -	\$ -
Intergovernmental	19,437	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	1,500	-
TOTAL RECEIPTS	<u>197,697</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	-	313	4,774
Public Assistance	-	-	-	-
Culture and Recreation	195,280	72,340	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Projects	-	-	-	-
TOTAL DISBURSEMENTS	<u>195,280</u>	<u>72,340</u>	<u>313</u>	<u>4,774</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,417</u>	<u>(72,340)</u>	<u>1,187</u>	<u>(4,774)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,417	(72,340)	1,187	(4,774)
FUND BALANCES - BEGINNING	<u>1,199</u>	<u>72,340</u>	<u>926</u>	<u>8,566</u>
FUND BALANCES - ENDING	<u>\$ 3,616</u>	<u>\$ -</u>	<u>\$ 2,113</u>	<u>\$ 3,792</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Drug Education	-	-	2,113	-
Law Enforcement	-	-	-	3,792
Preservation of Records	-	-	-	-
Juvenile Services	-	-	-	-
Committed to:				
Law Enforcement/Public Safety	-	-	-	-
Aid and Assistance	-	-	-	-
Insurance Premiums	-	-	-	-
Library Services	3,616	-	-	-
Debt Service	-	-	-	-
Assigned to:				
Other Purposes	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 3,616</u>	<u>\$ -</u>	<u>\$ 2,113</u>	<u>\$ 3,792</u>

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

For the Year Ended June 30, 2021

	Regional Emergency Management Fund	Juvenile Grant Fund	Courthouse Building Bond Fund	Highway Bond Fund
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ 438,152
Intergovernmental	1,500	233,661	-	57,785
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	1,500	233,661	-	495,937
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	201,389	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	38,000	710,000
Interest and Fiscal Charges	-	-	4,040	54,435
Capital Projects	-	-	-	-
TOTAL DISBURSEMENTS	-	201,389	42,040	764,435
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,500	32,272	(42,040)	(268,498)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	113,909	465,700
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	113,909	465,700
Net Change in Fund Balances	1,500	32,272	71,869	197,202
FUND BALANCES - BEGINNING	10,104	8,650	-	284,543
FUND BALANCES - ENDING	\$ 11,604	\$ 40,922	\$ 71,869	\$ 481,745
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Drug Education	-	-	-	-
Law Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Juvenile Services	-	40,922	-	-
Committed to:				
Law Enforcement/Public Safety	11,604	-	-	-
Aid and Assistance	-	-	-	-
Insurance Premiums	-	-	-	-
Library Services	-	-	-	-
Debt Service	-	-	71,869	481,745
Assigned to:				
Other Purposes	-	-	-	-
TOTAL FUND BALANCES	\$ 11,604	\$ 40,922	\$ 71,869	\$ 481,745

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

For the Year Ended June 30, 2021

	County Building/ACOB Parking Lot Fund	Adams Central Road Project Fund	Showboat South of Hwy 6 Fund	Inheritance Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ 842,892	\$ 1,607,938
Intergovernmental	-	-	-	-	312,384
Charges for Services	-	-	-	-	24,881
Miscellaneous	-	-	-	-	199,485
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>842,892</u>	<u>2,144,688</u>
DISBURSEMENTS					
General Government	-	-	-	297,326	525,249
Public Safety	-	-	-	-	206,476
Public Assistance	-	-	-	-	2,823
Culture and Recreation	-	-	-	-	384,201
Debt Service:					
Principal Payments	-	-	-	-	748,000
Interest and Fiscal Charges	-	-	-	32,100	90,575
Capital Projects	267,451	1,000,000	111,486	-	1,378,937
TOTAL DISBURSEMENTS	<u>267,451</u>	<u>1,000,000</u>	<u>111,486</u>	<u>329,426</u>	<u>3,336,261</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(267,451)</u>	<u>(1,000,000)</u>	<u>(111,486)</u>	<u>513,466</u>	<u>(1,191,573)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	55,100	-	46,394	-	683,925
Transfers out	(24,049)	-	(9,014)	(1,500,000)	(1,533,063)
Proceeds from Sale of Bonds	236,400	-	-	-	236,400
TOTAL OTHER FINANCING SOURCES (USES)	<u>267,451</u>	<u>-</u>	<u>37,380</u>	<u>(1,500,000)</u>	<u>(612,738)</u>
Net Change in Fund Balances	-	(1,000,000)	(74,106)	(986,534)	(1,804,311)
FUND BALANCES - BEGINNING	<u>-</u>	<u>1,000,000</u>	<u>74,106</u>	<u>3,001,397</u>	<u>5,910,906</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,863</u>	<u>\$ 4,106,595</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	551,430
Drug Education	-	-	-	-	2,113
Law Enforcement	-	-	-	-	3,792
Preservation of Records	-	-	-	-	75,238
Juvenile Services	-	-	-	-	40,922
Committed to:					
Law Enforcement/Public Safety	-	-	-	-	11,604
Aid and Assistance	-	-	-	-	1
Insurance Premiums	-	-	-	-	849,402
Library Services	-	-	-	-	3,616
Debt Service	-	-	-	-	553,614
Assigned to:					
Other Purposes	-	-	-	2,014,863	2,014,863
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,863</u>	<u>\$ 4,106,595</u>

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

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>
BALANCES JULY 1, 2020	\$ 2,085	\$ 39,497	\$ 207,223	\$ 36,506	\$ 2,867	\$ 25
RECEIPTS						
Taxes	-	-	-	21,947	-	-
Licenses and Permits	4,775	-	-	3,065	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	3,859	273,158	71,400	148,497	290	592
Miscellaneous	727	200	-	39,436	989	-
State Fees	-	326,665	77,440	-	-	-
Other Liabilities	-	493	1,421,081	317,246	10,092	-
TOTAL RECEIPTS	<u>9,361</u>	<u>600,516</u>	<u>1,569,921</u>	<u>530,191</u>	<u>11,371</u>	<u>592</u>
DISBURSEMENTS						
Payments to County Treasurer	8,549	272,882	71,441	176,307	210	592
Payments to State Treasurer	-	319,110	77,136	-	-	-
Petty Cash	727	-	-	39,038	989	-
Other Liabilities	-	493	1,446,312	314,215	10,533	-
TOTAL DISBURSEMENTS	<u>9,276</u>	<u>592,485</u>	<u>1,594,889</u>	<u>529,560</u>	<u>11,732</u>	<u>592</u>
BALANCES JUNE 30, 2021	<u>\$ 2,170</u>	<u>\$ 47,528</u>	<u>\$ 182,255</u>	<u>\$ 37,137</u>	<u>\$ 2,506</u>	<u>\$ 25</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 920	\$ 21,076	\$ 3,837	\$ 20,521	\$ 91	\$ -
Petty Cash	1,250	200	-	13,585	2,000	25
Due to State Treasurer	-	26,252	4,547	-	-	-
Due to Others	-	-	173,871	3,031	415	-
BALANCES JUNE 30, 2021	<u>\$ 2,170</u>	<u>\$ 47,528</u>	<u>\$ 182,255</u>	<u>\$ 37,137</u>	<u>\$ 2,506</u>	<u>\$ 25</u>

(Continued)

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

	Highway Superintendent	Veterans' Service Officer	County Assessor	County Planning & Zoning	County Health Reimbursement Account	Total
BALANCES JULY 1, 2020	\$ 200	\$ 3,277	\$ 15	\$ 25	\$ 631,070	\$ 922,790
RECEIPTS						
Taxes	-	-	-	-	-	21,947
Licenses and Permits	6,684	-	-	36,490	-	51,014
Intergovernmental	62,299	2,823	-	-	-	65,122
Charges for Services	20,387	-	-	-	-	518,183
Miscellaneous	8,300	2	20	-	314,741	364,415
State Fees	-	-	-	-	-	404,105
Other Liabilities	2,227	-	-	-	-	1,751,139
TOTAL RECEIPTS	99,897	2,825	20	36,490	314,741	3,175,925
DISBURSEMENTS						
Payments to County Treasurer	97,483	-	20	36,490	-	663,974
Payments to State Treasurer	-	-	-	-	-	396,246
Petty Cash	187	2,003	-	-	945,811	988,755
Other Liabilities	2,227	-	-	-	-	1,773,780
TOTAL DISBURSEMENTS	99,897	2,003	20	36,490	945,811	3,822,755
BALANCES JUNE 30, 2021	\$ 200	\$ 4,099	\$ 15	\$ 25	\$ -	\$ 275,960
BALANCES CONSIST OF:						
Due to County Treasurer	\$ -	\$ 4,099	\$ -	\$ -	\$ -	\$ 50,544
Petty Cash	200	-	15	25	-	17,300
Due to State Treasurer	-	-	-	-	-	30,799
Due to Others	-	-	-	-	-	177,317
BALANCES JUNE 30, 2021	\$ 200	\$ 4,099	\$ 15	\$ 25	\$ -	\$ 275,960

(Concluded)

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

Item	2016	2017	2018	2019	2020
Tax Certified by Assessor					
Real Estate	\$ 49,135,828	\$ 50,136,983	\$ 51,551,321	\$ 52,468,867	\$ 54,681,580
Personal and Specials	2,795,163	3,545,569	3,418,259	3,269,315	3,783,657
Total	51,930,991	53,682,552	54,969,580	55,738,182	58,465,237
Corrections					
Additions	40,462	31,956	26,943	8,334	2,172
Deductions	(71,513)	(73,467)	(136,369)	(81,301)	(115,884)
Net Additions/ (Deductions)	(31,051)	(41,511)	(109,426)	(72,967)	(113,712)
Corrected Certified Tax	51,899,940	53,641,041	54,860,154	55,665,215	58,351,525
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	32,610,155	-	-	-	-
June 30, 2018	19,265,989	33,995,585	-	-	-
June 30, 2019	13,996	19,618,225	33,888,464	-	-
June 30, 2020	3,981	9,137	20,935,852	34,040,654	-
June 30, 2021	4,801	12,994	22,098	21,604,228	36,812,788
Total Net Collections	51,898,922	53,635,941	54,846,414	55,644,882	36,812,788
Total Uncollected Tax	\$ 1,018	\$ 5,100	\$ 13,740	\$ 20,333	\$ 21,538,737
Percentage Uncollected Tax	0.00%	0.01%	0.03%	0.04%	36.91%

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Passed through Nebraska Commission on Law Enforcement and Criminal Justice			
Crime Victim Assistance	16.575	106-2020-VA1000	\$ 79,354
Total U.S. Department of Justice			<u>79,354</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	001-99001-00 * 18-SR 31008-01 19-SR 31008-01	1,033,973
Homeland Security Grant Program	97.067	20-SR 31008-01	349,016
Emergency Management Performance Grants	97.042	20-GA 8689-02	61,742
Total U.S. Department of Homeland Security			<u>1,444,731</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51234 Y3	75,941
Total U.S. Department of Health and Human Services			<u>75,941</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	ER-1(54)	57,828
Total U.S. Department of Transportation			<u>57,828</u>
ELECTION ASSISTANCE COMMISSION			
Passed through Nebraska Secretary of State			
COVID-19 - 2018 HAVA Election Security Grants	90.404	14	26,374
Total U.S. Election Assistance Commission			<u>26,374</u>
EXECUTIVE OFFICE OF THE PRESIDENT			
Passed through Nebraska State Patrol			
High Intensity Drug Trafficking Areas Program	95.001	19HD05 21HD05	54,538
Total Executive Office of the President			<u>54,538</u>
DEPARTMENT OF THE TREASURY			
Passed through Nebraska Military Department			
Coronavirus Relief Fund	21.019	Unavailable	3,376
Total U.S. Department of the Treasury			<u>3,376</u>

(Continued)

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF THE INTERIOR			
Payments In Lieu of Taxes	15.226	Not Applicable	<u>2,733</u>
Total U.S. Department of the Interior			<u>2,733</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,744,875</u></u>

(Concluded)

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

ADAMS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Adams County (County) under programs of the Federal government for the year ended June 30, 2021. 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 the County, it is not intended to and does not present the financial position, or changes in 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. The County has elected to use the 10 percent de minimis indirect cost rate, as allowed under Uniform Guidance, except for the Child Support Enforcement Program, which used the rate as approved by the pass-through entity.

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

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The schedule of expenditures of Federal awards reports expenditures of \$1,033,973 for this program, of which \$407,947 was incurred and paid in the fiscal year ended June 30, 2021. The remaining expenditures were incurred and paid in prior years.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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ADAMS 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
Adams 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 Adams County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Adams County's basic financial statements, and have issued our report thereon dated March 3, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

County Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams 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 Adams County in a separate letter dated March 3, 2022.

Adams County’s Response to Findings

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

Purpose of this Report

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



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 3, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

Board of Commissioners
Adams County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Adams 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 Adams County's major Federal programs for the year ended June 30, 2021. Adams County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Adams 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 Adams 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 Adams County's compliance with those requirements.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Adams 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 Adams 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 Adams 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.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

March 3, 2022

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes None Reported

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes None Reported

Significant deficiencies identified? Yes None Reported

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

Unmodified

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

Major programs: **Disaster Grants – Public Assistance (Presidentially Declared Disasters): AL #97.036**

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

\$750,000

Auditee qualified as low-risk auditee? Yes No

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section II – Financial Statement Findings

Finding # 2021-1

- 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 accounting functions properly.
- 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



**Adams County
Board of Commissioners**

500 W 4th St
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Chairman: Lee Hogan
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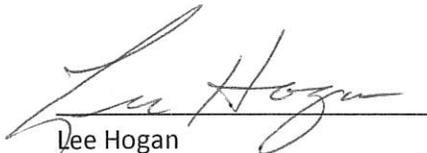
SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

Finding 2020-1 (Since 2020) Segregation of Duties

Status: On-going

Reason for Recurrence: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.


Lee Hogan
Adams County Chairman

Date 2-25-2022



**Adams County
Board of Commissioners**

500 W 4th St
Hastings, NE 68901
402-461-7107
Chairman: Lee Hogan
lhogan@gtmc.net

CORRECTIVE ACTION PLAN

Year Ended June 30, 2021

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

Finding 2021-1 Segregation of Duties

Corrective Action Planned: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Anticipated Completion Date: Ongoing

Responsible Party: County Board

A handwritten signature in cursive script that reads "Lee Hogan". The signature is written in black ink and is positioned above the printed name and title.

Lee Hogan
Adams County Chairman

Date 2-25-2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 3, 2022

Board of Commissioners
Adams County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Adams County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 3, 2022. 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 ATTORNEY

Unknown Trust Balance

As of June 30, 2021, the County Attorney had an unknown trust balance of \$77 in the Check Reimbursement Account and an unknown trust balance of \$14 in the Trust Account. The County Attorney was unable to identify the proper recipient of these funds.

Sound accounting practice and good internal control require procedures to ensure that office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (unremitted fees and trust accounts) on, at least, a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

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

A similar issue was noted in prior audits.

We recommend the County Attorney review monies held in trust and remit any balance that cannot be accounted for to the County Treasurer or State Treasurer, as appropriate.

COUNTY BOARD

Duplicate Payments

During the audit, we noted that four claims, totaling \$3,738, were duplicate payments.

The table below provides a summary of these duplicate payments:

Payee	Office Responsible	Duplicate Amount	Original Claim		Duplicate Claim	
			Date	Claim #	Date	Claim #
Jerry Spady Cadillac GMC	County Sheriff	\$ 1,497	11/2/2020	201696	11/17/2020	202008
Michael Todd & Company Inc.	Highway Dept	1,008	10/6/2020	201185	11/17/2020	201776
Titan Machinery Inc.	Highway Dept	684	10/6/2020	201194	11/2/2020	201605
US Foods Inc.	County Sheriff	549	3/16/2021	203720	4/6/2021	203914
Total		\$ 3,738				

The vendors notified the County of these duplicate payments and issued credits for the overpayments. The County lacked the proper controls, however, to identify the duplicate payments itself.

Good internal controls and sound business practice require procedures for a detailed review of all claims prior to payment to identify and prevent duplicate payments.

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

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

Claims Documentation

During testing, we noted the following issues related to the documentation received from, as well as the monitoring of amounts paid to, both Court Appointed Special Advocate (CASA) and the Central Nebraska Drug Court (Drug Court) to support their operations:

- Claim 202840, dated January 19, 2021, to CASA provided \$40,000 to support the organization’s programs; however, the County did not obtain documentation from CASA to ensure that the funds provided were spent appropriately.
- Claim 201100, dated September 15, 2020, to the Drug Court provided \$59,327 to support that entity’s programs. The participating counties each contribute toward the operation of the Drug Court based on the number of participants from each county. There was no written agreement with the Drug Court and participating counties to support the County’s annual contribution requirement.

Good internal controls and sound business practices require procedures to ensure: 1) all payments issued by the County to subsidize the operations of other entities are supported by written agreements; and 2) the County performs adequate monitoring procedures to confirm that the funds provided are utilized appropriately by the recipients.

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

A similar issue was noted in prior audits.

We recommend the County Board implement procedures to ensure all payments issued by the County to subsidize the operation of other entities are supported by written agreements, and adequate monitoring procedures are performed to ensure the funds provided are utilized appropriately.

Credit Card Agreement

The County pays certain expenses related to the Adams County Convention and Visitor's Bureau (CVB), and the CVB has access to a County credit card; however, there is no written agreement between the two parties to specify who is responsible for the costs incurred.

During the fiscal year, charges of \$5,164 were made on the CVB credit card.

Good internal controls and sound business practice require procedures to ensure that a written agreement exists between the County and the CVB to outline the specific duties of both parties, including the responsibility of paying for the various costs incurred. Those same procedures should ensure also that only County personnel have spending authority on County credit cards.

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

A similar issue has been noted since the fiscal year 2018 audit.

We recommend the County Board implement procedures to ensure that its agreement with the CVB specifies the duties, including the responsibility of paying for the various costs incurred, of each party. We recommend also that those same procedures ensure that only County employees have spending authority on County credit cards.

COUNTY CLERK

Health Reimbursement Account

During the fiscal year ended June 30, 2021, the County Clerk maintained a bank account for the County's Health Reimbursement Account (HRA) plan. The bank account was used as a petty cash fund of sorts, from which the County Clerk made reimbursements to First Concord Benefits, the administrator of the HRA plan, without prior authorization of the County Board.

We noted the following regarding this bank account and the HRA plan:

- The County Board had not authorized this account to be maintained as a petty cash fund under Neb. Rev. Stat. § 23-106(2) (Reissue 2012). Without such County Board approval, the County Clerk lacked the authority to utilize this account as described. As of June 30, 2021, the account was closed, and the remaining balance was turned over to the County Treasurer.
- The County Clerk neither kept a book balance nor performed monthly reconciliations for the bank account.
- The County Clerk was not receiving and reviewing detailed claims reports to ensure that reimbursements to First Concord Benefits from the bank account were for legitimate County expenses and in accordance with the provisions of the HRA plan.

Neb. Rev. Stat. § 23-1601(1) (Supp. 2021) 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.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) sets out the following procedures for establishing a petty cash fund for a County office:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Good internal controls and sound accounting practices require procedures to ensure the following: 1) any bank account used as a County petty cash fund is created and maintained in accordance with State statute; 2) a book balance is kept for any County bank account; and 3) monthly reconciliations are completed for all County bank accounts.

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

A similar issue was noted in the prior audit.

We recommend the County implement procedures to ensure a detailed review is completed of all claims submitted for payment through the HRA plan, prior to issuing payment to First Concord Benefits.

Office Procedures

As of June 30, 2021, we noted the following concerns related to the County Clerk’s financial accounting and recordkeeping procedures:

- The County Clerk did not maintain a book balance for the County Clerk’s bank account at Heritage Bank. Consequently, the County Clerk also did not reconcile the account.
- \$11 originally received in August 2016 for miscellaneous copy fees had not been remitted to the County Treasurer as of June 30, 2021.
- The County Clerk did not perform a monthly asset-to-liability reconciliation. When we attempted to perform this reconciliation, we noted a \$7 shortage at June 30, 2021, which could not be explained by the County Clerk. Details of our attempted reconciliation are shown below.

Assets:	
Book Balance	\$ 913.01
Total Assets	\$ 913.01
Liabilities:	
Unremitted Fees:	
Misc. Copies	428.01
Marriage Licenses	475.00
Other Misc. Fees	17.00
Total Liabilities	\$ 920.01
Shortage	\$ 7.00

Neb. Rev. Stat. § 33-130 (Reissue 2016) provides the following:

Each county clerk or register of deeds shall, not later than the fifteenth day of the month following the calendar month in which fees are received, pay over to the county treasurer all fees received and take the receipt of the county treasurer therefor. Except as provided by section 25-2712, all fees received by the county treasurer pursuant to this section shall be credited to the general fund of the county.

Sound accounting practice and good internal control requires procedures to ensure 1) book balances are maintained and reconciled to the bank balance monthly; 2) office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (unremitted fees and trust accounts) on, at least, a monthly basis; and 3) fees are remitted to the County Treasurer as required by State statute.

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

We recommend the County Clerk implement procedures to maintain a book balance and reconcile that balance to the bank balance monthly. We further recommend a monthly asset-to-liability reconciliation is completed, and any variances noted are identified and resolved timely. Finally, we recommend the excess \$11 held is remitted to the County Treasurer, and procedures are implemented to ensure future fee collections are remitted to the County Treasurer as required by State statute.

COUNTY SHERIFF

Office Procedures

During the audit, we noted the following issues with the County Sheriff's office procedures at June 30, 2021:

- A monthly asset-to-liability reconciliation was attempted by the office; however, it was not accurate, nor did the County Sheriff attempt to correct the variances identified in the reconciliation. As of June 30, 2021, we noted a shortage of \$4,239 without support or other information to determine the cause of the variance.
- For the fee account, we noted erroneous entries in the accounting system, totaling \$531, that were identified on the bank reconciliation; however, the County Sheriff failed to correct these erroneous entries.
- The book balance maintained by the County Sheriff for the revolving account was not accurate. We noted that three deposits, totaling \$308, were not recorded in the check register. Additionally, we noted that a check purchase of \$23 was also not recorded in the check register.
- The food petty cash account, authorized at \$4,500, had an excess balance of \$554 at June 30, 2021.
- The revolving fund petty cash account, authorized at \$3,000, had an excess balance of \$97 at June 30, 2021.

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

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

A similar issue was noted in prior audits.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular and accurate bank, asset-to-liability, and petty cash reconciliations. We further recommend procedures are implemented to ensure all variances identified are corrected timely.

County Sheriff's Response:

Fee Account - Asset-to-Liability: *This account has consistently not balanced as the auditor would like. Each year we have shown the auditors our efforts to reconcile, but have not been able to maintain the same balance for a three-month period. In an effort to rectify this we have implemented a new computer system along with adding Quick Books, sought assistance from other individuals and have spoke with other county civil processors in an attempt to find additional suggestions and solutions. We are in the process of cleaning up old outstanding checks, we have an agreed upon balance as of June 30, 2021 and will continue to reconcile monthly in an effort to get the same balance for July and August 2021.*

Fee Account - Erroneous Entries: *The Auditor noted erroneous entries to the fee account totaling \$531.00, we have corrected \$415.00 of that amount and are working to identify and correct the remaining \$116.00. We have had additional training provided to our Clerk to better enhance her understanding of the program and will continue with this in the future.*

Book balance for Sheriff Revolving Account: *The 3 deposits (\$308) that were not recorded in the register have been added to the register along with the check purchase of \$23 has also been recorded. All adjustments have been made to the account to correct this.*

Food petty cash account: *This account showed an overage of \$554.00 we have reconciled this account and have deposited a check to the County General fund in the amount of \$554.00 as advised by the auditor to bring account back to the set amount of \$4500.00.*

Sheriff Revolving Account: *This account showed an overage of \$96.96 we have reconciled this account and have deposited a check to the County General fund in the amount of \$96.96 as advised by the auditor to bring account back to the set amount of \$3000.00.*

Furthermore, we have created a new reconciliation form to use in addition to the monthly statement to ensure sound accounting each month.

COUNTY OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

County Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

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

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

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

Sincerely,

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

Mark Avery, CPA
Assistant Deputy Auditor