

**AUDIT REPORT
OF
BOONE COUNTY**

JULY 1, 2020, THROUGH JUNE 30, 2021

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the Auditor of Public Accounts.**

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Issued on May 20, 2022

BOONE COUNTY

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BOONE COUNTY
222 S. 4th Street
Albion, NE 68620

LIST OF COUNTY OFFICIALS
At June 30, 2021

Title	Name	Term Expires
Board of Commissioners	Jonathan Lindgren Ben Rutten Larry Temme	Jan. 2025 Jan. 2023 Jan. 2023
Assessor	Barb Hanson	Jan. 2023
Attorney	John Morgan	Jan. 2023
Clerk Election Commissioner Register of Deeds	Sarah Robinson	Jan. 2023
Sheriff	Denny Johnson	Jan. 2023
Treasurer	Laurie Krohn	Jan. 2023
Surveyor	Christopher Hays	Jan. 2023
Veterans' Service Officer	Jacqueline Wells	Appointed
Weed Superintendent	Jonathan Lindgren	Appointed
Highway Superintendent	Stacey Ziembra	Appointed
Planning & Zoning	Mary Ziembra	Appointed
Emergency Manager	Denise Ziembra	Appointed
Public Defender	Jeff Jarecki	Appointed
Clerk of the District Court	Lisa Langan	Contracted



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BOONE COUNTY

INDEPENDENT AUDITOR'S REPORT

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

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

Basis for Adverse Opinion on the Discretely Presented Component Unit

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Boone County, as of June 30, 2021, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Boone 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 19-30, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022, on our consideration of Boone County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Boone County's internal control over financial reporting and compliance.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

May 9, 2022

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

**Governmental
Activities**

ASSETS

Cash and Cash Equivalents (Note 1.D)	\$ 18,079,411
TOTAL ASSETS	\$ 18,079,411

NET POSITION

Restricted for:

Visitor Promotion	\$ 51,933
911 Emergency Services	318,367
Preservation of Records	26,960
Debt Service	550,038
Road & Bridge Projects	485,904
Aid and Assistance	77,453
Unrestricted	16,568,756
TOTAL NET POSITION	\$ 18,079,411

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

BOONE 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	\$ (1,889,776)	\$ 309,009	\$ 34,364	\$ (1,546,403)
Public Safety	(1,304,064)	185,855	174,803	(943,406)
Public Works	(4,319,373)	4,613	2,007,207	(2,307,553)
Public Assistance	(88,687)	-	-	(88,687)
Culture and Recreation	(111,223)	-	-	(111,223)
Debt Payments	(975,365)	-	-	(975,365)
Capital Outlay	(334,744)	-	-	(334,744)
Total Governmental Activities	<u><u>\$ (9,023,232)</u></u>	<u><u>\$ 499,477</u></u>	<u><u>\$ 2,216,374</u></u>	<u><u>(6,307,381)</u></u>

General Receipts:

Taxes	5,193,506
Grants and Contributions Not Restricted to Specific Programs	910,322
Investment Income	140,885
Licenses and Permits	40,825
Miscellaneous	309,144
Total General Receipts	<u><u>6,594,682</u></u>

Increase in Net Position	287,301
Net Position - Beginning of year	17,792,110
Net Position - End of year	<u><u>\$ 18,079,411</u></u>

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

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

	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 2,129,420	\$ 7,466,974	\$ 6,798,916	\$ 1,684,101	\$ 18,079,411
TOTAL ASSETS	\$ 2,129,420	\$ 7,466,974	\$ 6,798,916	\$ 1,684,101	\$ 18,079,411
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	51,933	51,933
911 Emergency Services	-	-	-	318,367	318,367
Preservation of Records	-	-	-	26,960	26,960
Debt Service	-	-	-	550,038	550,038
Road & Bridge Projects	-	-	-	485,904	485,904
Aid and Assistance	-	-	-	77,453	77,453
Committed to:					
Emergency Services	-	-	-	173,446	173,446
Road Maintenance	-	7,466,974	-	-	7,466,974
Assigned to:					
Other Purposes	-	-	6,798,916	-	6,798,916
Unassigned	2,129,420	-	-	-	2,129,420
TOTAL CASH BASIS FUND BALANCES	\$ 2,129,420	\$ 7,466,974	\$ 6,798,916	\$ 1,684,101	\$ 18,079,411

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

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

	General Fund	Road Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS					
Taxes	\$ 4,352,855	\$ -	\$ 760,310	\$ 80,341	\$ 5,193,506
Licenses and Permits	36,849	3,976	-	-	40,825
Investment Income	136,769	-	-	4,116	140,885
Intergovernmental	1,117,788	1,822,433	-	186,475	3,126,696
Charges for Services	359,397	4,613	-	135,467	499,477
Miscellaneous	43,906	37,613	-	227,625	309,144
TOTAL RECEIPTS	6,047,564	1,868,635	760,310	634,024	9,310,533
DISBURSEMENTS					
General Government	1,886,239	-	3,537	-	1,889,776
Public Safety	861,133	-	145,988	296,943	1,304,064
Public Works	8,209	3,971,134	-	340,030	4,319,373
Public Assistance	84,687	-	-	4,000	88,687
Culture and Recreation	-	-	109,000	2,223	111,223
Debt Service:					
Principal Payments	-	-	-	845,000	845,000
Interest and Fiscal Charges	-	-	-	130,365	130,365
Capital Outlay	-	-	-	334,744	334,744
TOTAL DISBURSEMENTS	2,840,268	3,971,134	258,525	1,953,305	9,023,232
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS					
	3,207,296	(2,102,499)	501,785	(1,319,281)	287,301
OTHER FINANCING					
SOURCES (USES)					
Transfers in	42,651	3,153,540	-	761,018	3,957,209
Transfers out	(3,153,540)	(761,018)	-	(42,651)	(3,957,209)
TOTAL OTHER FINANCING					
SOURCES (USES)					
	(3,110,889)	2,392,522	-	718,367	-
Net Change in Fund Balances	96,407	290,023	501,785	(600,914)	287,301
CASH BASIS FUND					
BALANCES - BEGINNING					
	2,033,013	7,176,951	6,297,131	2,285,015	17,792,110
CASH BASIS FUND					
BALANCES - ENDING					
	\$ 2,129,420	\$ 7,466,974	\$ 6,798,916	\$ 1,684,101	\$ 18,079,411

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

BOONE 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	<u>\$ 621,335</u>	<u>\$ 23,709,455</u>	<u>\$ 23,677,025</u>	<u>\$ 653,765</u>
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	222,424	2,099,061	2,169,433	152,052
State - Collected by Other Offices	7,448	88,354	89,317	6,485
Schools	121,252	15,554,361	15,495,872	179,741
Educational Service Units	1,790	366,216	364,577	3,429
Technical College	11,236	2,295,774	2,285,113	21,897
Natural Resource Districts	4,331	781,790	778,833	7,288
Fire Districts	2,028	537,666	535,765	3,929
Municipalities	18,109	1,261,498	1,258,378	21,229
Agricultural Society	619	130,389	129,757	1,251
Historical Society	69	15,000	14,923	146
Airport Authority	17,260	28,026	27,927	17,359
Others - Collected by County Treasurer	51,567	85,841	59,226	78,182
Others - Collected by Other Offices	163,202	465,479	467,904	160,777
TOTAL LIABILITIES	<u>621,335</u>	<u>23,709,455</u>	<u>23,677,025</u>	<u>653,765</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.

BOONE 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 Boone County.

A. Reporting Entity

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

Component Unit. These financial statements present the County (the primary government). The Boone County Medical Center (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$32,481 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 East Central 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).

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2021). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

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 Fair Building Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

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

The County designates fund balances as follows:

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

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

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

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

C. Measurement Focus, Basis of Accounting

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

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (Continued)

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

D. Assets and Net Position

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

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,510,655 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.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

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

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

2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$18,079,411 for County funds and \$653,765 for Fiduciary funds. The bank balances for all funds totaled \$18,877,806. 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.

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 \$.192076/\$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 \$.176883/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

The tax receipts classification also contains collections from the assessment of inheritance taxes, 911 surcharges, occupation taxes, and lodging taxes.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Retirement System

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

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

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

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

For the year ended June 30, 2021, 61 employees contributed \$90,650, and the County contributed \$134,749. Contributions included \$2,344 in cash contributions towards the supplemental law enforcement plan for five law enforcement employees. Lastly, the County paid \$1,296 directly to 10 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.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
 (Continued)

5. Risk Management (Concluded)

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

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

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

6. Interfund Transfers

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

Transfers to	Transfers from			
	General Fund	Road Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ -	\$ 42,651	\$ 42,651
Road Fund	3,153,540	-	-	3,153,540
Nonmajor Funds	-	761,018	-	761,018
Total	<u>\$ 3,153,540</u>	<u>\$ 761,018</u>	<u>\$ 42,651</u>	<u>\$ 3,957,209</u>

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

In the year ended June 30, 2021, the County made a one-time transfer of \$761,018 from the Road Fund to the Highway Allocation Bond Repay Fund to assist in making a bond payment for the Highway Allocation Bond. In addition, the County made a one-time transfer from the Fair Building Fund to the General Fund, totaling \$7,931, for the closure of the Fund. Lastly, the County made a one-time transfer from the 911 Wireless Service Fund to the General Fund, totaling \$34,720, for reimbursement of 911 dispatching salaries.

7. Long-Term Obligations

Bonds

Fair Bond. The County issued bonds on September 27, 2018, in the amount of \$2,000,000 for the purpose of paying the costs of constructing, equipping, and making site preparations for a building to be used as an agricultural and educational activities building. The bond payable balance as of June 30, 2021, was \$1,700,000. 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 has entered into an agreement with the Nebraska Community Foundation to provide funding to pay off the bonds.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
 (Continued)

7. Long-Term Obligations (Concluded)

Future Payments:

Year	Principal	Interest	Total
2022	\$ 170,000	\$ 45,702	\$ 215,702
2023	175,000	41,734	216,734
2024	180,000	37,427	217,427
2025	180,000	32,792	212,792
2026	185,000	27,772	212,772
2027-2030	810,000	52,058	862,058
Total Payments	\$ 1,700,000	\$ 237,485	\$ 1,937,485

Highway Allocation Bond. The County issued bonds on November 21, 2019, in the amount of \$5,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements in the County related to extreme flooding during March 2019. The bond payable balance as of June 30, 2021, was \$4,320,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway allocation funds will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2022	\$ 690,000	\$ 70,227	\$ 760,227
2023	700,000	58,933	758,933
2024	715,000	47,080	762,080
2025	725,000	34,659	759,659
2026	740,000	21,470	761,470
2027	750,000	7,312	757,312
Total Payments	\$ 4,320,000	\$ 239,681	\$ 4,559,681

Hospital Loan. The Hospital entered into a Construction Loan Note Series 2020 with Western Alliance Bank, in an amount not to exceed \$29,023,000 for the purpose of paying costs related to the construction and renovation of the existing hospital facility. Total loan draws as of September 30, 2021, amounted to \$6,186,198. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of the loan; however, it is the intent of the Hospital and County Board to use proceeds from a permanent USDA direct and guaranteed loan. Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

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. Subsequent Event

On September 30, 2021, Series 2021 bonds were issued, in the amount of \$3,675,000, for the purpose of refunding the County's outstanding Limited Tax County Road Bonds, Series 2019, issued November 21, 2019, in the principal amount of \$4,320,000.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

10. Prior Period Adjustment

The beginning balances were increased by \$9,381 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.

BOONE 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	\$ 4,807,978	\$ 4,807,978	\$ 4,352,855	\$ (455,123)
Licenses and Permits	30,510	30,510	36,849	6,339
Investment Income	150,155	150,155	136,769	(13,386)
Intergovernmental	299,381	299,381	1,117,788	818,407
Charges for Services	323,950	323,950	359,397	35,447
Miscellaneous	31,507	31,507	43,906	12,399
TOTAL RECEIPTS	5,643,481	5,643,481	6,047,564	404,083
DISBURSEMENTS				
General Government:				
County Board	80,325	80,325	75,642	4,683
County Clerk	136,868	136,868	118,822	18,046
County Treasurer	149,634	149,634	141,596	8,038
County Assessor	161,078	161,078	148,849	12,229
Election Commissioner	42,000	42,000	24,965	17,035
Building and Zoning	114,389	114,389	42,997	71,392
Judicial	80,000	80,000	15,017	64,983
Clerk of the District Court	36,099	36,099	25,682	10,417
County Court System	10,000	10,000	2,931	7,069
District Judge	1,000	1,000	770	230
Public Defender	100,000	100,000	87,784	12,216
Building and Grounds	96,831	96,831	86,454	10,377
Reappraisal	86,210	86,210	70,641	15,569
Agricultural Extension Agent	66,193	66,193	61,159	5,034
County Building - Annex	137,350	137,350	45,770	91,580
Grants - Reimbursable	13,000	13,000	-	13,000
Miscellaneous	1,161,221	1,161,221	937,160	224,061
Public Safety				
County Sheriff	695,611	695,611	581,173	114,438
County Attorney	103,328	103,328	96,539	6,789
Communication Center	80,000	80,000	71,782	8,218
County Jail	86,900	86,900	86,895	5
Emergency Management	33,463	33,463	18,832	14,631
Diversion Program	4,067	4,067	2,496	1,571
Emergency Equipment	29,700	29,700	3,416	26,284
Public Works				
County Surveyor	10,000	10,000	8,209	1,791

(Continued)

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	50,843	50,843	43,880	6,963
Institutions	59,049	59,049	37,144	21,905
County Relief & Assistance	30,000	30,000	3,663	26,337
TOTAL DISBURSEMENTS	<u>3,655,159</u>	<u>3,655,159</u>	<u>2,840,268</u>	<u>814,891</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,988,322</u>	<u>1,988,322</u>	<u>3,207,296</u>	<u>1,218,974</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	33,204	33,204	42,651	9,447
Transfers out	<u>(3,153,540)</u>	<u>(3,153,540)</u>	<u>(3,153,540)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,120,336)</u>	<u>(3,120,336)</u>	<u>(3,110,889)</u>	<u>9,447</u>
Net Change in Fund Balance	(1,132,014)	(1,132,014)	96,407	1,228,421
FUND BALANCE - BEGINNING	2,033,014	2,033,014	2,033,013	(1)
FUND BALANCE - ENDING	<u>\$ 901,000</u>	<u>\$ 901,000</u>	<u>\$ 2,129,420</u>	<u>\$ 1,228,420</u>

(Concluded)

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
ROAD FUND				
RECEIPTS				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 3,976	\$ 2,976
Intergovernmental	1,540,948	1,540,948	1,822,433	281,485
Charges for Services	1,200	1,200	4,613	3,413
Miscellaneous	7,000	7,000	37,613	30,613
TOTAL RECEIPTS	1,550,148	1,550,148	1,868,635	318,487
DISBURSEMENTS	12,417,179	12,417,179	3,971,134	8,446,045
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(10,867,031)	(10,867,031)	(2,102,499)	8,764,532
OTHER FINANCING SOURCES (USES)				
Transfers in	5,153,540	5,153,540	3,153,540	(2,000,000)
Transfers out	(761,018)	(761,018)	(761,018)	-
TOTAL OTHER FINANCING SOURCES (USES)	4,392,522	4,392,522	2,392,522	(2,000,000)
Net Change in Fund Balance	(6,474,509)	(6,474,509)	290,023	6,764,532
FUND BALANCE - BEGINNING	7,176,951	7,176,951	7,176,951	-
FUND BALANCE - ENDING	\$ 702,442	\$ 702,442	\$ 7,466,974	\$ 6,764,532
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 500,000	\$ 500,000	\$ 760,310	\$ 260,310
TOTAL RECEIPTS	500,000	500,000	760,310	260,310
DISBURSEMENTS	4,797,131	4,797,131	258,525	4,538,606
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,297,131)	(4,297,131)	501,785	4,798,916
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,000,000)	(2,000,000)	-	2,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,000,000)	(2,000,000)	-	2,000,000
Net Change in Fund Balance	(6,297,131)	(6,297,131)	501,785	6,798,916
FUND BALANCE - BEGINNING	6,297,131	6,297,131	6,297,131	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 6,798,916	\$ 6,798,916

BOONE 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)
HIGHWAY BRIDGE BUYBACK PROGRAM FUND					
Receipts	\$ 186,381	\$ 186,381	\$ 186,381	\$ -	-
Disbursements	(825,934)	(825,934)	(340,030)	485,904	
Net Change in Fund Balance	(639,553)	(639,553)	(153,649)	485,904	
Fund Balance - Beginning	639,553	639,553	639,553	-	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,904</u>	<u>\$ 485,904</u>	
VISITORS' PROMOTION FUND					
Receipts	\$ 10,000	\$ 10,000	\$ 11,469	\$ 1,469	
Disbursements	(52,687)	(52,687)	(2,223)	50,464	
Net Change in Fund Balance	(42,687)	(42,687)	9,246	51,933	
Fund Balance - Beginning	42,687	42,687	42,687	-	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,933</u>	<u>\$ 51,933</u>	
PRESERVATION AND MODERNIZATION FUND					
Receipts	\$ 4,000	\$ 4,000	\$ 5,161	\$ 1,161	
Disbursements	(25,799)	(25,799)	-	25,799	
Net Change in Fund Balance	(21,799)	(21,799)	5,161	26,960	
Fund Balance - Beginning	21,799	21,799	21,799	-	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,960</u>	<u>\$ 26,960</u>	
VETERANS' AID FUND					
Receipts	\$ 1,000	\$ 1,000	\$ 1,902	\$ 902	
Disbursements	(80,551)	(80,551)	(4,000)	76,551	
Net Change in Fund Balance	(79,551)	(79,551)	(2,098)	77,453	
Fund Balance - Beginning	79,551	79,551	79,551	-	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,453</u>	<u>\$ 77,453</u>	
DRUG LAW ENFORCEMENT AND EDUCATION FUND					
Receipts	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)	
Disbursements	(2,000)	(2,000)	-	2,000	
Net Change in Fund Balance	-	-	-	-	
Fund Balance - Beginning	-	-	-	-	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

BOONE 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)
FEDERAL GRANT FUND				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 17,000	\$ 17,000	\$ 16,172	\$ (828)
Disbursements	(163,618)	(163,618)	(10,461)	153,157
Net Change in Fund Balance	<u>(146,618)</u>	<u>(146,618)</u>	<u>5,711</u>	<u>152,329</u>
Fund Balance - Beginning	<u>146,618</u>	<u>146,618</u>	<u>146,618</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 152,329</u></u>	<u><u>\$ 152,329</u></u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 51,474	\$ 51,474	\$ 51,474	\$ -
Disbursements	(26,200)	(26,200)	(16,754)	9,446
Transfers in	-	-	-	-
Transfers out	<u>(25,274)</u>	<u>(25,274)</u>	<u>(34,720)</u>	<u>(9,446)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
911 WIRELESS SERVICE HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(177,250)	(177,250)	(11,212)	166,038
Net Change in Fund Balance	<u>(177,250)</u>	<u>(177,250)</u>	<u>(11,212)</u>	<u>166,038</u>
Fund Balance - Beginning	<u>177,250</u>	<u>177,250</u>	<u>177,250</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 166,038</u></u>	<u><u>\$ 166,038</u></u>
FAIR BOND FUND				
Receipts	\$ -	\$ -	\$ 203,534	\$ 203,534
Disbursements	(539,747)	(539,747)	(214,347)	325,400
Net Change in Fund Balance	<u>(539,747)</u>	<u>(539,747)</u>	<u>(10,813)</u>	<u>528,934</u>
Fund Balance - Beginning	<u>539,747</u>	<u>539,747</u>	<u>539,747</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 528,934</u></u>	<u><u>\$ 528,934</u></u>

(Continued)

BOONE 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)
HIGHWAY ALLOCATION BOND REPAY FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(761,018)	(761,018)	(761,018)	-
Transfers in	761,018	761,018	761,018	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	21,104	21,104	21,104	-
Fund Balance - Ending	<u>\$ 21,104</u>	<u>\$ 21,104</u>	<u>\$ 21,104</u>	<u>\$ -</u>
FAIR BUILDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(334,745)	(334,745)	(334,744)	1
Transfers in	-	-	-	-
Transfers out	(7,930)	(7,930)	(7,931)	(1)
Net Change in Fund Balance	(342,675)	(342,675)	(342,675)	-
Fund Balance - Beginning	342,675	342,675	342,675	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
AMBULANCE FUND				
Receipts	\$ 80,500	\$ 80,500	\$ 157,931	\$ 77,431
Disbursements	(354,531)	(354,531)	(258,516)	96,015
Net Change in Fund Balance	(274,031)	(274,031)	(100,585)	173,446
Fund Balance - Beginning	274,031	274,031	274,031	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,446</u>	<u>\$ 173,446</u>

(Concluded)

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

	Highway Bridge Buyback Program Fund	Visitors' Promotion Fund	Preservation and Modernization Fund	Veterans' Aid Fund
RECEIPTS				
Taxes	\$ -	\$ 11,469	\$ -	\$ 1,226
Investment Income	- -	- -	- -	582
Intergovernmental	186,381	- -	- -	94
Charges for Services	- -	- -	5,161	- -
Miscellaneous	- -	- -	- -	- -
TOTAL RECEIPTS	186,381	11,469	5,161	1,902
DISBURSEMENTS				
Public Safety	- -	- -	- -	- -
Public Works	340,030	- -	- -	- -
Public Assistance	- -	- -	- -	4,000
Culture and Recreation	- -	2,223	- -	- -
Debt Service:				
Principal Payments	- -	- -	- -	- -
Interest and Fiscal Charges	- -	- -	- -	- -
Capital Projects	- -	- -	- -	- -
TOTAL DISBURSEMENTS	340,030	2,223	- -	4,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(153,649)	9,246	5,161	(2,098)
OTHER FINANCING SOURCES (USES)				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
TOTAL OTHER FINANCING SOURCES (USES)	- -	- -	- -	- -
Net Change in Fund Balances	(153,649)	9,246	5,161	(2,098)
FUND BALANCES - BEGINNING	639,553	42,687	21,799	79,551
FUND BALANCES - ENDING	\$ 485,904	\$ 51,933	\$ 26,960	\$ 77,453
FUND BALANCES:				
Restricted for:				
Visitor Promotion	- -	51,933	- -	- -
911 Emergency Services	- -	- -	- -	- -
Preservation of Records	- -	- -	26,960	- -
Debt Service	- -	- -	- -	- -
Road & Bridge Projects	485,904	- -	- -	- -
Aid and Assistance	- -	- -	- -	77,453
Committed to:				
Emergency Services	- -	- -	- -	- -
TOTAL FUND BALANCES	\$ 485,904	\$ 51,933	\$ 26,960	\$ 77,453

(Continued)

BOONE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2021

	<u>911 Emergency Management Fund</u>	<u>911 Wireless Service Fund</u>	<u>911 Wireless Service Holding Fund</u>	<u>Fair Bond Fund</u>
RECEIPTS				
Taxes	\$ 16,172	\$ 51,474	\$ -	\$ -
Investment Income	-	-	-	3,534
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	200,000
TOTAL RECEIPTS	<u>16,172</u>	<u>51,474</u>	<u>-</u>	<u>203,534</u>
DISBURSEMENTS				
Public Safety	10,461	16,754	11,212	-
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	165,000
Interest and Fiscal Charges	-	-	-	49,347
Capital Projects	-	-	-	-
TOTAL DISBURSEMENTS	<u>10,461</u>	<u>16,754</u>	<u>11,212</u>	<u>214,347</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,711</u>	<u>34,720</u>	<u>(11,212)</u>	<u>(10,813)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(34,720)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(34,720)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,711	-	(11,212)	(10,813)
FUND BALANCES - BEGINNING	<u>146,618</u>	<u>-</u>	<u>177,250</u>	<u>539,747</u>
FUND BALANCES - ENDING	<u>\$ 152,329</u>	<u>\$ -</u>	<u>\$ 166,038</u>	<u>\$ 528,934</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	152,329	-	166,038	-
Preservation of Records	-	-	-	-
Debt Service	-	-	-	528,934
Road & Bridge Projects	-	-	-	-
Aid and Assistance	-	-	-	-
Committed to:				
Emergency Services	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 152,329</u>	<u>\$ -</u>	<u>\$ 166,038</u>	<u>\$ 528,934</u>

(Continued)

BOONE COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Highway Allocation	Fair Building Fund	Ambulance Fund	Total Nonmajor Funds
	Bond Repay Fund	Fair Building Fund	Ambulance Fund	Total Nonmajor Funds
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ 80,341
Investment Income	-	-	-	4,116
Intergovernmental	-	-	-	186,475
Charges for Services	-	-	130,306	135,467
Miscellaneous	-	-	27,625	227,625
TOTAL RECEIPTS	-	-	157,931	634,024
DISBURSEMENTS				
Public Safety	-	-	258,516	296,943
Public Works	-	-	-	340,030
Public Assistance	-	-	-	4,000
Culture and Recreation	-	-	-	2,223
Debt Service:				
Principal Payments	680,000	-	-	845,000
Interest and Fiscal Charges	81,018	-	-	130,365
Capital Projects	-	334,744	-	334,744
TOTAL DISBURSEMENTS	761,018	334,744	258,516	1,953,305
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(761,018)	(334,744)	(100,585)	(1,319,281)
OTHER FINANCING SOURCES (USES)				
Transfers in	761,018	-	-	761,018
Transfers out	-	(7,931)	-	(42,651)
TOTAL OTHER FINANCING SOURCES (USES)	761,018	(7,931)	-	718,367
Net Change in Fund Balances	-	(342,675)	(100,585)	(600,914)
FUND BALANCES - BEGINNING	21,104	342,675	274,031	2,285,015
FUND BALANCES - ENDING	\$ 21,104	\$ -	\$ 173,446	\$ 1,684,101
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	51,933
911 Emergency Services	-	-	-	318,367
Preservation of Records	-	-	-	26,960
Debt Service	21,104	-	-	550,038
Road & Bridge Projects	-	-	-	485,904
Aid and Assistance	-	-	-	77,453
Committed to:				
Emergency Services	-	-	173,446	173,446
TOTAL FUND BALANCES	\$ 21,104	\$ -	\$ 173,446	\$ 1,684,101

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Veterans' Service Officer	County Planning and Zoning	County Treasurer	County Board	Total
BALANCES JULY 1, 2020	\$ 13,763	\$ 163,271	\$ 6,994	\$ 474	\$ -	\$ 1,129	\$ -	\$ 25	\$ 3,500	\$ 189,156
RECEIPTS										
Licenses and Permits	925	-	-	-	-	-	2,330	-	-	3,255
Intergovernmental	-	-	-	-	-	4,000	-	-	-	4,000
Charges for Services	59,992	5,710	19,248	220	484	-	-	-	-	85,654
Miscellaneous	-	-	11	-	-	1	-	-	-	12
State Fees	78,108	10,246	-	-	-	-	-	-	-	88,354
Other Liabilities	-	406,527	56,019	2,933	-	-	-	-	-	465,479
TOTAL RECEIPTS	139,025	422,483	75,278	3,153	484	4,001	2,330	-	-	646,754
DISBURSEMENTS										
Payments to County Treasurer	62,308	7,519	20,732	290	428	-	2,330	25	-	93,632
Payments to State Treasurer	79,441	9,876	-	-	-	-	-	-	-	89,317
Petty Cash	-	-	-	-	-	3,675	-	-	-	3,675
Other Liabilities	-	406,742	57,911	3,251	-	-	-	-	-	467,904
TOTAL DISBURSEMENTS	141,749	424,137	78,643	3,541	428	3,675	2,330	25	-	654,528
BALANCES JUNE 30, 2021	\$ 11,039	\$ 161,617	\$ 3,629	\$ 86	\$ 56	\$ 1,455	\$ -	\$ -	\$ 3,500	\$ 181,382
BALANCES CONSIST OF:										
Due to County Treasurer	\$ 5,277	\$ 193	\$ 3,563	\$ -	\$ 56	\$ 1,455	\$ -	\$ -	\$ -	\$ 10,544
Petty Cash	25	-	51	-	-	-	-	-	\$ 3,500	3,576
Due to State Treasurer	5,737	748	-	-	-	-	-	-	-	6,485
Due to Others	-	160,676	15	86	-	-	-	-	-	160,777
BALANCES JUNE 30, 2021	\$ 11,039	\$ 161,617	\$ 3,629	\$ 86	\$ 56	\$ 1,455	\$ -	\$ -	\$ 3,500	\$ 181,382

BOONE 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	\$ 17,390,570	\$ 17,634,188	\$ 18,502,032	\$ 19,294,029	\$ 19,527,323
Personal and Specials	922,412	811,712	798,085	765,223	911,507
Total	<u>18,312,982</u>	<u>18,445,900</u>	<u>19,300,117</u>	<u>20,059,252</u>	<u>20,438,830</u>
Corrections					
Additions	8,781	5,007	23,988	1,029	181
Deductions	(18,094)	(24,453)	(14,749)	(5,107)	(3,996)
Net Additions/ (Deductions)	<u>(9,313)</u>	<u>(19,446)</u>	<u>9,239</u>	<u>(4,078)</u>	<u>(3,815)</u>
Corrected Certified Tax	<u>18,303,669</u>	<u>18,426,454</u>	<u>19,309,356</u>	<u>20,055,174</u>	<u>20,435,015</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	12,116,658	-	-	-	-
June 30, 2018	6,188,822	12,337,229	-	-	-
June 30, 2019	(3,904)	6,069,770	12,657,864	-	-
June 30, 2020	1,023	16,093	6,645,673	13,022,832	-
June 30, 2021	757	2,427	4,379	7,026,140	13,912,089
Total Net Collections	<u>18,303,356</u>	<u>18,425,519</u>	<u>19,307,916</u>	<u>20,048,972</u>	<u>13,912,089</u>
Total Uncollected Tax	<u>\$ 313</u>	<u>\$ 935</u>	<u>\$ 1,440</u>	<u>\$ 6,202</u>	<u>\$ 6,522,926</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.03%</u>	<u>31.92%</u>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Assistance Listing	Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51240 Y3	\$ 20,289
Total U.S. Department of Health and Human Services			<u>20,289</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	011-UHL3N-00	874,341
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unavailable	7,973
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			* <u>882,314</u>
Total U.S. Department of Homeland Security			<u>882,314</u>
DEPARTMENT OF TREASURY			
Passed through Nebraska Military Department			
COVID-19 - Coronavirus Relief Fund	21.019	Unavailable	166,830
Total U.S. Department of Treasury			<u>166,830</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,069,433</u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

BOONE 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 Boone 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 \$882,314 for this program, of which \$419,819 was incurred and paid prior to the fiscal year ended June 30, 2021.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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BOONE 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
Boone 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 Boone County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Boone County's basic financial statements, and have issued our report thereon dated May 9, 2022. The report notes the financial statements were prepared on the basis of cash receipts and disbursements, and do not include the financial data of the Boone County Hospital, a component unit of Boone County.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boone 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 Boone County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

Board Response: The County has discussed the finding 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 Boone 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 Boone County in a separate letter dated May 9, 2022.

Boone County's Response to Findings

Boone County's response to the finding identified in our audit is described above. Boone 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.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

May 9, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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BOONE 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
Boone County, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Boone 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 Boone County's major Federal programs for the year ended June 30, 2021. Boone County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Boone County's basic financial statements do not include the financial data of the Boone County Medical Center, a component unit of Boone County.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Boone 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 Boone 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 Boone 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 Boone 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.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

May 9, 2022

BOONE 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 X None Reported

Significant deficiencies identified? X Yes _____ No

Noncompliance material to financial statements noted?

_____ Yes X None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ Yes X None Reported

Significant deficiencies identified? _____ Yes X 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 X 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 X No

BOONE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

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

BOONE COUNTY BOARD OF COMMISSIONERS

BEN RUTTEN ~ JON LINDGREN ~ LARRY TEMME
comm1@boonecountyne.gov ~ comm2@boonecountyne.gov ~ comm3@boonecountyne.gov
222 S 4th St ~ Albion, NE 68620-1247
Phone 402-395-6619 ~ Fax 402-395-8531

May 9, 2022

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

Sincerely,



Larry Temme, Chairman
Boone County Board of Commissioners



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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May 9, 2022

Board of Commissioners
Boone County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Boone County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated May 9, 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 CLERK OF THE DISTRICT COURT

Overdue Case Account Report Review

We tested 10 balances due to the District Court and noted that 9 of those balances, totaling \$2,603, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances. The last activity on these cases ranged from 2001 to 2015.

As of June 30, 2021, the Overdue Case Account Report (Report) listed 71 cases with overdue balances, totaling \$18,805. None of these cases had a current warrant or suspension issued.

Good internal control and sound accounting practices require action to be taken on cases noted in the Report. Such action could include the issuance of a suspension or warrant or, alternatively, an order declaring the amount owed to be uncollectible.

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

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing basis, and appropriate follow-up action is taken. Potential courses of action for follow-up would include the issuance of warrants; a judge's determination and order to waive certain costs, if allowable; or a declaration of certain balances as uncollectible.

District Court Response: I took over the Office of the Clerk of the District Court in March 2021, as an addition to my duties as Clerk Magistrate of the County Court. It has been a year of intense learning new procedures and balancing these with my previous duties. I fully intend to start a procedure to monitor and collect the outstanding balances in District Court. I will work with the District Court Judge and the Boone County Attorney to get the overdue balances I inherited resolved as soon as I possibly can. I am monitoring the new judgments as I go along.

COUNTY HIGHWAY SUPERINTENDENT

Disaster Grant Federal Allowability Errors

For three of 25 lines tested, we noted that the County was requesting reimbursement for materials based on Federal Emergency Management Agency (FEMA) Final Scope estimates, not actual materials used. The County did not maintain a log or other documentation to support the total materials used for each project. While the estimated amounts claimed appear to have been supported by invoices, we were unable to verify if the materials claimed were actually used on each project site, as noted by the County.

Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.403 (January 1, 2021) requires costs charged to Federal programs to be reasonable, necessary, and adequately documented.

A good internal control plan requires procedures to ensure that Federal reimbursement requests are adequately documented, which would include support for actual material quantities and costs used at each site.

Without such procedures, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations.

We recommend the County implement procedures to ensure material costs charged to a Federal grant are adequately documented, including support for actual material quantities and costs used at each site.

COUNTY SHERIFF

Office Procedures

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

- For the Sheriff Fee bank account, the office neither maintained a book balance nor performed monthly bank reconciliations. The office stopped recording a running book balance for this account on April 19, 2021; however, various records maintained by the office indicated an actual book balance of \$588 at June 30, 2021.
- For the Sheriff Crime Stoppers bank account, the office neither maintained a book balance nor performed monthly bank reconciliations. As of June 30, 2021, the balance in the bank account was \$3,027.
- The office was unable to provide documentation that a monthly asset-to-liability reconciliation was performed. Consequently, as of June 30, 2021, we noted a shortage of \$118 without support or other information to determine the cause of the variance.
- The office does not maintain receipt records for any bonds or court costs received that are taken to the County Court. Based on County Court records, the amount remitted during the fiscal year was \$18,654.
- A prisoner boarding receipt of \$295 was remitted to the County Treasurer twice, in March 2021 and April 2021.
- A check purchase of \$24 was made from the Sheriff Fee bank account in January 2021; however, this balance had not been claimed for reimbursement as of fieldwork in March 2022.
- We noted one check written in the checkbook with a payee noted and a signature; however, the rest of the check had not been completed, nor had the check been voided.

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

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

Sound accounting practices and good internal controls require procedures to ensure 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. Such procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances.

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

A similar issue was noted in the prior year.

We recommend the County Sheriff implement monthly fund balancing procedures to ensure the performance of bank and asset-to-liability reconciliations and to resolve timely all variances identified.

COUNTY TREASURER

Tentative Inheritance Tax

We noted that the County Treasurer was maintaining \$13,452 in the Tentative Inheritance Tax Fund despite the case being closed in February 2021. The balance had not been remitted to the Inheritance Tax Fund as of fieldwork in March 2022.

Good internal controls and sound business practices require trust balances to be reviewed on an ongoing, timely basis to determine what action should be taken to refund and/or resolve those balances. Such procedures should include reviewing the trust balances reflected on the County Treasurer's monthly financial reports and following up with the necessary parties to ensure a timely resolution.

Without adequate controls to ensure the complete, accurate, and timely review and resolution of trust balances, there is an increased risk of loss, theft, misuse, or improper payment of monies held by the County Treasurer.

We recommend the County Treasurer implement procedures to monitor monthly financial reports in order to ensure trust balances are reviewed timely for completeness, accuracy, and proper disposition.

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.

Board 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,



Zachary Wells, CPA, CISA
Assistant Deputy Auditor