

**AUDIT REPORT  
OF  
KIMBALL COUNTY  
JULY 1, 2020, THROUGH JUNE 30, 2021**

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**Modification of this document may change the accuracy of the original  
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**Issued on June 30, 2022**

# KIMBALL COUNTY

## TABLE OF CONTENTS

	<u>Page</u>
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	9
Notes to Financial Statements	10 - 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 - 30
Schedule of Office Activities	31
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	32
Schedule of Expenditures of Federal Awards	33
Notes to the Schedule of Expenditures of Federal Awards	34
<b>Government Auditing Standards Section</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35 - 36
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	37 - 38
Schedule of Findings and Questioned Costs	39 - 43
<b>Auditee Section</b>	
Schedule of Prior Audit Findings	44
Corrective Action Plan	45

KIMBALL COUNTY  
114 E. 3<sup>rd</sup> St.  
Kimball, NE 69145

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

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Larry Engstrom	Jan. 2023
	Carl Stander	Jan. 2025
	Rich Flores	Jan. 2023
Assessor	Sherry Winstrom	Jan. 2023
Attorney	David Wilson	Jan. 2023
Clerk	Cathleen Sibal	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Debra Diemoz	Jan. 2023
Sheriff	Harry Gillway	Jan. 2023
Treasurer	Cindy Rahmig	Jan. 2023
Surveyor	Donald Brush	Appointed
Weed Superintendent	Rick Wrangler	Appointed
Highway Superintendent	Randal Bymer	Appointed
Planning & Zoning	Sheila Newell	Appointed
Emergency Manager	Ronald Leal	Appointed
Rural Transit Administrator	Christy Warner	Appointed
Veterans' Service Officer	Brian Howard	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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## KIMBALL COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Kimball County, Nebraska

#### Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kimball County, as of and for the year ended June 30, 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
Aggregate Discretely Presented Component Units	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

### Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units 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 Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Kimball 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 Kimball 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 19-33, 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 June 27, 2022, on our consideration of Kimball County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Kimball County's internal control over financial reporting and compliance.

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  
Lincoln, Nebraska

June 27, 2022

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

	Governmental Activities
	<hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 4,797,650
<b>TOTAL ASSETS</b>	<hr/> <hr/>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 23,342
911 Emergency Services	73,035
Drug Education	4,547
Preservation of Records	24,812
Child Support Enforcement	4,772
Aid and Assistance	3,996
Federal Relief	352,740
Unrestricted	4,310,406
<b>TOTAL NET POSITION</b>	<hr/> <hr/>

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

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

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (2,055,215)	\$ 209,233	\$ 61,193	\$ (1,784,789)
Public Safety	(1,034,768)	16,761	43,725	(974,282)
Public Works	(1,448,144)	85,956	912,331	(449,857)
Public Assistance	(948,531)	134,443	822,592	8,504
Culture and Recreation	(87,677)	3,649	57,955	(26,073)
Debt Payments	(116,214)	-	94,259	(21,955)
Capital Outlay	(331,708)	-	431,585	99,877
Total Governmental Activities	<u>\$ (6,022,257)</u>	<u>\$ 450,042</u>	<u>\$ 2,423,640</u>	<u>(3,148,575)</u>

General Receipts:

Taxes	3,351,054
Grants and Contributions Not Restricted to Specific Programs	659,314
Investment Income	17,335
Licenses and Permits	23,487
Miscellaneous	56,650
Total General Receipts	<u>4,107,840</u>
Increase in Net Position	959,265
Net Position - Beginning of year	3,838,385
Net Position - End of year	<u>\$ 4,797,650</u>

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



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

	General Fund	Road Fund	Inheritance Fund	Road Sinking Fund	Capital Projects Fund	Transit Service Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents (Note 1.D)	\$ 782,685	\$ 79,236	\$1,683,731	\$ 962,099	\$ 608,436	\$130,614	\$ 550,849	\$ 4,797,650
<b>TOTAL ASSETS</b>	<u>\$ 782,685</u>	<u>\$ 79,236</u>	<u>\$1,683,731</u>	<u>\$ 962,099</u>	<u>\$ 608,436</u>	<u>\$130,614</u>	<u>\$ 550,849</u>	<u>\$ 4,797,650</u>
<b>FUND BALANCES</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	23,342	23,342
911 Emergency Services	-	-	-	-	-	-	73,035	73,035
Drug Education	-	-	-	-	-	-	4,547	4,547
Preservation of Records	-	-	-	-	-	-	24,812	24,812
Child Support Enforcement	-	-	-	-	-	-	4,772	4,772
Aid and Assistance	-	-	-	-	-	-	3,996	3,996
Federal Relief	-	-	-	-	-	-	352,740	352,740
Committed to:								
Law Enforcement	-	-	-	-	-	-	23,390	23,390
Road Maintenance	-	79,236	-	962,099	-	-	-	1,041,335
Aid and Assistance	-	-	-	-	-	130,614	-	130,614
County Buildings	-	-	-	-	608,436	-	-	608,436
Landfill	-	-	-	-	-	-	40,215	40,215
Assigned to:								
Other Purposes	-	-	1,683,731	-	-	-	-	1,683,731
Unassigned	782,685	-	-	-	-	-	-	782,685
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 782,685</u>	<u>\$ 79,236</u>	<u>\$1,683,731</u>	<u>\$ 962,099</u>	<u>\$ 608,436</u>	<u>\$130,614</u>	<u>\$ 550,849</u>	<u>\$ 4,797,650</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Road Sinking Fund	Capital Projects Fund	Transit Service Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>								
Taxes	\$ 3,135,000	\$ -	\$ 120,871	\$ -	\$ -	\$ -	\$ 95,183	\$ 3,351,054
Licenses and Permits	22,207	1,280	-	-	-	-	-	23,487
Investment Income	17,295	-	-	-	-	-	40	17,335
Intergovernmental	411,496	817,918	-	94,413	431,585	822,592	504,950	3,082,954
Charges for Services	219,994	2,426	-	-	-	134,443	93,179	450,042
Miscellaneous	29,743	1,508	-	-	-	9,337	16,062	56,650
<b>TOTAL RECEIPTS</b>	<b>3,835,735</b>	<b>823,132</b>	<b>120,871</b>	<b>94,413</b>	<b>431,585</b>	<b>966,372</b>	<b>709,414</b>	<b>6,981,522</b>
<b>DISBURSEMENTS</b>								
General Government	2,022,629	-	-	-	-	-	32,586	2,055,215
Public Safety	912,297	-	-	-	-	-	122,471	1,034,768
Public Works	107,120	1,262,015	-	1,755	-	-	77,254	1,448,144
Public Assistance	45,106	-	-	-	-	903,425	-	948,531
Culture and Recreation	-	-	-	-	-	-	87,677	87,677
Debt Service:								
Principal Payments	-	-	-	-	-	-	85,000	85,000
Interest and Fiscal Charges	-	-	-	-	-	-	31,214	31,214
Capital Outlay	-	-	-	-	331,708	-	-	331,708
<b>TOTAL DISBURSEMENTS</b>	<b>3,087,152</b>	<b>1,262,015</b>	<b>-</b>	<b>1,755</b>	<b>331,708</b>	<b>903,425</b>	<b>436,202</b>	<b>6,022,257</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>748,583</b>	<b>(438,883)</b>	<b>120,871</b>	<b>92,658</b>	<b>99,877</b>	<b>62,947</b>	<b>273,212</b>	<b>959,265</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	33,048	525,000	-	100,000	300,000	40,000	69,685	1,067,733
Transfers out	(762,730)	(100,000)	(150,000)	-	-	(30,000)	(25,003)	(1,067,733)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(729,682)</b>	<b>425,000</b>	<b>(150,000)</b>	<b>100,000</b>	<b>300,000</b>	<b>10,000</b>	<b>44,682</b>	<b>-</b>
Net Change in Fund Balances	18,901	(13,883)	(29,129)	192,658	399,877	72,947	317,894	959,265
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>763,784</b>	<b>93,119</b>	<b>1,712,860</b>	<b>769,441</b>	<b>208,559</b>	<b>57,667</b>	<b>232,955</b>	<b>3,838,385</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 782,685</b>	<b>\$ 79,236</b>	<b>\$1,683,731</b>	<b>\$962,099</b>	<b>\$608,436</b>	<b>\$130,614</b>	<b>\$ 550,849</b>	<b>\$ 4,797,650</b>

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

KIMBALL COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**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	\$ 294,126	\$ 11,550,587	\$ 11,611,900	\$ 232,813
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	106,414	969,451	994,170	81,695
State - Collected by Other Offices	3,666	56,481	55,927	4,220
Schools	103,288	7,996,793	8,008,217	91,864
Educational Service Units	1,047	111,412	111,470	989
Technical College	7,114	741,156	741,772	6,498
Natural Resource Districts	3,425	356,042	356,337	3,130
Fire Districts	1,348	166,597	166,835	1,110
Municipalities	19,815	607,441	610,736	16,520
Agricultural Society	360	58,878	58,601	637
Cemetery Districts	111	10,810	10,842	79
Airport Authority	1,112	45,111	45,400	823
Historical Society	137	14,972	14,974	135
Others - Collected by County Treasurer	8,386	326,894	331,658	3,622
Others - Collected by Other Offices	37,903	88,549	104,961	21,491
TOTAL LIABILITIES	294,126	11,550,587	11,611,900	232,813
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -

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

## KIMBALL COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

#### 1. **Summary of Significant Accounting Policies**

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

##### **A. Reporting Entity**

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

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

##### **Joint Organization.**

Behavioral Health Region I – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region I (Region) consists of the following counties: Sioux, Dawes, Box Butte, Sheridan, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$12,841 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 Panhandle Public Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

## KIMBALL 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 \$275 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.

Region 21 Emergency Management (Region 21) – The County has entered into an agreement with the governing boards of Cheyenne County, Garden County, Deuel County, and Morrill County to provide services to carry out the provisions of the Emergency Management Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under Neb. Rev. Stat. § 81-829.36 (Reissue 2014) et seq. The governing board for Region 21 is established by statute, and the agreement includes representatives from the participating member boards. Each member contributes to the financial support of the Region based on formulas developed by the agreement. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$24,785 toward the operation of Region 21 during fiscal year 2021. In the event of termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Cheyenne County is the fiscal agent of Region 21.

#### B. **Basis of Presentation**

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

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

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

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.

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

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

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

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

**Transit Service Fund.** This fund is used to account for the costs of providing transportation services for the County and is primarily funded by grant reimbursements and transit fare receipts.

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

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

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

**Debt Service Funds.** The Welcome Center Bond Fund and Manor Bond 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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

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.

# KIMBALL COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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 \$487,244 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.

### 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 \$4,797,650 for County funds and \$232,813 for Fiduciary funds. The bank balances for all funds totaled \$4,962,377. 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.



## KIMBALL COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 3. Taxes

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

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

The levy set in October 2020, for the 2020 taxes, which will be materially collected in May and September 2021, was set at \$.449691/\$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 \$.445032/\$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, and lodging taxes.

#### 4. Retirement System

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

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

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

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

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2021, 77 employees contributed \$96,059, and the County contributed \$143,276. Contributions included \$1,627 in cash contributions towards the supplemental law enforcement plan for four law enforcement employees.

5. **Risk Management**

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

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

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

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

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

6. **Interfund Transfers**

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

Transfers to	Transfers from					Total
	General Fund	Inheritance Fund	Road Fund	Transit Service Fund	Nonmajor Funds	
Road Fund	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ 525,000
General Fund	-	-	-	30,000	3,048	33,048
Road Sinking Fund	-	-	100,000	-	-	100,000
Capital Projects Fund	150,000	150,000	-	-	-	300,000
Transit Service Fund	40,000	-	-	-	-	40,000
Nonmajor Funds	47,730	-	-	-	21,955	69,685
Total	<u>\$ 762,730</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 30,000</u>	<u>\$ 25,003</u>	<u>\$ 1,067,733</u>

KIMBALL COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**6. Interfund Transfers (Concluded)**

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 \$100,000 from the Road Fund to the Road Sinking Fund to set aside funds for future projects. Additionally, the following transfers were made:

- \$21,955 was transferred from the Visitors Promotion Fund to the Welcome Center Bond Fund to make the annual bond payments.
- \$30,000 was transferred from the Transit Service Fund to the General Fund to repay previous transfers.
- \$3,048 was transferred from the Landfill Fund to the General Fund. Per Resolution 98-18, late fees assessed on delinquent landfill accounts are to be transferred from the Landfill Fund to the General Fund prior to the end of June each year.

**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:

	Road Equipment	Sheriff Equipment	2016 Ambulance	911 Equipment	Total
Balance July 1, 2020	\$ 322,335	\$ 54,141	\$ 41,848	\$ -	\$ 418,324
Purchases	148,469	34,166	-	91,837	274,472
Payments	88,760	26,108	41,848	9,045	165,761
Balance June 30, 2021	<u>\$ 382,044</u>	<u>\$ 62,199</u>	<u>\$ -</u>	<u>\$ 82,792</u>	<u>\$ 527,035</u>
Future Payments:					
<b>Year</b>					
2022	\$ 110,764	\$ 28,335	\$ -	\$ 18,861	\$ 157,960
2023	110,764	23,475	-	18,861	153,100
2024	71,749	11,738	-	18,861	102,348
2025	68,202		-	18,861	87,063
2026	34,101		-	9,431	43,532
Total Payments	395,580	63,548	-	84,875	544,003
Less Interest	13,536	1,349	-	2,083	16,968
Present Value of Future					
Minimum Lease Payments	<u>\$ 382,044</u>	<u>\$ 62,199</u>	<u>\$ -</u>	<u>\$ 82,792</u>	<u>\$ 527,035</u>
Carrying Value of the					
Related Fixed Asset	<u>\$ 553,413</u>	<u>\$ 106,665</u>	<u>\$ 204,082</u>	<u>\$ 91,837</u>	<u>\$ 864,160</u>

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

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

**Bonds**

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 75,000	\$ 27,415	\$ 102,415
2023	75,000	26,028	101,028
2024	80,000	24,515	104,515
2025	80,000	22,875	102,875
2026	80,000	21,155	101,155
2027-2031	445,000	74,701	519,701
2032-2036	290,000	13,521	303,521
Total Payments	<u>\$ 1,125,000</u>	<u>\$ 210,210</u>	<u>\$ 1,335,210</u>

**Welcome Center Bond.** The County issued bonds on July 1, 2014, in the amount of \$205,000 for the purpose of paying the costs of acquiring and furnishing a building for use as a welcome center for the County. The bond payable balance as of June 30, 2021, was \$65,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County expects the bonds to be paid from lodging tax receipts.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 20,000	\$ 1,495	\$ 21,495
2023	20,000	1,035	21,035
2024	25,000	575	25,575
Total Payments	<u>\$ 65,000</u>	<u>\$ 3,105</u>	<u>\$ 68,105</u>

8. **Prior-Period Adjustment**

The beginning balances were increased by \$2,536 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.

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,272,371	\$ 3,272,371	\$ 3,135,000	\$ (137,371)
Licenses and Permits	14,700	14,700	22,207	7,507
Investment Income	17,000	17,000	17,295	295
Intergovernmental	440,725	440,725	411,496	(29,229)
Charges for Services	211,450	211,450	219,994	8,544
Miscellaneous	290,000	290,000	29,743	(260,257)
<b>TOTAL RECEIPTS</b>	<b>4,246,246</b>	<b>4,246,246</b>	<b>3,835,735</b>	<b>(410,511)</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	68,295	68,295	61,386	6,909
County Clerk	186,749	186,749	183,634	3,115
County Treasurer	163,760	163,760	158,530	5,230
County Assessor	157,697	157,697	149,613	8,084
Election Commissioner	23,200	23,200	17,313	5,887
Building and Zoning	18,946	18,946	13,401	5,545
Clerk of the District Court	79,643	79,643	77,352	2,291
County Court System	4,950	4,950	3,260	1,690
Building and Grounds	196,500	204,000	202,244	1,756
Reappraisal	46,835	46,835	36,030	10,805
Agricultural Extension Agent	71,300	71,300	57,453	13,847
Human Resources	8,528	8,528	7,361	1,167
Employment Security	8,000	8,000	133	7,867
Grants	300,000	300,000	-	300,000
Miscellaneous	1,464,700	1,457,200	1,054,919	402,281
Public Safety				
County Sheriff	323,051	323,051	297,983	25,068
County Attorney	113,564	113,564	109,933	3,631
Dispatchers	249,284	249,284	232,585	16,699
County Jail	146,380	146,380	101,801	44,579
Emergency Management	30,500	30,500	24,785	5,715
Ambulance	152,750	152,750	145,210	7,540
Public Works				
County Surveyor	21,200	21,200	14,140	7,060
Noxious Weed Control	111,184	111,184	92,980	18,204
Public Assistance				
Veterans' Service Officer	49,058	49,058	41,510	7,548
Institutions	2,000	2,000	-	2,000
Relief	16,450	16,450	3,596	12,854
<b>TOTAL DISBURSEMENTS</b>	<b>4,014,524</b>	<b>4,014,524</b>	<b>3,087,152</b>	<b>927,372</b>

(Continued)

KIMBALL 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)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>231,722</u>	<u>231,722</u>	<u>748,583</u>	<u>516,861</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	810,500	810,500	33,048	(777,452)
Transfers out	<u>(1,256,006)</u>	<u>(1,256,006)</u>	<u>(762,730)</u>	<u>493,276</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(445,506)</u>	<u>(445,506)</u>	<u>(729,682)</u>	<u>(284,176)</u>
Net Change in Fund Balance	(213,784)	(213,784)	18,901	232,685
<b>FUND BALANCE - BEGINNING</b>	<u>763,784</u>	<u>763,784</u>	<u>763,784</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 550,000</u></u>	<u><u>\$ 550,000</u></u>	<u><u>\$ 782,685</u></u>	<u><u>\$ 232,685</u></u>

(Concluded)

KIMBALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
RECEIPTS				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 1,280	\$ 280
Intergovernmental	639,000	639,000	817,918	178,918
Charges for Services	1,100	1,100	2,426	1,326
Miscellaneous	59,825	59,825	1,508	(58,317)
TOTAL RECEIPTS	700,925	700,925	823,132	122,207
DISBURSEMENTS	1,386,820	1,386,820	1,262,015	124,805
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(685,895)	(685,895)	(438,883)	247,012
OTHER FINANCING SOURCES (USES)				
Transfers in	867,776	867,776	525,000	(342,776)
Transfers out	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	767,776	767,776	425,000	(342,776)
Net Change in Fund Balance	81,881	81,881	(13,883)	(95,764)
FUND BALANCE - BEGINNING	93,119	93,119	93,119	-
FUND BALANCE - ENDING	\$ 175,000	\$ 175,000	\$ 79,236	\$ (95,764)
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ 90,300	\$ 90,300	\$ 120,871	\$ 30,571
TOTAL RECEIPTS	90,300	90,300	120,871	30,571
DISBURSEMENTS	1,003,160	1,003,160	-	1,003,160
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(912,860)	(912,860)	120,871	1,033,731
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(800,000)	(800,000)	(150,000)	650,000
TOTAL OTHER FINANCING SOURCES (USES)	(800,000)	(800,000)	(150,000)	650,000
Net Change in Fund Balance	(1,712,860)	(1,712,860)	(29,129)	1,683,731
FUND BALANCE - BEGINNING	1,712,860	1,712,860	1,712,860	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,683,731	\$ 1,683,731

KIMBALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD SINKING FUND</b>				
RECEIPTS				
Intergovernmental	\$ 94,413	\$ 94,413	\$ 94,413	\$ -
TOTAL RECEIPTS	94,413	94,413	94,413	-
DISBURSEMENTS	963,854	963,854	1,755	962,099
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(869,441)	(869,441)	92,658	962,099
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	100,000	-
Net Change in Fund Balance	(769,441)	(769,441)	192,658	962,099
FUND BALANCE - BEGINNING	769,441	769,441	769,441	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 962,099	\$ 962,099
<b>CAPITAL PROJECTS FUND</b>				
RECEIPTS				
Intergovernmental	\$ 460,000	\$ 460,000	\$ 431,585	\$ (28,415)
TOTAL RECEIPTS	460,000	460,000	431,585	(28,415)
DISBURSEMENTS	968,559	968,559	331,708	636,851
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(508,559)	(508,559)	99,877	608,436
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	300,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	300,000	300,000	300,000	-
Net Change in Fund Balance	(208,559)	(208,559)	399,877	608,436
FUND BALANCE - BEGINNING	208,559	208,559	208,559	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 608,436	\$ 608,436

(Continued)



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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>TRANSIT SERVICE FUND</b>				
RECEIPTS				
Intergovernmental	\$ 766,423	\$ 766,423	\$ 822,592	\$ 56,169
Charges for Services	70,500	70,500	134,443	63,943
Miscellaneous	65,977	65,977	9,337	(56,640)
TOTAL RECEIPTS	<u>902,900</u>	<u>902,900</u>	<u>966,372</u>	<u>63,472</u>
DISBURSEMENTS	<u>922,067</u>	<u>922,067</u>	<u>903,425</u>	<u>18,642</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(19,167)</u>	<u>(19,167)</u>	<u>62,947</u>	<u>82,114</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	40,000	10,000
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(30,000)</u>	<u>30,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(30,000)</u>	<u>(30,000)</u>	<u>10,000</u>	<u>40,000</u>
Net Change in Fund Balance	(49,167)	(49,167)	72,947	122,114
FUND BALANCE - BEGINNING	<u>57,667</u>	<u>57,667</u>	<u>57,667</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 130,614</u>	<u>\$ 122,114</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CHILD SUPPORT - DISTRICT COURT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(31,610)	(31,610)	(28,769)	2,841
Transfers in	14,949	14,949	14,949	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(16,661)	(16,661)	(13,820)	2,841
Fund Balance - Beginning	16,661	16,661	16,660	(1)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>

<b>CHILD SUPPORT - COUNTY ATTORNEY FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(34,793)	(34,793)	(32,860)	1,933
Transfers in	32,781	32,781	32,781	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(2,012)	(2,012)	(79)	1,933
Fund Balance - Beginning	2,012	2,012	2,011	(1)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,932</u>	<u>\$ 1,932</u>

<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 45,677	\$ 45,677	\$ 45,968	\$ 291
Disbursements	(56,750)	(56,750)	(39,541)	17,209
Transfers in	35,500	35,500	-	(35,500)
Transfers out	(35,500)	(35,500)	-	35,500
Net Change in Fund Balance	(11,073)	(11,073)	6,427	17,500
Fund Balance - Beginning	11,073	11,073	11,073	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 17,500</u>

<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 69,348	\$ 69,348	\$ 65,856	\$ (3,492)
Disbursements	(56,925)	(56,925)	(48,136)	8,789
Transfers in	55,000	55,000	-	(55,000)
Transfers out	(77,500)	(77,500)	(21,955)	55,545
Net Change in Fund Balance	(10,077)	(10,077)	(4,235)	5,842
Fund Balance - Beginning	10,077	10,077	10,077	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,842</u>	<u>\$ 5,842</u>

(Continued)

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

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 5,050	\$ 5,050	\$ 4,830	\$ (220)
Disbursements	(28,849)	(28,849)	(3,817)	25,032
Net Change in Fund Balance	(23,799)	(23,799)	1,013	24,812
Fund Balance - Beginning	23,799	23,799	23,799	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,812</u>	<u>\$ 24,812</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 5	\$ 5
Disbursements	(3,991)	(3,991)	-	3,991
Net Change in Fund Balance	(3,991)	(3,991)	5	3,996
Fund Balance - Beginning	3,991	3,991	3,991	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,996</u>	<u>\$ 3,996</u>
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 1,170	\$ (3,830)
Disbursements	(28,969)	(28,969)	(1,749)	27,220
Net Change in Fund Balance	(23,969)	(23,969)	(579)	23,390
Fund Balance - Beginning	23,969	23,969	23,969	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,390</u>	<u>\$ 23,390</u>
<b>DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 1,900	\$ (48,100)
Disbursements	(52,647)	(52,647)	-	52,647
Net Change in Fund Balance	(2,647)	(2,647)	1,900	4,547
Fund Balance - Beginning	2,647	2,647	2,647	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,547</u>	<u>\$ 4,547</u>
<b>COVID AMERICAN RESCUE PLAN FUND</b>				
Receipts	\$ -	\$ -	\$ 352,740	\$ 352,740
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	352,740	352,740
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,740</u>	<u>\$ 352,740</u>

(Continued)

KIMBALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>911 EMERGENCY SERVICES FUND</b>				
Receipts	\$ 14,107	\$ 14,107	\$ 12,931	\$ (1,176)
Disbursements	(52,909)	(52,909)	(11,557)	41,352
Net Change in Fund Balance	(38,802)	(38,802)	1,374	40,176
Fund Balance - Beginning	38,802	38,802	38,802	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,176</u>	<u>\$ 40,176</u>
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 47,000	\$ 47,000	\$ 46,225	\$ (775)
Disbursements	(109,939)	(109,939)	(76,305)	33,634
Net Change in Fund Balance	(62,939)	(62,939)	(30,080)	32,859
Fund Balance - Beginning	62,939	62,939	62,939	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,859</u>	<u>\$ 32,859</u>
<b>WELCOME CENTER BOND FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(92,500)	(92,500)	(21,955)	70,545
Transfers in	92,500	92,500	21,955	(70,545)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>MANOR BOND FUND</b>				
Receipts	\$ 94,658	\$ 94,658	\$ 94,259	\$ (399)
Disbursements	(94,658)	(94,658)	(94,259)	399
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LANDFILL FUND</b>				
Receipts	\$ 75,750	\$ 75,750	\$ 83,530	\$ 7,780
Disbursements	(102,737)	(102,737)	(77,254)	25,483
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	(3,048)	6,952
Net Change in Fund Balance	(36,987)	(36,987)	3,228	40,215
Fund Balance - Beginning	36,987	36,987	36,987	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,215</u>	<u>\$ 40,215</u>

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

For the Year Ended June 30, 2021

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

(Concluded)

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

	Child Support - District Court Fund	Child Support - County Attorney Fund	Visitors Promotion Fund	Visitors Improvement Fund	Preservation & Modernization Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ 18,029	\$ 18,029	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	18,000	39,955	-
Charges for Services	-	-	2,858	791	4,830
Miscellaneous	-	-	7,081	7,081	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>45,968</u>	<u>65,856</u>	<u>4,830</u>
<b>DISBURSEMENTS</b>					
General Government	28,769	-	-	-	3,817
Public Safety	-	32,860	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	39,541	48,136	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>28,769</u>	<u>32,860</u>	<u>39,541</u>	<u>48,136</u>	<u>3,817</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(28,769)</u>	<u>(32,860)</u>	<u>6,427</u>	<u>17,720</u>	<u>1,013</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	14,949	32,781	-	-	-
Transfers out	-	-	-	(21,955)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>14,949</u>	<u>32,781</u>	<u>-</u>	<u>(21,955)</u>	<u>-</u>
Net Change in Fund Balances	(13,820)	(79)	6,427	(4,235)	1,013
<b>FUND BALANCES - BEGINNING</b>	<u>16,660</u>	<u>2,011</u>	<u>11,073</u>	<u>10,077</u>	<u>23,799</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,840</u>	<u>\$ 1,932</u>	<u>\$ 17,500</u>	<u>\$ 5,842</u>	<u>\$ 24,812</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	17,500	5,842	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	24,812
Child Support Enforcement	2,840	1,932	-	-	-
Aid and Assistance	-	-	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Landfill	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,840</u>	<u>\$ 1,932</u>	<u>\$ 17,500</u>	<u>\$ 5,842</u>	<u>\$ 24,812</u>

(Continued)

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

For the Year Ended June 30, 2021

	Veterans' Aid Fund	STOP Program Fund	Drug Law Enforcement & Education Fund	COVID American Rescue Plan Fund	911 Emergency Services Fund
<b>RECEIPTS</b>					
Taxes	\$ 5	\$ -	\$ -	\$ -	\$ 12,895
Investment Income	-	-	-	4	36
Intergovernmental	-	-	-	352,736	-
Charges for Services	-	1,170	-	-	-
Miscellaneous	-	-	1,900	-	-
<b>TOTAL RECEIPTS</b>	<b>5</b>	<b>1,170</b>	<b>1,900</b>	<b>352,740</b>	<b>12,931</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	1,749	-	-	11,557
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>1,749</b>	<b>-</b>	<b>-</b>	<b>11,557</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>5</b>	<b>(579)</b>	<b>1,900</b>	<b>352,740</b>	<b>1,374</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	5	(579)	1,900	352,740	1,374
<b>FUND BALANCES - BEGINNING</b>	<b>3,991</b>	<b>23,969</b>	<b>2,647</b>	<b>-</b>	<b>38,802</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,996</b>	<b>\$ 23,390</b>	<b>\$ 4,547</b>	<b>\$ 352,740</b>	<b>\$ 40,176</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	40,176
Drug Education	-	-	4,547	-	-
Preservation of Records	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Aid and Assistance	3,996	-	-	-	-
Federal Relief	-	-	-	352,740	-
Committed to:					
Law Enforcement	-	23,390	-	-	-
Landfill	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,996</b>	<b>\$ 23,390</b>	<b>\$ 4,547</b>	<b>\$ 352,740</b>	<b>\$ 40,176</b>

(Continued)

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

For the Year Ended June 30, 2021

	911 Wireless Service Fund	Welcome Center Bond Fund	Manor Bond Fund	Landfill Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes	\$ 46,225	\$ -	\$ -	\$ -	\$ 95,183
Investment Income	-	-	-	-	40
Intergovernmental	-	-	94,259	-	504,950
Charges for Services	-	-	-	83,530	93,179
Miscellaneous	-	-	-	-	16,062
<b>TOTAL RECEIPTS</b>	<u>46,225</u>	<u>-</u>	<u>94,259</u>	<u>83,530</u>	<u>709,414</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	32,586
Public Safety	76,305	-	-	-	122,471
Public Works	-	-	-	77,254	77,254
Culture and Recreation	-	-	-	-	87,677
Debt Service:					
Principal Payments	-	20,000	65,000	-	85,000
Interest and Fiscal Charges	-	1,955	29,259	-	31,214
<b>TOTAL DISBURSEMENTS</b>	<u>76,305</u>	<u>21,955</u>	<u>94,259</u>	<u>77,254</u>	<u>436,202</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(30,080)</u>	<u>(21,955)</u>	<u>-</u>	<u>6,276</u>	<u>273,212</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	21,955	-	-	69,685
Transfers out	-	-	-	(3,048)	(25,003)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>21,955</u>	<u>-</u>	<u>(3,048)</u>	<u>44,682</u>
Net Change in Fund Balances	(30,080)	-	-	3,228	317,894
<b>FUND BALANCES - BEGINNING</b>	<u>62,939</u>	<u>-</u>	<u>-</u>	<u>36,987</u>	<u>232,955</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 32,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$40,215</u>	<u>\$ 550,849</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	23,342
911 Emergency Services	32,859	-	-	-	73,035
Drug Education	-	-	-	-	4,547
Preservation of Records	-	-	-	-	24,812
Child Support Enforcement	-	-	-	-	4,772
Aid and Assistance	-	-	-	-	3,996
Federal Relief	-	-	-	-	352,740
Committed to:					
Law Enforcement	-	-	-	-	23,390
Landfill	-	-	-	40,215	40,215
<b>TOTAL FUND BALANCES</b>	<u>\$ 32,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$40,215</u>	<u>\$ 550,849</u>

(Concluded)



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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Visitor's Committee	County Transit	Payroll Imprest Account	Total
BALANCES JULY 1, 2020	\$ 9,906	\$ 40,477	\$ 3,069	\$ 1	\$ 100	\$ 189	\$ 3,380	\$ 100	\$ 57,222
RECEIPTS									
Licenses and Permits	975	-	875	-	1,280	-	-	-	3,130
Intergovernmental	-	-	-	-	-	-	1,260,397	-	1,260,397
Charges for Services	57,726	8,728	14,905	20	1,200	12,056	61,732	-	156,367
Miscellaneous	3,374	35	413	-	1,368	9,020	-	-	14,210
State Fees	47,859	8,321	-	-	4	297	-	-	56,481
Other Liabilities	284	73,049	13,888	300	-	1,028	-	-	88,549
TOTAL RECEIPTS	110,218	90,133	30,081	320	3,852	22,401	1,322,129	-	1,579,134
DISBURSEMENTS									
Payments to County Treasurer	58,179	9,757	15,571	20	3,598	17,812	1,324,734	-	1,429,671
Payments to State Treasurer	46,814	8,992	-	-	4	117	-	-	55,927
Petty Cash	3,374	35	413	-	-	155	-	-	3,977
Other Liabilities	276	89,469	13,888	300	-	1,028	-	-	104,961
TOTAL DISBURSEMENTS	108,643	108,253	29,872	320	3,602	19,112	1,324,734	-	1,594,536
BALANCES JUNE 30, 2021	\$ 11,481	\$ 22,357	\$ 3,278	\$ 1	\$ 350	\$ 3,478	\$ 775	\$ 100	\$ 41,820
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 5,352	\$ 315	\$ 1,678	\$ 1	\$ 350	\$ 3,198	\$ 575	\$ -	\$ 11,469
Petty Cash	2,540	100	1,600	-	-	100	200	100	4,640
Due to State Treasurer	3,581	459	-	-	-	180	-	-	4,220
Due to Others	8	21,483	-	-	-	-	-	-	21,491
BALANCES JUNE 30, 2021	\$ 11,481	\$ 22,357	\$ 3,278	\$ 1	\$ 350	\$ 3,478	\$ 775	\$ 100	\$ 41,820

KIMBALL 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	\$ 8,334,425	\$ 8,239,684	\$ 8,177,497	\$ 8,452,639	\$ 8,286,417
Personal and Specials	3,054,645	2,968,900	3,086,093	3,060,197	3,050,531
Total	<u>11,389,070</u>	<u>11,208,584</u>	<u>11,263,590</u>	<u>11,512,836</u>	<u>11,336,948</u>
Corrections					
Additions	6,857	3,840	2,781	6,911	937
Deductions	<u>(6,384)</u>	<u>(8,007)</u>	<u>(53,569)</u>	<u>(3,794)</u>	<u>(845)</u>
Net Additions/ (Deductions)	<u>473</u>	<u>(4,167)</u>	<u>(50,788)</u>	<u>3,117</u>	<u>92</u>
Corrected Certified Tax	<u>11,389,543</u>	<u>11,204,417</u>	<u>11,212,802</u>	<u>11,515,953</u>	<u>11,337,040</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	6,747,376	-	-	-	-
June 30, 2018	4,613,292	6,622,065	-	-	-
June 30, 2019	16,518	4,554,022	6,450,922	-	-
June 30, 2020	4,359	15,701	4,729,317	7,746,375	-
June 30, 2021	<u>4,316</u>	<u>8,102</u>	<u>20,197</u>	<u>3,749,063</u>	<u>6,721,502</u>
Total Net Collections	<u>11,385,861</u>	<u>11,199,890</u>	<u>11,200,436</u>	<u>11,495,438</u>	<u>6,721,502</u>
Total Uncollected Tax	<u>\$ 3,682</u>	<u>\$ 4,527</u>	<u>\$ 12,366</u>	<u>\$ 20,515</u>	<u>\$ 4,615,538</u>
Percentage Uncollected Tax	<u>0.03%</u>	<u>0.04%</u>	<u>0.11%</u>	<u>0.18%</u>	<u>40.71%</u>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	105-99105-00	\$ 9,343
Total U.S. Department of Homeland Security			<u>9,343</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
		51327 Y3	
Child Support Enforcement	93.563	51445 Y3	49,785
Total U.S. Department of Health and Human Services			<u>49,785</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	51483K	55,725
Formula Grants for Rural Areas	20.509	51421N	308,295
		51421M	
COVID-19 - Formula Grants for Rural Areas	20.509	51421N	669,611
Total - Formula Grants for Rural Areas			* <u>977,906</u>
Total U.S. Department of Transportation			<u>1,033,631</u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
Passed through Nebraska Secretary of State			
COVID-19 - 2018 HAVA Election Security Grants	90.404	71	5,305
Total U.S. Election Assistance Commission			<u>5,305</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,098,064</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

KIMBALL COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Kimball County (County) under programs of the Federal government for the year ended June 30, 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.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov

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State Capitol, Suite 2303

Lincoln, Nebraska 68509

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

Board of Commissioners  
Kimball County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kimball County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Kimball County's basic financial statements, and have issued our report thereon dated June 27, 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 Kimball County Hospital or Nursing Home, component units of Kimball County.

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

In planning and performing our audit of the financial statements, we considered Kimball County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kimball County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

*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 Kimball County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Additional Items**

We also noted certain matters that we reported to the management of Kimball County in a separate letter dated June 27, 2022.

### **Kimball County's Response to Findings**

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

June 27, 2022



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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### KIMBALL 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  
Kimball County, Nebraska

##### **Report on Compliance for Each Major Federal Program**

We have audited Kimball County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Kimball County's major Federal programs for the year ended June 30, 2021. Kimball County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Kimball County's basic financial statements do not include the financial data of the Kimball County Hospital or Nursing Home, component units of Kimball County.

##### **Management's Responsibility**

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

##### **Auditor's Responsibility**

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

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

##### **Opinion on Each Major Federal Program**

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

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding #2021-2 and #2021-3. Our opinion on each major Federal program is not modified with respect to these matters.

Kimball County's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Kimball County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Kimball County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Kimball County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

## Report on Internal Control Over Compliance

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

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

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

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



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

June 27, 2022



KIMBALL 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)?

X Yes \_\_\_ No

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

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes X No

KIMBALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

**Section II – Financial Statement Findings**

**Finding # 2021-1**

<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
<u>Context</u> -	Various County offices collect money, most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
<u>Effect</u> -	This lack of segregation of duties results in an inadequate overall internal control structure design.
<u>Cause</u> -	The County does not employ sufficient office personnel to segregate accounting functions properly.
<u>Recommendation</u> -	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.
<u>View of Officials</u> -	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**

**Finding # 2021-2**

<u>Program</u> -	AL 20.509 - Formula Grants for Rural Areas - Allowability
<u>Grant Number &amp; Year</u> -	PI-19-52-002, FFY 2021
<u>Federal Grantor Agency</u> -	U.S. Department of Transportation
<u>Pass-Through Entity</u> -	Nebraska Department of Transportation
<u>Criteria</u> -	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.  2 CFR § 200.430(i)(1) (January 1, 2021) states, in relevant part, the following:

*Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:*

\* \* \* \*

KIMBALL COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

*(vii) Support the distributions of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal Award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.*

Additionally, good internal controls and sound business practices require procedures to ensure that payments submitted for reimbursement by the Federal grant are for allowable activities and in accordance with allowable cost principles.

Condition - The County lacked documentation and procedures to support and ensure that payments submitted for reimbursement by the Federal grant were for allowable activities and in accordance with allowable cost principles.

Repeat Finding - No

Questioned Costs - \$4,206

Statistical Sample - No

Context - During testing of costs submitted by the County for reimbursement through the Federal grant, we noted the following issues on one of three reimbursement requests tested:

- One employee tested did not maintain a timesheet or other documentation to track actual time spent on the Federal grant. Therefore, we could not verify that the wages and benefits submitted for reimbursement through the Federal grant were related to time actually spent on the grant. The wages and fringe benefits for this employee totaled \$3,790 on the reimbursement tested. During the fiscal year ended June 30, 2021, the wages and benefits submitted for reimbursement for this employee totaled \$44,410.
- For another employee tested, the amount submitted for reimbursement for wages and benefits included \$99 that was withheld from the employee's pay for garnishments. As employee garnishments are not a cost to the County, they are not appropriate to be reimbursed by the Federal grant.
- The County improperly submitted an invoice, totaling \$317, for reimbursement twice.

Cause - Procedures were inadequate to ensure that costs submitted for reimbursement through the Federal grant were in accordance with Federal requirements.

Effect - Increased risk for errors or misuse of funds.

Recommendation - We recommend the County implements procedures to ensure Federal reimbursement requests are completed accurately, and supporting documentation is maintained on file for all costs submitted for reimbursement with Federal funds.

View of Officials - The transit office has changed our standard operating procedures to include additional documentation to verify the cost charged to the Federal programs to be reasonable and necessary.

KIMBALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

In regards to the specific finding of the Transit Administrator's salary, the county follows the federal laws in handling the payment of a salaried wage. The US Dept of Labor Wage & Hour Division specifically states: "Being paid on a "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work. Subject to exceptions listed below, an exempt employee must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees do not need to be paid for any workweek in which they perform no work. If the employer makes deductions from an employee's predetermined salary, i.e., because of the operating requirements of the business, that employee is not paid on a "salary basis." If the employee is ready, willing and able to work, deductions may not be made for time when work is not available."

During budget the Commissioners approve a set salary for the Transit Administrator. Therefore, the expense of said salary is a true and accurate cost to the transit program and reimbursable through the Federal programs the county participates in.

**APA Response: While the Transit Administrator may be paid on a salary basis, Uniform Guidance still requires the County to maintain adequate documentation to support the wages and benefits submitted for reimbursement through the Federal grant were related to time actually spent working on the Federal grant.**

**Finding # 2021-3**

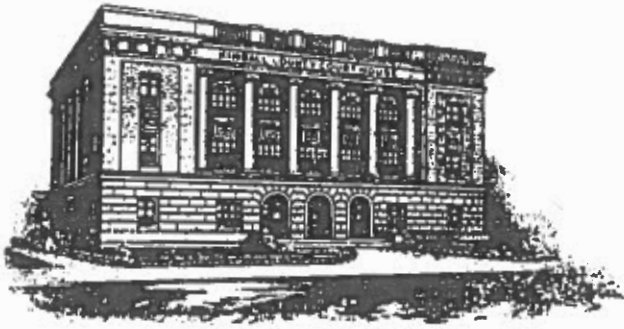
<u>Program</u> -	AL 20.509 - Formula Grants for Rural Areas – Suspension & Debarment
<u>Grant Number &amp; Year</u> -	PT-19-25-002, FFY 2021
<u>Federal Grantor Agency</u> -	U.S. Department of Transportation
<u>Pass-Through Entity</u> -	Nebraska Department of Transportation
<u>Criteria</u> -	<p>Title 2 of the U.S. Code of Federal Regulations (CFR) § 180.300 (January 1, 2021) requires non-Federal entities to verify an entity is not excluded or disqualified prior to entering into a covered transaction by, "(a) Checking SAM Exclusions; or (b) Collecting a certification from that [entity]; or (c) Adding a clause or condition to the covered transaction with that [entity]."</p> <p>A good internal control plan requires the County to have proper procedures in place to verify that contractors paid with grant funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.</p>
<u>Condition</u> -	<p>The County entered into a contract with Anderson-Shaw Construction for work related to a new transit facility. The County failed to ensure Anderson-Shaw Construction was not excluded or disqualified prior to entering into this covered transaction. During the fiscal year ended June 30, 2021, Federal funds used to pay Anderson-Shaw Construction totaled \$246,272.</p>

KIMBALL COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(Concluded)

We noted that Anderson-Shaw Construction was not suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date testing was performed.

<u>Repeat Finding</u> -	No
<u>Questioned Costs</u> -	None
<u>Statistical Sample</u> -	No
<u>Cause</u> -	County lacked knowledge, experience, and procedures related to Suspension & Debarment requirements.
<u>Effect</u> -	Without adequate procedures to ensure contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations.
<u>Recommendation</u> -	We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and that procedure is adequately documented.
<u>View of Officials</u> -	The transit office has made a standard operating procedure to verify an entity is not excluded or disqualified prior to using and paying said entity.



# Kimball County Commissioners

114 East Third Street Ste 6  
Kimball, Nebraska 69145

Phone: 308-235-4056

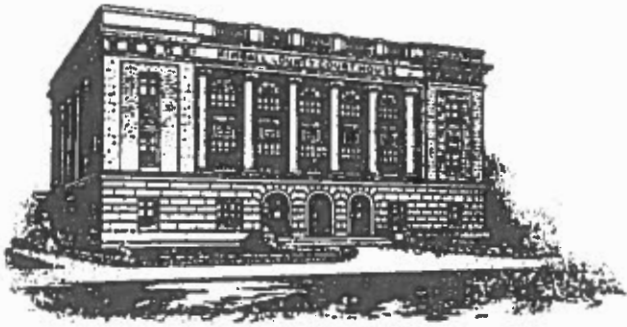
## SCHEDULE OF PRIOR AUDIT FINDINGS

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.



# Kimball County Commissioners

114 East Third Street Ste 6  
Kimball, Nebraska 69145

Phone: 308-235-4056

## 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

### **Finding 2021-2: Formula Grants for Rural Areas - Allowability**

Corrective Action Planned: The transit office has changed our standard operating procedures to include additional documentation to verify the cost charged to the Federal programs to be reasonable and necessary.

Anticipated Completion Date: The change in procedures is effective immediately. However due to the timing of the audit and finding, the changes will not be widely noticed in the fiscal year 2021-2022.

Responsible Party: The responsible party for ensuring compliance is the Transit Administrator.

### **Finding 2021-3: Formula Grants for Rural Areas – Suspension & Debarment**

Corrective Action Planned: The transit office has made a standard operating procedure to verify an entity is not excluded or disqualified prior to using and paying said entity.

Anticipated Completion Date: The change in procedures is effective immediately. However due to the timing of the audit and finding, the changes will not be widely noticed in the fiscal year 2021-2022.

Responsible Party: The responsible party for ensuring compliance is the Transit Administrator.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

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June 27, 2022

Board of Commissioners  
Kimball County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Kimball County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated June 27, 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 BOARD

#### Publishing of Meeting Minutes

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

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

Meeting Date	Published Date	# of Days
10/6/2020	11/5/2020	21
10/20/2020	11/19/2020	21
12/1/2020	12/24/2020	17
12/15/2020	2/4/2021	34
3/2/2021	4/1/2021	22
3/16/2021	4/15/2021	22
6/1/2021	6/24/2021	17
6/15/2021	7/15/2021	21

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

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



A similar comment was noted in the prior year report.

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

*County Clerk's Response: The only newspaper in Kimball County is a weekly publication, and their deadline to receive items for publication is almost a week before the publication date. It is difficult to get the minutes drafted and to the newspaper by its deadline. We will work to change office procedures to correct this.*

### **Use of County Vehicle**

We noted that the County Highway and Weed Superintendents used a County vehicle to commute to work; however, this fringe benefit was not included in his taxable wages, as required by the Internal Revenue Service (IRS).

IRS Publication 15-B (2022), "Employer's Tax Guide to Fringe Benefits" states, in relevant part, "[Y]ou determine the value of a vehicle you provide to an employee for commuting use by multiplying each one-way commute (that is, from home to work or from work to home) by \$1.50."

Sound business practices and a good internal control plan require procedures to ensure that the proper value of using a County vehicle for commuting is included in the employee's taxable wages.

Without such procedures, there is an increased risk of the County failing to report proper employee wage amounts to the IRS.

We recommend the County Board implement procedures to ensure the proper value of using a County vehicle for commuting is included in the employee's taxable wages.

*County Clerk's Response: Kimball County will implement procedures to correct this oversight. The W-2's will be corrected, and the payroll software will indicate a fringe benefit to these employees.*

### **Employee Appreciation**

During the fiscal year, the County purchased 69 gift certificates at \$25 each, totaling \$1,725, as a token of employee appreciation. However, the County Board had not established a "uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value to be awarded" as required by Neb. Rev. Stat. § 13-2203(3) (Cum. Supp. 2020).

That statute provides the following:

*In addition to other expenditures authorized by law each governing body may approve:*

\* \* \* \*

*(3) The expenditure of public funds for plaques, certificates of achievement, or items of value awarded to elected or appointed officials, employees, or volunteers, including persons serving on local government boards or commissions. Before making any such expenditure, the governing body shall, by official action after a public hearing, establish a uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value to be awarded. Such policy, following its initial adoption, shall not be amended or altered more than once in any twelve-month period.*

(Emphasis added). Good internal controls and sound business practice require the County Board to establish a policy regarding items of value provided to employees.

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

We recommend the County Board implement a formal policy, as required by § 13-2203(3), prior to making any future expenditures for items of value awarded to employees.

*County Clerk's Response: The Kimball County Board of Commissioners will establish a policy to set a limit on items of value to be awarded.*

## **COUNTY CLERK**

### **Imprest Account Pledged Collateral**

During the audit, we noted that the deposits in the vendor and payroll imprest banks accounts were not secured adequately for 103 days during the fiscal year. Unsecured deposits ranged from \$70 to \$261,366.

Neb. Rev. Stat. § 77-2395(1) (Supp. 2021) states, in relevant part, the following:

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

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

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

A similar comment was noted in the prior year report.

We recommend the County Clerk implement procedures for monitoring bank balances closely and ensuring all deposits are adequately collateralized, as required by State statute.

*County Clerk's Response: Kimball County will work with the bank to establish pledged collaterals for the Imprest account.*

## **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.*

\* \* \* \* \*

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, sweeping horizontal line extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor