

**AUDIT REPORT
OF
MERRICK COUNTY**

JULY 1, 2020, THROUGH JUNE 30, 2021

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Issued on March 10, 2022

MERRICK COUNTY

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MERRICK COUNTY
1510 18th St.
Central City, NE 68826

LIST OF COUNTY OFFICIALS
At June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Edward Dexter Russell Kreachbaum Carolyn Kucera Jan Placke Tom Weller Roger Wiegert Clifford Yrkoski	Jan. 2023 Jan. 2025 Jan. 2025 Jan. 2023 Jan. 2023 Jan. 2025 Jan. 2023
Assessor	Jennifer Myers	Jan. 2023
Attorney	Dale Shotkoski	Jan. 2023
Clerk Election Commissioner Register of Deeds	Marcia Wichmann	Jan. 2023
Clerk of the District Court	Theresa Good	Jan. 2023
Sheriff	John Westman	Jan. 2023
Treasurer	Sharon Gilg	Jan. 2023
Surveyor Highway Superintendent	Michael Meyer	Jan. 2023 Appointed
Veterans' Service Officer	Tom Reimers	Appointed
Weed Superintendent	Kevin Koziol	Appointed
Planning & Zoning	Vacant	Appointed
Emergency Manager	Denise Ziemba	Appointed



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MERRICK COUNTY

INDEPENDENT AUDITOR'S REPORT

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

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

Basis for Adverse Opinion on the Discretely Presented Component Unit

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Merrick 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 Merrick County, as of June 30, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County’s basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-36, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of Merrick 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 Merrick County’s internal control over financial reporting and compliance.



Pat Reding, CPA, CFE
Assistant Deputy Auditor
Lincoln, Nebraska

February 28, 2022

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 6,189,382
Investments (Note 1.D)	203
TOTAL ASSETS	\$ 6,189,585
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 8,681
911 Emergency Services	14,771
Drug Education	2,788
Law Enforcement	5,508
Preservation of Records	26,659
Debt Service	182,480
Drug Court	5,934
Street and Bridge Maintenance	681,483
Coronavirus Relief and Assistance	753,159
Unrestricted	4,508,122
TOTAL NET POSITION	\$ 6,189,585

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (2,490,800)	\$ 393,799	\$ 814,604	\$ (1,282,397)
Public Safety	(1,706,020)	41,822	630,050	(1,034,148)
Public Works	(2,831,356)	3,848	1,729,530	(1,097,978)
Public Assistance	(28,130)	-	-	(28,130)
Culture and Recreation	(5,553)	-	-	(5,553)
Debt Payments	(2,294,443)	-	-	(2,294,443)
Total Governmental Activities	\$ (9,356,302)	\$ 439,469	\$ 3,174,184	(5,742,649)

General Receipts:

Taxes	4,658,194
Grants and Contributions Not Restricted to Specific Programs	652,585
Investment Income	14,801
Licenses and Permits	51,377
Bond Proceeds	2,027,890
Miscellaneous	280,795
Total General Receipts	7,685,642
Increase in Net Position	1,942,993
Net Position - Beginning of year	4,246,592
Net Position - End of year	\$ 6,189,585

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

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

	General Fund	Road Fund	Inheritance Fund	Street Bridge Buyback Fund	American Rescue Plan Act Fund	4-H Building Bond Fund	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents (Note 1.D)	\$ 909,898	\$ 730,075	\$ 2,398,186	\$ 681,483	\$ 753,159	\$ 127,855	\$ 588,726	\$ 6,189,382
Investments (Note 1.D)	203	-	-	-	-	-	-	203
TOTAL ASSETS	\$ 910,101	\$ 730,075	\$ 2,398,186	\$ 681,483	\$ 753,159	\$ 127,855	\$ 588,726	\$ 6,189,585
FUND BALANCES								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	8,681	8,681
911 Emergency Services	-	-	-	-	-	-	14,771	14,771
Drug Education	-	-	-	-	-	-	2,788	2,788
Law Enforcement	-	-	-	-	-	-	5,508	5,508
Preservation of Records	-	-	-	-	-	-	26,659	26,659
Debt Service	-	-	-	-	-	127,855	54,625	182,480
Drug Court	-	-	-	-	-	-	5,934	5,934
Street and Bridge Maintenance	-	-	-	681,483	-	-	-	681,483
Coronavirus Relief and Assistance	-	-	-	-	753,159	-	-	753,159
Committed to:								
Law Enforcement	-	-	-	-	-	-	126,647	126,647
Road Maintenance	-	730,075	-	-	-	-	-	730,075
Aid and Assistance	-	-	-	-	-	-	7,523	7,523
County Buildings	-	-	-	-	-	-	295,494	295,494
County Equipment	-	-	-	-	-	-	40,096	40,096
Assigned to:								
Other Purposes	-	-	2,398,186	-	-	-	-	2,398,186
Unassigned	910,101	-	-	-	-	-	-	910,101
TOTAL CASH BASIS FUND BALANCES	\$ 910,101	\$ 730,075	\$ 2,398,186	\$ 681,483	\$ 753,159	\$ 127,855	\$ 588,726	\$ 6,189,585

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

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

	General Fund	Road Fund	Inheritance Fund	Street Bridge Buyback Fund
RECEIPTS				
Taxes	\$4,071,686	\$ -	\$ 284,733	\$ -
Licenses and Permits	51,377	-	-	-
Investment Income	14,709	-	-	-
Intergovernmental	744,445	1,865,518	-	258,065
Charges for Services	385,742	3,848	-	-
Miscellaneous	12,106	15,650	-	-
TOTAL RECEIPTS	<u>5,280,065</u>	<u>1,885,016</u>	<u>284,733</u>	<u>258,065</u>
DISBURSEMENTS				
General Government	2,413,406	-	54,828	-
Public Safety	1,521,029	-	-	-
Public Works	57,540	2,773,816	-	-
Public Assistance	28,130	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,020,105</u>	<u>2,773,816</u>	<u>54,828</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,259,960</u>	<u>(888,800)</u>	<u>229,905</u>	<u>258,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,574,999	648,767	-
Transfers out	(1,233,693)	(350,000)	(387,080)	-
Bond Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,233,693)</u>	<u>1,224,999</u>	<u>261,687</u>	<u>-</u>
Net Change in Fund Balances	26,267	336,199	491,592	258,065
CASH BASIS FUND BALANCES - BEGINNING	<u>883,834</u>	<u>393,876</u>	<u>1,906,594</u>	<u>423,418</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 910,101</u>	<u>\$ 730,075</u>	<u>\$ 2,398,186</u>	<u>\$ 681,483</u>

(Continued)

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

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

	American Rescue Plan Act Fund	4-H Building Bond Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS				
Taxes	\$ -	\$ 158,089	\$ 143,686	\$ 4,658,194
Licenses and Permits	-	-	-	51,377
Investment Income	-	-	92	14,801
Intergovernmental	753,159	18,303	187,279	3,826,769
Charges for Services	-	-	49,879	439,469
Miscellaneous	-	-	253,039	280,795
TOTAL RECEIPTS	<u>753,159</u>	<u>176,392</u>	<u>633,975</u>	<u>9,271,405</u>
DISBURSEMENTS				
General Government	-	-	22,566	2,490,800
Public Safety	-	-	184,991	1,706,020
Public Works	-	-	-	2,831,356
Public Assistance	-	-	-	28,130
Culture and Recreation	-	-	5,553	5,553
Debt Service:				
Principal Payments	-	1,536,139	734,247	2,270,386
Interest and Fiscal Charges	-	19,349	4,708	24,057
TOTAL DISBURSEMENTS	<u>-</u>	<u>1,555,488</u>	<u>952,065</u>	<u>9,356,302</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>753,159</u>	<u>(1,379,096)</u>	<u>(318,090)</u>	<u>(84,897)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	254,035	184,018	2,661,819
Transfers out	-	(262,537)	(428,509)	(2,661,819)
Bond Proceeds	-	1,407,265	620,625	2,027,890
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,398,763</u>	<u>376,134</u>	<u>2,027,890</u>
Net Change in Fund Balances	753,159	19,667	58,044	1,942,993
CASH BASIS FUND BALANCES - BEGINNING				
	<u>-</u>	<u>108,188</u>	<u>530,682</u>	<u>4,246,592</u>
CASH BASIS FUND BALANCES - ENDING				
	<u>\$ 753,159</u>	<u>\$ 127,855</u>	<u>\$ 588,726</u>	<u>\$ 6,189,585</u>

(Concluded)

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

MERRICK 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	\$ 837,592	\$ 24,813,617	\$ 24,715,421	\$ 935,788
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	222,436	2,393,380	2,427,556	188,260
State - Collected by Other Offices	7,637	127,500	125,959	9,178
Schools	235,672	16,780,657	16,786,801	229,528
Educational Service Units	2,482	266,315	266,394	2,403
Technical College	15,397	1,639,974	1,640,630	14,741
Natural Resource Districts	4,107	419,927	420,267	3,767
Fire Districts	3,678	533,817	533,044	4,451
Municipalities	33,467	1,564,386	1,560,843	37,010
Agricultural Society	1,147	84,668	85,234	581
Drainage Districts	2,766	940	-	3,706
Townships	184,299	156,333	147,789	192,843
Others - Collected by County Treasurer	44,734	342,728	218,303	169,159
Others - Collected by Other Offices	79,770	502,992	502,601	80,161
TOTAL LIABILITIES	<u>837,592</u>	<u>24,813,617</u>	<u>24,715,421</u>	<u>935,788</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

MERRICK 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 Merrick County.

A. Reporting Entity

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

Component Unit. These financial statements present the County (the primary government). The Litzenberg Memorial Long-Term Care Facility (Nursing Home) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Nursing Home necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Nursing Home can be obtained from the Nursing Home's administrative office.

Joint Organization.

Behavioral Health Region III – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$20,457 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 Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

MERRICK 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 \$26,142 toward the operation of the Department during fiscal year 2021. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Supp. 2021). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the 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.

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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

Street Bridge Buyback Fund. This fund is used to account for costs associated with the construction, maintenance, and repair of public roads and public bridges, and is primarily funded by State receipts.

American Rescue Plan Act Fund. This fund is used to account for aid received from the American Rescue Plan Act and is used for coronavirus aid and assistance in accordance with Federal guidelines.

4-H Building Bond Fund. This fund is used to account for the resources for, and the payment of, general long-term debt principal, interest, and related costs for the 4-H Building.

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

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

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

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

The County designates fund balances as follows:

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

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

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

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

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,681,463 of restricted net position, which is fully restricted by enabling legislation.

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

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2021, disbursements exceeded budgeted appropriations in the 4-H Building Bond Fund, 911 Emergency Management Fund, and Courthouse Bond Fund by \$71,913, \$4,073, and \$142,644, respectively. These over-expenditures were funded by the available fund balance in the 4-H Building Bond Fund and 911 Emergency Management Fund, and other financing sources in the Courthouse Bond Fund.

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$6,189,382 for County funds and \$935,788 for Fiduciary funds. The bank balances for all funds totaled \$7,025,654. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2021, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$203 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

MERRICK 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 \$.245902/\$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 \$.245969/\$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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2021, 77 employees contributed \$121,137, and the County contributed \$177,992. Contributions included \$4,948 in cash contributions towards the supplemental law enforcement plan for 10 law enforcement employees. Lastly, the County paid \$1,380 directly to nine retired employees for prior service benefits.

5. **Risk Management**

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

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

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

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

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

6. **Interfund Transfers**

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

Transfers to	Transfers from					Total
	General Fund	Road Fund	Inheritance Fund	4-H Building Bond Fund	Nonmajor Funds	
Road Fund	\$ 1,224,999	\$ -	\$ 350,000	\$ -	\$ -	\$ 1,574,999
Inheritance Fund	-	350,000	-	124,293	174,474	648,767
4-H Building Bond Fund	-	-	-	-	254,035	254,035
Nonmajor Funds	8,694	-	37,080	138,244	-	184,018
Total	\$ 1,233,693	\$ 350,000	\$ 387,080	\$ 262,537	\$ 428,509	\$ 2,661,819

MERRICK 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 one-time transfers of \$350,000 from the Road Fund, \$124,293 from the 4-H Building Bond Fund, and \$174,474 from the Courthouse Bond Fund to the Inheritance Fund to pay back monies borrowed in previous years. Additionally, in the year ended June 30, 2021, the County made a one-time transfer of \$138,244 from the 4-H Building Bond Fund to the Courthouse Bond Fund to refund a disbursement error made in December 2016.

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:

	Radio Equipment
Balance July 1, 2020	\$ 46,386
Purchases	-
Payments	23,193
Balance June 30, 2021	<u>\$ 23,193</u>
Future Payments:	
Year	
2022	\$ 23,193
Total Future Payments	<u>\$ 23,193</u>
Carrying Value of the Related Fixed Asset	<u>\$ 115,965</u>

Bonds

Courthouse Bonds. The County issued bonds on May 6, 2021, in the amount of \$630,000 for the purpose of refunding Series 2016 Bonds issued to refinance the costs of constructing and equipping an addition to the Courthouse. The bond payable balance, as of June 30, 2021, was \$630,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2022	\$ 130,000	\$ 3,168	\$ 133,168
2023	130,000	2,460	132,460
2024	130,000	1,875	131,875
2025	130,000	1,160	131,160
2026	110,000	385	110,385
Total Payments	<u>\$ 630,000</u>	<u>\$ 9,048</u>	<u>\$ 639,048</u>

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

4-H Building Bonds. The County issued bonds on December 1, 2020, in the amount of \$1,430,000 for the purpose of refunding Series 2015 Bonds issued to pay the costs of constructing, equipping, and making site preparations for a County building to be used as a 4-H Center. The bond payable balance, as of June 30, 2021, was \$1,430,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2022	\$ 140,000	\$ 11,963	\$ 151,963
2023	140,000	11,297	151,297
2024	140,000	10,563	150,563
2025	140,000	9,757	149,757
2026	140,000	8,847	148,847
2027-2031	730,000	23,214	753,214
Total Payments	<u>\$ 1,430,000</u>	<u>\$ 75,641</u>	<u>\$ 1,505,641</u>

Conduit Debt. In September 2020, the County Board approved the issuance of Series 2020 Revenue Bonds to finance a portion of the cost of constructing a new medical center for the Merrick Medical Center not to exceed \$10,000,000. On November 19, 2020, the County issued revenue bonds in the amount of \$9,975,000 maturing on November 19, 2030. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Hospital. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements.

8. **Prior Period Adjustment**

The beginning balances were increased by \$13,365 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.

MERRICK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,200,000	\$ 4,200,000	\$ 4,071,686	\$ (128,314)
Licenses and Permits	26,520	26,520	51,377	24,857
Investment Income	40,000	40,000	14,709	(25,291)
Intergovernmental	93,530	93,530	744,445	650,915
Charges for Services	298,355	298,355	385,742	87,387
Miscellaneous	6,100	6,100	12,106	6,006
TOTAL RECEIPTS	<u>4,664,505</u>	<u>4,664,505</u>	<u>5,280,065</u>	<u>615,560</u>
DISBURSEMENTS				
General Government:				
County Board	113,230	113,230	105,871	7,359
County Clerk	178,962	178,962	160,290	18,672
County Treasurer	177,872	177,872	161,284	16,588
County Assessor	155,186	155,186	149,787	5,399
Election Commissioner	25,290	25,290	13,706	11,584
Building and Zoning	29,262	29,262	12,053	17,209
Clerk of the District Court	106,608	106,608	100,298	6,310
County Court System	9,180	9,180	4,491	4,689
Building and Grounds	183,659	183,659	116,024	67,635
Reappraisal	42,000	42,000	41,965	35
Agricultural Extension Agent	122,842	122,842	119,315	3,527
Miscellaneous	2,298,445	2,298,445	1,428,322	870,123
Public Safety				
County Sheriff	783,755	783,755	723,533	60,222
County Attorney	245,252	245,252	215,985	29,267
Communication Center	245,809	245,809	195,393	50,416
Child Support	22,856	22,856	16,112	6,744
County Jail	498,908	498,908	351,174	147,734
Emergency Management	32,837	32,837	18,832	14,005
Public Works				
County Surveyor	62,035	62,035	57,540	4,495
Public Assistance				
Veterans' Service Officer	35,931	35,931	28,130	7,801
TOTAL DISBURSEMENTS	<u>5,369,919</u>	<u>5,369,919</u>	<u>4,020,105</u>	<u>1,349,814</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	<u>(705,414)</u>	<u>(705,414)</u>	<u>1,259,960</u>	<u>1,965,374</u>

(Continued)

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

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,886,487	1,886,487	-	(1,886,487)
Transfers out	<u>(1,230,654)</u>	<u>(1,230,654)</u>	<u>(1,233,693)</u>	<u>(3,039)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>655,833</u>	<u>655,833</u>	<u>(1,233,693)</u>	<u>(1,889,526)</u>
Net Change in Fund Balance	(49,581)	(49,581)	26,267	75,848
FUND BALANCE - BEGINNING	<u>883,905</u>	<u>883,905</u>	<u>883,834</u>	<u>(71)</u>
FUND BALANCE - ENDING	<u>\$ 834,324</u>	<u>\$ 834,324</u>	<u>\$ 910,101</u>	<u>\$ 75,777</u>

(Concluded)

MERRICK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,915,740	\$ 1,915,740	\$ 1,865,518	\$ (50,222)
Charges for Services	5,000	5,000	3,848	(1,152)
Miscellaneous	45,584	45,584	15,650	(29,934)
TOTAL RECEIPTS	<u>1,966,324</u>	<u>1,966,324</u>	<u>1,885,016</u>	<u>(81,308)</u>
DISBURSEMENTS	<u>3,585,200</u>	<u>3,585,200</u>	<u>2,773,816</u>	<u>811,384</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,618,876)</u>	<u>(1,618,876)</u>	<u>(888,800)</u>	<u>730,076</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,225,000	1,225,000	1,574,999	349,999
Transfers out	-	-	(350,000)	(350,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,224,999</u>	<u>(1)</u>
Net Change in Fund Balance	(393,876)	(393,876)	336,199	730,075
FUND BALANCE - BEGINNING	393,876	393,876	393,876	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,075</u>	<u>\$ 730,075</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 284,733	\$ 284,733
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>284,733</u>	<u>284,733</u>
DISBURSEMENTS	<u>20,107</u>	<u>20,107</u>	<u>54,828</u>	<u>(34,721)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(20,107)</u>	<u>(20,107)</u>	<u>229,905</u>	<u>250,012</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	648,767	648,767
Transfers out	(1,886,487)	(1,886,487)	(387,080)	1,499,407
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,886,487)</u>	<u>(1,886,487)</u>	<u>261,687</u>	<u>2,148,174</u>
Net Change in Fund Balance	(1,906,594)	(1,906,594)	491,592	2,398,186
FUND BALANCE - BEGINNING	1,906,594	1,906,594	1,906,594	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,186</u>	<u>\$ 2,398,186</u>

(Continued)

MERRICK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>STREET BRIDGE BUYBACK FUND</u>				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 258,065	\$ 258,065
TOTAL RECEIPTS	-	-	258,065	258,065
DISBURSEMENTS	423,418	423,418	-	423,418
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(423,418)	(423,418)	258,065	681,483
Net Change in Fund Balance	(423,418)	(423,418)	258,065	681,483
FUND BALANCE - BEGINNING	423,418	423,418	423,418	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,483</u>	<u>\$ 681,483</u>
<u>AMERICAN RESCUE PLAN ACT FUND</u>				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 753,159	\$ 753,159
TOTAL RECEIPTS	-	-	753,159	753,159
DISBURSEMENTS	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	-	753,159	753,159
Net Change in Fund Balance	-	-	753,159	753,159
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 753,159</u>	<u>\$ 753,159</u>

(Continued)

MERRICK 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)
4-H BUILDING BOND FUND				
RECEIPTS				
Taxes	\$ 163,000	\$ 163,000	\$ 158,089	\$ (4,911)
Intergovernmental	1,650	1,650	18,303	16,653
TOTAL RECEIPTS	<u>164,650</u>	<u>164,650</u>	<u>176,392</u>	<u>11,742</u>
DISBURSEMENTS	<u>1,746,112</u>	<u>1,746,112</u>	<u>1,555,488</u>	<u>190,624</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,581,462)</u>	<u>(1,581,462)</u>	<u>(1,379,096)</u>	<u>202,366</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	254,035	254,035
Transfers out	-	-	(262,537)	(262,537)
Bond Proceeds	1,570,000	1,570,000	1,407,265	(162,735)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,570,000</u>	<u>1,570,000</u>	<u>1,398,763</u>	<u>(171,237)</u>
Net Change in Fund Balance	(11,462)	(11,462)	19,667	31,129
FUND BALANCE - BEGINNING	108,188	108,188	108,188	-
FUND BALANCE - ENDING	<u>\$ 96,726</u>	<u>\$ 96,726</u>	<u>\$ 127,855</u>	<u>\$ 31,129</u>

(Concluded)

MERRICK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS' PROMOTION FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 5,742	\$ 1,742
Disbursements	(8,492)	(8,492)	(5,553)	2,939
Net Change in Fund Balance	(4,492)	(4,492)	189	4,681
Fund Balance - Beginning	8,492	8,492	8,492	-
Fund Balance - Ending	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 8,681</u>	<u>\$ 4,681</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 8,488	\$ 3,488
Disbursements	(20,268)	(20,268)	(2,097)	18,171
Net Change in Fund Balance	(15,268)	(15,268)	6,391	21,659
Fund Balance - Beginning	20,268	20,268	20,268	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 26,659</u>	<u>\$ 21,659</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(7,523)	(7,523)	-	7,523
Net Change in Fund Balance	(7,523)	(7,523)	-	7,523
Fund Balance - Beginning	7,523	7,523	7,523	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,523</u>	<u>\$ 7,523</u>
JUVENILE DIVERSION FUND				
Receipts	\$ 155,474	\$ 155,474	\$ 174,878	\$ 19,404
Disbursements	(208,734)	(208,734)	(146,975)	61,759
Transfers in	5,654	5,654	5,654	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(47,606)	(47,606)	33,557	81,163
Fund Balance - Beginning	33,697	33,697	33,697	-
Fund Balance - Ending	<u>\$ (13,909)</u>	<u>\$ (13,909)</u>	<u>\$ 67,254</u>	<u>\$ 81,163</u>

(Continued)

MERRICK 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)
STOP PROGRAM FUND				
Receipts	\$ 4,840	\$ 4,840	\$ 2,125	\$ (2,715)
Disbursements	(8,274)	(8,274)	(1,303)	6,971
Transfers in	-	-	3,040	3,040
Transfers out	-	-	-	-
Net Change in Fund Balance	(3,434)	(3,434)	3,862	7,296
Fund Balance - Beginning	5,234	5,234	5,234	-
Fund Balance - Ending	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 9,096</u>	<u>\$ 7,296</u>
COUNTY DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 500	\$ 500	\$ 516	\$ 16
Disbursements	(2,272)	(2,272)	-	2,272
Net Change in Fund Balance	(1,772)	(1,772)	516	2,288
Fund Balance - Beginning	2,272	2,272	2,272	-
Fund Balance - Ending	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 2,788</u>	<u>\$ 2,288</u>
DRUG TESTING FUND				
Receipts	\$ -	\$ -	\$ 640	\$ 640
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	640	640
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640</u>	<u>\$ 640</u>
ADULT DRUG COURT FUND				
Receipts	\$ 1,800	\$ 1,800	\$ 1,004	\$ (796)
Disbursements	(6,530)	(6,530)	(1,600)	4,930
Net Change in Fund Balance	(4,730)	(4,730)	(596)	4,134
Fund Balance - Beginning	6,530	6,530	6,530	-
Fund Balance - Ending	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 5,934</u>	<u>\$ 4,134</u>

(Continued)

MERRICK 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)
DARE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(295)	(295)	-	295
Net Change in Fund Balance	(295)	(295)	-	295
Fund Balance - Beginning	295	295	295	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ 295</u>
CANINE FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 9,803	\$ 5,803
Disbursements	(15,427)	(15,427)	(3,603)	11,824
Net Change in Fund Balance	(11,427)	(11,427)	6,200	17,627
Fund Balance - Beginning	15,427	15,427	15,427	-
Fund Balance - Ending	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 21,627</u>	<u>\$ 17,627</u>
JUVENILE SERVICES GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(5,508)	(5,508)	-	5,508
Net Change in Fund Balance	(5,508)	(5,508)	-	5,508
Fund Balance - Beginning	5,508	5,508	5,508	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,508</u>	<u>\$ 5,508</u>
ECONOMIC DEVELOPMENT FUND				
Receipts	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Disbursements	-	-	-	-
Net Change in Fund Balance	5,000	5,000	-	(5,000)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 16,020	\$ 16,020	\$ 18,844	\$ 2,824
Disbursements	(22,240)	(22,240)	(26,313)	(4,073)
Net Change in Fund Balance	(6,220)	(6,220)	(7,469)	(1,249)
Fund Balance - Beginning	22,240	22,240	22,240	-
Fund Balance - Ending	<u>\$ 16,020</u>	<u>\$ 16,020</u>	<u>\$ 14,771</u>	<u>\$ (1,249)</u>

(Continued)

MERRICK 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)
LAW ENFORCEMENT FUND				
Receipts	\$ 9,900	\$ 9,900	\$ -	\$ (9,900)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(100)	(100)	-	100
Fund Balance - Beginning	100	100	100	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>
COMMISSARY FUND				
Receipts	\$ 2,000	\$ 2,000	\$ 6,572	\$ 4,572
Disbursements	(26,260)	(26,260)	(5,197)	21,063
Net Change in Fund Balance	(24,260)	(24,260)	1,375	25,635
Fund Balance - Beginning	26,260	26,260	26,260	-
Fund Balance - Ending	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 27,635</u>	<u>\$ 25,635</u>
COURTHOUSE BOND FUND				
Receipts	\$ 137,850	\$ 137,850	\$ 134,245	\$ (3,605)
Disbursements	(770,785)	(770,785)	(738,955)	31,830
Transfers in	-	-	138,244	138,244
Transfers out	-	-	(174,474)	(174,474)
Bond Proceeds	635,000	635,000	620,625	(14,375)
Net Change in Fund Balance	2,065	2,065	(20,315)	(22,380)
Fund Balance - Beginning	74,940	74,940	74,940	-
Fund Balance - Ending	<u>\$ 77,005</u>	<u>\$ 77,005</u>	<u>\$ 54,625</u>	<u>\$ (22,380)</u>
COURTHOUSE BUILDING FUND				
Receipts	\$ 210,000	\$ 210,000	\$ 210,000	\$ -
Disbursements	(212,776)	(212,776)	-	212,776
Net Change in Fund Balance	(2,776)	(2,776)	210,000	212,776
Fund Balance - Beginning	2,776	2,776	2,776	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,776</u>	<u>\$ 212,776</u>

(Continued)

MERRICK 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)
4-H BUILDING FUND				
Receipts	\$ 151,000	\$ 151,000	\$ 61,118	\$ (89,882)
Disbursements	(359,024)	(359,024)	(20,469)	338,555
Transfers in	-	-	37,080	37,080
Transfers out	-	-	(254,035)	(254,035)
Net Change in Fund Balance	(208,024)	(208,024)	(176,306)	31,718
Fund Balance - Beginning	259,024	259,024	259,024	-
Fund Balance - Ending	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 82,718</u>	<u>\$ 31,718</u>
COUNTY SINKING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(40,096)	(40,096)	-	40,096
Net Change in Fund Balance	(40,096)	(40,096)	-	40,096
Fund Balance - Beginning	40,096	40,096	40,096	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,096</u>	<u>\$ 40,096</u>

(Concluded)

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

For the Year Ended June 30, 2021

	Visitors' Promotion Fund	Preservation and Modernization Fund	Veterans' Aid Fund	Juvenile Diversion Fund	STOP Program Fund
RECEIPTS					
Taxes	\$ 5,742	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	172,128	-
Charges for Services	-	8,488	-	2,750	2,125
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>5,742</u>	<u>8,488</u>	<u>-</u>	<u>174,878</u>	<u>2,125</u>
DISBURSEMENTS					
General Government	-	2,097	-	-	-
Public Safety	-	-	-	146,975	1,303
Culture and Recreation	5,553	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>5,553</u>	<u>2,097</u>	<u>-</u>	<u>146,975</u>	<u>1,303</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>189</u>	<u>6,391</u>	<u>-</u>	<u>27,903</u>	<u>822</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	5,654	3,040
Transfers out	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,654</u>	<u>3,040</u>
Net Change in Fund Balances	189	6,391	-	33,557	3,862
FUND BALANCES - BEGINNING	<u>8,492</u>	<u>20,268</u>	<u>7,523</u>	<u>33,697</u>	<u>5,234</u>
FUND BALANCES - ENDING	<u>\$ 8,681</u>	<u>\$ 26,659</u>	<u>\$ 7,523</u>	<u>\$ 67,254</u>	<u>\$ 9,096</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	8,681	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	26,659	-	-	-
Debt Service	-	-	-	-	-
Drug Court	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	67,254	9,096
Aid and Assistance	-	-	7,523	-	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 8,681</u>	<u>\$ 26,659</u>	<u>\$ 7,523</u>	<u>\$ 67,254</u>	<u>\$ 9,096</u>

(Continued)

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

For the Year Ended June 30, 2021

	County Drug Law Enforcement and Education Fund	Drug Testing Fund	Adult Drug Court Fund	DARE Fund	Canine Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	640	1,004	-	-
Miscellaneous	516	-	-	-	9,803
TOTAL RECEIPTS	<u>516</u>	<u>640</u>	<u>1,004</u>	<u>-</u>	<u>9,803</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	1,600	-	3,603
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>1,600</u>	<u>-</u>	<u>3,603</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>516</u>	<u>640</u>	<u>(596)</u>	<u>-</u>	<u>6,200</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	516	640	(596)	-	6,200
FUND BALANCES - BEGINNING	<u>2,272</u>	<u>-</u>	<u>6,530</u>	<u>295</u>	<u>15,427</u>
FUND BALANCES - ENDING	<u>\$ 2,788</u>	<u>\$ 640</u>	<u>\$ 5,934</u>	<u>\$ 295</u>	<u>\$ 21,627</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	2,788	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Drug Court	-	-	5,934	-	-
Committed to:					
Law Enforcement	-	640	-	295	21,627
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
County Equipment	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,788</u>	<u>\$ 640</u>	<u>\$ 5,934</u>	<u>\$ 295</u>	<u>\$ 21,627</u>

(Continued)

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

For the Year Ended June 30, 2021

	Juvenile Services Grant Fund	911 Emergency Management Fund	Law Enforcement Fund	Commissary Fund
RECEIPTS				
Taxes	\$ -	\$ 18,844	\$ -	\$ -
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	6,572
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	18,844	-	6,572
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	26,313	-	5,197
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	-	26,313	-	5,197
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(7,469)	-	1,375
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balances	-	(7,469)	-	1,375
FUND BALANCES - BEGINNING	5,508	22,240	100	26,260
FUND BALANCES - ENDING	\$ 5,508	\$ 14,771	\$ 100	\$ 27,635
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	-	14,771	-	-
Drug Education	-	-	-	-
Law Enforcement	5,508	-	-	-
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Drug Court	-	-	-	-
Committed to:				
Law Enforcement	-	-	100	27,635
Aid and Assistance	-	-	-	-
County Buildings	-	-	-	-
County Equipment	-	-	-	-
TOTAL FUND BALANCES	\$ 5,508	\$ 14,771	\$ 100	\$ 27,635

(Continued)

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

	Courthouse Bond Fund	Courthouse Building Fund	4-H Building Fund	County Sinking Fund	Total Nonmajor Funds
RECEIPTS					
Taxes	\$ 119,094	\$ -	\$ 6	\$ -	\$ 143,686
Investment Income	-	-	92	-	92
Intergovernmental	15,151	-	-	-	187,279
Charges for Services	-	-	28,300	-	49,879
Miscellaneous	-	210,000	32,720	-	253,039
TOTAL RECEIPTS	<u>134,245</u>	<u>210,000</u>	<u>61,118</u>	<u>-</u>	<u>633,975</u>
DISBURSEMENTS					
General Government	-	-	20,469	-	22,566
Public Safety	-	-	-	-	184,991
Culture and Recreation	-	-	-	-	5,553
Debt Service:					
Principal Payments	734,247	-	-	-	734,247
Interest and Fiscal Charges	4,708	-	-	-	4,708
TOTAL DISBURSEMENTS	<u>738,955</u>	<u>-</u>	<u>20,469</u>	<u>-</u>	<u>952,065</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(604,710)</u>	<u>210,000</u>	<u>40,649</u>	<u>-</u>	<u>(318,090)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	138,244	-	37,080	-	184,018
Transfers out	(174,474)	-	(254,035)	-	(428,509)
Bond Proceeds	620,625	-	-	-	620,625
TOTAL OTHER FINANCING SOURCES (USES)	<u>584,395</u>	<u>-</u>	<u>(216,955)</u>	<u>-</u>	<u>376,134</u>
Net Change in Fund Balances	(20,315)	210,000	(176,306)	-	58,044
FUND BALANCES - BEGINNING	<u>74,940</u>	<u>2,776</u>	<u>259,024</u>	<u>40,096</u>	<u>530,682</u>
FUND BALANCES - ENDING	<u>\$ 54,625</u>	<u>\$ 212,776</u>	<u>\$ 82,718</u>	<u>\$ 40,096</u>	<u>\$ 588,726</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	8,681
911 Emergency Services	-	-	-	-	14,771
Drug Education	-	-	-	-	2,788
Law Enforcement	-	-	-	-	5,508
Preservation of Records	-	-	-	-	26,659
Debt Service	54,625	-	-	-	54,625
Drug Court	-	-	-	-	5,934
Committed to:					
Law Enforcement	-	-	-	-	126,647
Aid and Assistance	-	-	-	-	7,523
County Buildings	-	212,776	82,718	-	295,494
County Equipment	-	-	-	40,096	40,096
TOTAL FUND BALANCES	<u>\$ 54,625</u>	<u>\$ 212,776</u>	<u>\$ 82,718</u>	<u>\$ 40,096</u>	<u>\$ 588,726</u>

(Concluded)

MERRICK 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	Veterans' Service Officer
BALANCES JULY 1, 2020	\$ 13,387	\$ 75,416	\$ 12,842	\$ 10	\$ 180,549	\$ 746
RECEIPTS						
Taxes	-	-	-	-	-	-
Licenses and Permits	850	-	1,350	-	-	-
Intergovernmental	-	-	-	23,972	124,322	-
Charges for Services	92,420	14,706	32,389	4,945	13,906	-
Miscellaneous	-	-	-	-	695	-
State Fees	105,547	21,590	-	-	363	-
Other Liabilities	1,147	371,070	122,580	4,693	-	-
TOTAL RECEIPTS	199,964	407,366	156,319	33,610	139,286	-
DISBURSEMENTS						
Payments to County Treasurer	92,423	14,295	32,748	28,927	132,077	-
Payments to State Treasurer	105,321	20,275	-	-	363	-
Petty Cash	-	-	-	-	-	-
Other Liabilities	1,147	370,342	121,482	4,693	-	-
TOTAL DISBURSEMENTS	198,891	404,912	154,230	33,620	132,440	-
BALANCES JUNE 30, 2021	<u>\$ 14,460</u>	<u>\$ 77,870</u>	<u>\$ 14,931</u>	<u>\$ -</u>	<u>\$ 187,395</u>	<u>\$ 746</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 7,566	\$ 1,785	\$ 8,921	\$ -	\$ 187,395	\$ 746
Petty Cash	200	-	-	-	-	-
Due to State Treasurer	6,694	2,484	-	-	-	-
Due to Others	-	73,601	6,010	-	-	-
BALANCES JUNE 30, 2021	<u>\$ 14,460</u>	<u>\$ 77,870</u>	<u>\$ 14,931</u>	<u>\$ -</u>	<u>\$ 187,395</u>	<u>\$ 746</u>

(Continued)

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

	County Surveyor	County Extension	County Planning and Zoning	County Assessor	County Treasurer	Total
BALANCES JULY 1, 2020	\$ 10,439	\$ 6,066	\$ -	\$ 13	\$ 6,000	\$ 305,468
RECEIPTS						
Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	3,915	-	-	6,115
Intergovernmental	-	-	-	-	-	148,294
Charges for Services	8,131	31,656	-	-	-	198,153
Miscellaneous	-	1,420	-	73	4,673	6,861
State Fees	-	-	-	-	-	127,500
Other Liabilities	-	3,502	-	-	-	502,992
TOTAL RECEIPTS	8,131	36,578	3,915	73	4,673	989,915
DISBURSEMENTS						
Payments to County Treasurer	7,814	29,770	3,915	43	-	342,012
Payments to State Treasurer	-	-	-	-	-	125,959
Petty Cash	-	-	-	-	4,673	4,673
Other Liabilities	-	4,937	-	-	-	502,601
TOTAL DISBURSEMENTS	7,814	34,707	3,915	43	4,673	975,245
BALANCES JUNE 30, 2021	<u>\$ 10,756</u>	<u>\$ 7,937</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 6,000</u>	<u>\$ 320,138</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 10,756	\$ 5,387	\$ -	\$ 43	\$ -	\$ 222,599
Petty Cash	-	2,000	-	-	6,000	8,200
Due to State Treasurer	-	-	-	-	-	9,178
Due to Others	-	550	-	-	-	80,161
BALANCES JUNE 30, 2021	<u>\$ 10,756</u>	<u>\$ 7,937</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 6,000</u>	<u>\$ 320,138</u>

(Concluded)

MERRICK 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	\$ 22,073,568	\$ 21,915,746	\$ 22,047,462	\$ 21,274,186	\$ 21,059,167
Personal and Specials	1,038,752	972,940	927,525	887,522	914,454
Total	23,112,320	22,888,686	22,974,987	22,161,708	21,973,621
Corrections					
Additions	3,815	10,395	5,673	1,857	1,299
Deductions	(3,805)	(2,699)	(62,474)	(6,922)	(3,637)
Net Additions/ (Deductions)	10	7,696	(56,801)	(5,065)	(2,338)
Corrected Certified Tax	23,112,330	22,896,382	22,918,186	22,156,643	21,971,283
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2017	14,497,488	-	-	-	-
June 30, 2018	8,606,231	14,585,814	-	-	-
June 30, 2019	3,842	8,297,460	14,496,839	-	-
June 30, 2020	3,012	7,954	8,417,253	13,599,954	-
June 30, 2021	504	4,064	3,198	8,522,758	13,678,127
Total Net Collections	23,111,077	22,895,292	22,917,290	22,122,712	13,678,127
Total Uncollected Tax	\$ 1,253	\$ 1,090	\$ 896	\$ 33,931	\$ 8,293,156
Percentage Uncollected Tax	0.01%	0.00%	0.00%	0.15%	37.75%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors
Merrick 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 Merrick County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Merrick County's basic financial statements, and have issued our report thereon dated February 28, 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 Merrick County Nursing Home, a component unit of Merrick County.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Merrick 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 Merrick County in a separate letter dated February 28, 2022.

Merrick County's Response to Findings

Merrick County declined to respond to the finding described above.

Purpose of this Report

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



Pat Reding, CPA, CFE
Assistant Deputy Auditor
Lincoln, Nebraska

February 28, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 28, 2022

Board of Supervisors
Merrick County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Merrick County (County) for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 28, 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

Expenditures in Excess of Budget

For the fiscal year ended June 30, 2021, the expenditures exceeded the adopted budget in the following funds:

- The 4-H Building Bond Fund exceeded the adopted budget by \$71,913.
- The 911 Emergency Management Fund exceeded the adopted budget by \$4,073.
- The Courthouse Bond Fund exceeded the adopted budget by \$142,644.

Neb. Rev. Stat. § 23-916 (Reissue 2012) states, in relevant part, the following:

After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year.

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

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

Claims Issues

Duplicate Payment

We noted that two claims, totaling \$131, were duplicate payments, which the County did not discover through its internal review process. The following table details those duplicate payments:

Payee	Amount	Original Claim		Duplicate Claim	
		Claim #	Date	Claim #	Date
Eagle Technology Solutions	\$ 123	20070029	7/14/2020	20080029	8/11/2020
Bomgaars	\$ 8	21040008	4/13/2021	21050008	5/11/2021

For the Eagle Technology Solutions duplicate payment, a credit was applied by the vendor. For the Bomgaars duplicate payment, the vendor did not cash the second payment; however, the County was unaware of the overpayment, and the check was still noted as outstanding.

A similar issue was noted in the prior audit.

Lack of Adequate Documentation

During the fiscal year, the County made a \$5,000 payment to the Merrick County Historical Society, a non-profit organization. The County completed no subsequent follow-up to ensure that the funds were used appropriately.

A similar issue was noted in the prior audit.

Contract Approval

During the fiscal year, the County made payments on two contracts; however, the contracts were not approved, authorized, or otherwise signed by the County Board. Details of those contracts are as follows:

- The County paid \$4,590 to GEO Comm Corp for GIS Map Data Maintenance services in accordance with Contract 02.21 MCNE; however, the contract was signed by the County Sheriff.
- The County paid \$1,440 to Bucky Herman for a lease agreement to park County equipment; however, the agreement was signed by the Highway Superintendent.

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

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

Further, Neb. Rev. Stat. § 23-106(1) (Reissue 2012) states, “The county board shall manage the county funds and county business except as otherwise specifically provided.”

Good internal controls and sound business practices require procedures to ensure: 1) invoices are paid only once, and any duplicate payments are resolved in a timely manner; 2) any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately; and 3) all contracts are signed by the County Board or other authorized agent.

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

We recommend the County Board implement procedures to ensure: 1) invoices are paid only once, and any duplicate payments are resolved in a timely manner; 2) any grant of public funds is supported by adequate documentation showing the monies were spent appropriately; and 3) all contracts are signed by the County Board or other authorized agent.

COUNTY CLERK

Balancing Procedures

During our review of the County Clerk's office, we noted that a complete and accurate bank reconciliation and asset-to-liability reconciliation was not completed for June 30, 2021. The lack of reconciliation resulted in the following errors:

- Four variances were noted between receipt records and bank activity, as follows:
 - On August 25, 2020, County records indicated Automated Clearing House (ACH) payments received of \$1,291; however, \$1,297 was deposited, resulting in an overage in the bank account of \$6.
 - On November 9, 2020, County records indicated cash and check payments received of \$198; however, \$199 was deposited, resulting in an overage in the bank account of \$1.
 - On November 18, 2020, County records indicated ACH payments received of \$212; however, \$218 was deposited, resulting in an overage in the bank account of \$6.
 - On April 22, 2021, County records indicated cash and check payments received of \$32; however, \$30 was deposited, resulting in a shortage in the bank account of \$2.
- One deposit, totaling \$53, was deposited into the County Board bank account instead of the County Clerk bank account in January 2017. This issue has been noted for several years; however, it had not been corrected at the time of audit fieldwork in December 2021.
- Fees collected from the sale of plat books in August 2015, totaling \$20, have never been remitted to the County Treasurer, and they were still held at June 30. This was also noted in prior year audits.
- The petty cash fund held in the bank account of \$1,000 was reduced to \$100 during fiscal year 2020; however, only \$808 was remitted to the County Treasurer, resulting in an overage held in the bank account of \$92. This was also noted in the prior year audit.
- An unknown overage, totaling \$126, has been held in the bank account since switching to a new accounting system in fiscal year 2020. This amount had not been remitted to the County Treasurer and was still held at June 30. This was also noted in the prior year audit.
- In January 2021, a refund of document stamps paid was made to the original payee, totaling \$1,148. This fee was never voided in the accounting system and, therefore, was also remitted to the County Treasurer and Department of Revenue in February 2021. This error resulted in a shortage in the account of the same amount.
- For four months during the fiscal year, the County Clerk incorrectly coded a total of \$13 in filing fees to the Preservation and Modernization Fund. These fees should have been coded to the General Fund.

Neb. Rev. Stat. § 33-130 (Reissue 2016) requires all fees collected by the County Clerk to be remitted to the County Treasurer "no later than the fifteenth day of the month following the calendar month in which fees are received."

Neb. Rev. Stat. § 33-109(1) (Cum. Supp. 2020) states the following:

The register of deeds and the county clerk shall receive for recording a deed, mortgage, or release, recording and indexing of a will, recording and indexing of a decree in a testate estate, recording proof of publication, or recording any other instrument, a fee of ten dollars for the first page and six dollars for each additional page. Two dollars and

fifty cents of the ten-dollar fee for recording the first page and fifty cents of the six-dollar fee for recording each additional page shall be used exclusively for the purposes of preserving and maintaining public records of the office of the register of deeds and for modernization and technology needs relating to such records and preserving and maintaining public records of a register of deeds office that has been consolidated with another county office pursuant to section 22-417 and for modernization and technology needs relating to such records. The funds allocated under this subsection shall not be substituted for other allocations of county general funds to the register of deeds office or any other county office for the purposes enumerated in this subsection.

Additionally, sound accounting practices and good internal controls require procedures to ensure that office records are accurate and reconcile with bank activity on, at least, a monthly basis. Reconciliation procedures should include the timely identification and resolution of all variances noted.

Without such procedures, the County is susceptible to intentional and/or unintentional errors or omissions, which increase the risk of loss, theft, or misuse of public funds.

We recommend the County Clerk implement procedures to ensure adequate records are maintained at all times to support balances, and complete, accurate monthly bank reconciliations are performed. We also recommend the County Clerk remit to the County Treasurer all fees received, as required by statute, for remittance to the correct fund.

Unclaimed Property

We noted that the County Clerk held 16 checks, totaling \$2,693, in the County Imprest bank account that were issued from January 16, 2015, to May 31, 2017. Being outstanding for over three years, these checks qualified as unclaimed property and were required to be remitted to the State Treasurer.

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

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

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

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

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.

Without procedures to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer, there is an increased risk of noncompliance with State statute.

This issue was also noted in prior audits.

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

County Clerk Response: *A check was written to the Treasurer's office for outstanding checks that were reissued, and the others were turned over to the State Treasurer as unclaimed property.*

Financial Discrepancies

During our audit, we noted multiple financial discrepancies between the disbursements recorded in the County Clerk's records and the actual disbursements made by the County Treasurer. These discrepancies were caused by the failure of the County Clerk to record transfers, as follows:

- The County Clerk did not record transfers from the Road Fund to the Inheritance Fund for \$350,000, resulting in an understatement of the Clerk's records by the same amount.
- The County Clerk did not record transfers from the 4-H Building Bond Fund to the Inheritance Fund for \$124,293 and to the Courthouse Bond Fund for \$138,244, resulting in an understatement of the Clerk's records by \$262,537.
- The County Clerk did not record transfers from the Courthouse Bond Fund to the Inheritance Fund for \$174,474, resulting in an understatement of the Clerk's records by the same amount.

Good internal controls and sound business practices require procedures to ensure all activity of the County is reflected properly in the County Clerk's records. Such procedures should include a timely and periodic reconciliation of disbursements between the County Clerk and County Treasurer records.

Without such procedures, there is an increased risk of not only the County Board not being fully apprised of the financial status of the County's funds but also the loss, theft, or misuse of County money.

We recommend the County Clerk implement procedures to ensure all activity of the County is reflected properly in the County Clerk's records, and a timely and periodic reconciliation is performed of the disbursements between the County Clerk and County Treasurer records.

COUNTY CLERK OF DISTRICT COURT

Review of Monthly Reports

We noted that the Clerk of the District Court was not adequately reviewing the monthly financial reports, including the Monthly Case Balance Report and the Overdue Case Account Report, to ensure the balances listed therein were proper, and appropriate action was being taken timely to resolve the balances.

During our review of the June 2021 Monthly Case Balance report, we noted one criminal case in which a \$900 bond was held despite information in the case showing that all amounts due had been paid as of July 2020.

During our review of the November 30, 2021, Overdue Case Account Report, we noted one criminal case, with an overdue balance of \$135, for which subsequent action was not taken to ensure collection and/or resolution of the balance. The last activity on this case was in 2014; however, we noted information, per an internet search, that the individual had been deceased since this same year. The Overdue Case Account Report tested contained 91 overdue balances, totaling \$30,828, related to criminal cases dating back to 1995. Only two of those cases were flagged for a current suspension or warrant.

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

Without such procedures, there is increased risk of errors, omissions, and/or irregularities not being detected and resolved in a timely manner.

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

COUNTY EXTENSION

Receipting Procedures

We noted the following in relation to the Extension office's receipting procedures:

- One donation received, totaling \$50, was not recorded properly in office records.
- One receipt recorded, totaling \$40, had no corresponding deposit into the bank account. This appears to be the result of a duplicate receipt written that was not caught by the office.

Good internal controls and sound business practices require all money received by County offices be documented properly to ensure the security of any cash transactions in the office.

When money is received and not recorded properly, there is an increased risk of loss or theft of funds.

We recommend all money received by the Extension office be recorded properly in office records to ensure that there is adequate documentation of the money received.

COUNTY SHERIFF

Accounting Procedures

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

Corrections Account

A monthly asset-to-liability reconciliation was not performed, resulting in the following:

- The inmate balances held, totaling \$1,197, were not monitored appropriately. The report provided from the system indicated that the balances held as of June 30, 2021, totaled \$1,102. These variances are due partially to the office changing inmate ID numbers for the same inmate.
- There was \$123 in inmate balances noted in the prior year with no corresponding disbursement or other activity in fiscal year 2021.
- An unknown cash long of \$2,740 was noted in the account. This appears to be due to amounts deposited into the bank for which there was no corresponding receipt or disbursement. Without this information, we were unable to determine to whom this money was owed.
- The account was overdrawn by \$1,132 on October 30, 2020, and \$8 in overdraft fees were charged. These fees have not been reversed or claimed from the County.

We also noted that adequate records were not maintained, as follows:

- Four credit card payments received for bond payments, totaling \$2,700, were not verified with the credit card processor, resulting in a shortage in the bank account as the funds were never released. The County Sheriff's office paid the bonds to the court, and the inmate was released even though the funds were not deposited. For two of the credit card payments received in August and September 2020, totaling \$2,000,

the County Sheriff was aware of these bond payments and added them to the records, despite the funds not being received. For the remaining two credit card payments received in February 2021, totaling \$700, the County Sheriff was not aware these payments existed. All four bond payments were deposited in December 2021.

- Trust activity, totaling \$7,294, was deposited in the bank account; however, no corresponding receipt into the records was noted.
- Trust activity, totaling \$8,502, was paid out of the bank account; however, no corresponding disbursement into the records was noted.
- The records reflected five receipts, totaling \$28; however, no corresponding deposit was noted.

Civil Process Account

A monthly asset-to-liability reconciliation was not performed, resulting in an unknown cash long of \$4,065 in the bank account.

We also noted that adequate records were not maintained, as an accurate listing of accounts payable was not readily available. The accounts payable listing and records provided as of June 30, 2021, detailed an amount due to others as \$175; however, records maintained in the office show this balance was actually \$3,690, resulting in unknown payables of \$3,515.

Cash Transactions

We also noted that adequate records were not maintained for cash transactions, as follows:

- Seventeen Gun Permit receipts were recorded for \$5 each in the monthly fee report, totaling \$85; however, no corresponding payment to the County Treasurer was noted. After inquiry during the audit, it was determined that the accounting system was also picking up permits issued by the Central City Police Department; however, these discrepancies were not caught by the office.
- One Gun Permit receipt for \$5 was paid to the County Treasurer; however, no corresponding receipt was noted.
- One Accident Report receipt for \$10 was paid to the County Treasurer; however, no corresponding receipt was noted.
- During the prior year, \$80 in the VIN (vehicle identification number) Inspection receipts was not remitted to the County Treasurer. This issue was not corrected or resolved as of June 30, 2021.

Neb. Rev. Stat. § 33-117(3) (Reissue 2016) provides the following:

The sheriff shall, on the first Tuesday in January, April, July, and October of each year, make a report to the county board showing (a) the different items of fees, except mileage, collected or earned, from whom, at what time, and for what service, (b) the total amount of the fees collected or earned by the officer since the last report, and (c) the amount collected or earned for the current year. He or she shall pay all fees earned to the county treasurer who shall credit the fees to the general fund of the county.

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

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

Sound accounting practices and good internal controls require procedures to ensure: 1) adequate reconciliation and balancing methods are utilized; 2) all variances identified are resolved, and proper documentation is maintained to support correct balances; and 3) all fees earned by the office are remitted timely to the County Treasurer.

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

A similar issue was noted in prior audits.

We recommend the County Sheriff implement procedures to ensure adequate reconciliation and balancing methods are utilized, variances are identified and resolved in a timely manner, property documentation is maintained to support balances, and all funds are remitted to the County Treasurer in a timely manner.

COUNTY SURVEYOR & HIGHWAY DEPARTMENT

Accounts Receivable

During the audit, we noted that the County Highway Department and County Surveyor offices had numerous delinquent accounts receivable balances over two years old that remained uncollected as of June 30, 2021.

Those balances are detailed in the following table:

Fiscal Year	County Surveyor		County Highway Department	
	Number of Outstanding Accounts	Amount Due at 6/30/2021	Number of Outstanding Accounts	Amount Due at 6/30/2021
2005	4	\$ 433	0	\$ -
2006	0	-	2	522
2007	2	135	0	-
2008	1	124	0	-
2009	2	290	0	-
2010	6	600	4	492
2011	8	1,247	1	96
2012	1	271	1	235
2013	6	765	0	-
2014	6	491	1	15
2015	4	458	3	2,529
2016	3	371	3	5,600
2017	4	369	4	1,473
2018	6	1,004	11	15,818
2019	5	1,318	5	17,378
	58	\$ 7,876	35	\$ 44,158

Sound accounting practices and good internal controls require procedures to ensure that a periodic review of overdue accounts receivable is completed, at least annually, with the County Board to consider the feasibility of collection and/or the need for write-off approval if those accounts appear to be uncollectible.

Without such procedures, there is an increased risk of delinquent accounts not being collected and/or resolved in a timely manner.

A similar issue was noted in prior audits.

We recommend the County Surveyor and County Highway Department implement procedures to ensure the completion of a periodic review with the County Board, at least annually, to determine whether accounts receivable should be pursued or approved to be written off.

COUNTY OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

* * * * *

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

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

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

Sincerely,



Pat Reding, CPA, CFE
Assistant Deputy Auditor