

**AUDIT REPORT
OF
ADAMS COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

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the Auditor of Public Accounts.**

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Issued on January 23, 2023

ADAMS COUNTY

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

LIST OF COUNTY OFFICIALS
At June 30, 2022

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



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ADAMS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Adams County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 20-35, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 January 17, 2023, on our consideration of Adams County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Adams County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE
Audit Manager
Lincoln, Nebraska

January 17, 2023

ADAMS COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2022

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 28,397,865
Investments (Note 1.D)	2,771,233
TOTAL ASSETS	<u>\$ 31,169,098</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 692,817
Drug Education	4,529
Preservation of Records	57,389
Debt Service	715,780
Juvenile Services	17,999
Federal Relief	5,795,110
County Buildings	16,334,376
Unrestricted	7,551,098
TOTAL NET POSITION	<u>\$ 31,169,098</u>

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

ADAMS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2022

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,493,398)	\$ 1,146,506	\$ 83,140	\$ (5,263,752)
Public Safety	(7,459,740)	168,895	809,714	(6,481,131)
Public Works	(5,978,749)	76,860	3,459,701	(2,442,188)
Public Assistance	(160,792)	-	-	(160,792)
Culture and Recreation	(317,054)	-	-	(317,054)
Debt Payments	(1,622,832)	-	-	(1,622,832)
Capital Outlay	(3,414,284)	-	-	(3,414,284)
Total Governmental Activities	<u>\$ (25,446,849)</u>	<u>\$ 1,392,261</u>	<u>\$ 4,352,555</u>	<u>(19,702,033)</u>

General Receipts:

Taxes	14,411,762
Grants and Contributions Not Restricted to Specific Programs	4,520,413
Investment Income	33,440
Licenses and Permits	195,165
Proceeds from Sale of Bonds	9,853,707
Miscellaneous	294,254
Total General Receipts	<u>29,308,741</u>
Change in Net Position	9,606,708
Net Position - Beginning of year	21,562,390
Net Position - End of year	<u>\$ 31,169,098</u>

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

ADAMS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Road & Bridge Fund	COVID American Rescue Plan Fund	Law Enforcement Center Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,241,067	\$ 737,346	\$ 5,795,110	\$16,334,376	\$ 4,289,966	\$ 28,397,865
Investments (Note 1.D)	174,121	-	-	-	2,597,112	2,771,233
TOTAL ASSETS	<u><u>\$ 1,415,188</u></u>	<u><u>\$ 737,346</u></u>	<u><u>\$ 5,795,110</u></u>	<u><u>\$16,334,376</u></u>	<u><u>\$ 6,887,078</u></u>	<u><u>\$ 31,169,098</u></u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	692,817	692,817
Drug Education	-	-	-	-	4,529	4,529
Preservation of Records	-	-	-	-	57,389	57,389
Debt Service	-	-	-	-	715,780	715,780
Juvenile Services	-	-	-	-	17,999	17,999
Federal Relief	-	-	5,795,110	-	-	5,795,110
County Buildings	-	-	-	16,334,376	-	16,334,376
Committed to:						
Law Enforcement/Public Safety	-	-	-	-	284,412	284,412
Road/Bridge Maintenance & Equipment	-	737,346	-	-	1,543,400	2,280,746
Aid and Assistance	-	-	-	-	1	1
Insurance Premiums	-	-	-	-	807,372	807,372
Library Services	-	-	-	-	633	633
Office Furnishings, Supplies, & Equipment	-	-	-	-	139,553	139,553
Assigned to:						
Other Purposes	-	-	-	-	2,623,193	2,623,193
Unassigned	1,415,188	-	-	-	-	1,415,188
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 1,415,188</u></u>	<u><u>\$ 737,346</u></u>	<u><u>\$ 5,795,110</u></u>	<u><u>\$16,334,376</u></u>	<u><u>\$ 6,887,078</u></u>	<u><u>\$ 31,169,098</u></u>

The notes to the financial statements are an integral part of this statement. - 7 -

ADAMS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Road & Bridge Fund	COVID American Rescue Plan Fund	Law Enforcement Center Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$ 11,828,871	\$ 20	\$ -	\$ -	\$ 2,582,871	\$ 14,411,762
Licenses and Permits	183,937	11,228	-	-	-	195,165
Investment Income	33,440	-	-	-	-	33,440
Intergovernmental	1,985,078	3,539,997	3,045,947	-	301,946	8,872,968
Charges for Services	1,293,708	76,860	-	-	21,693	1,392,261
Miscellaneous	42,632	17,670	-	-	233,952	294,254
TOTAL RECEIPTS	15,367,666	3,645,775	3,045,947	-	3,140,462	25,199,850
DISBURSEMENTS						
General Government	5,508,368	-	15,000	-	970,030	6,493,398
Public Safety	7,131,807	-	-	-	327,933	7,459,740
Public Works	96,438	4,152,146	-	-	1,730,165	5,978,749
Public Assistance	158,792	-	-	-	2,000	160,792
Culture and Recreation	-	-	-	-	317,054	317,054
Debt Service:						
Principal Payments	-	-	-	-	1,344,000	1,344,000
Interest and Fiscal Charges	-	-	-	-	278,832	278,832
Capital Outlay	-	-	281,785	3,132,499	-	3,414,284
TOTAL DISBURSEMENTS	12,895,405	4,152,146	296,785	3,132,499	4,970,014	25,446,849
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,472,261	(506,371)	2,749,162	(3,132,499)	(1,829,552)	(246,999)
OTHER FINANCING SOURCES (USES)						
Transfers in	767,042	2,751,488	-	-	2,994,038	6,512,568
Transfers out	(3,319,031)	(2,054,401)	-	(241,495)	(897,641)	(6,512,568)
Proceeds from Sale of Bonds	-	-	-	9,853,707	-	9,853,707
TOTAL OTHER FINANCING SOURCES (USES)	(2,551,989)	697,087	-	9,612,212	2,096,397	9,853,707
Net Change in Fund Balances	(79,728)	190,716	2,749,162	6,479,713	266,845	9,606,708
CASH BASIS FUND BALANCES - BEGINNING	1,494,916	546,630	3,045,948	9,854,663	6,620,233	21,562,390
CASH BASIS FUND BALANCES - ENDING	\$ 1,415,188	\$ 737,346	\$ 5,795,110	\$ 16,334,376	\$ 6,887,078	\$ 31,169,098

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

ADAMS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
ASSETS				
Cash and Cash Equivalents	\$ 2,569,710	\$ 69,724,989	\$ 70,083,409	\$ 2,211,290
Investments	122,583	17	108,649	13,951
TOTAL ASSETS	<u>2,692,293</u>	<u>69,725,006</u>	<u>70,192,058</u>	<u>2,225,241</u>
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	780,256	8,834,263	8,817,519	797,000
State - Collected by Other Offices	30,799	443,496	441,312	32,983
Schools	1,128,633	41,631,547	42,066,780	693,400
Educational Service Units	12,329	587,020	593,766	5,583
Technical College	75,623	3,595,762	3,637,206	34,179
Natural Resource Districts	18,486	849,431	860,076	7,841
Fire Districts	10,983	628,823	636,777	3,029
Municipalities	316,240	9,991,672	10,086,738	221,174
Agricultural Society	14,845	712,872	720,880	6,837
Sanitary and Improvement Districts	125,353	92,182	202,689	14,846
Others - Collected by County Treasurer	1,428	488,727	488,241	1,914
Others - Collected by Other Offices	177,318	1,869,211	1,640,074	406,455
TOTAL LIABILITIES	<u>2,692,293</u>	<u>69,725,006</u>	<u>70,192,058</u>	<u>2,225,241</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Adams County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$75,839 toward the operation of the Region during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with the South Heartland District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$2,650 toward the operation of the Department during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

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

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

B. Basis of Presentation

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

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

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

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The County reports the following major governmental funds:

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

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

COVID American Rescue Plan Fund. This fund is used to account for aid received from the Federal government through the American Rescue Plan Act and will be used as allowed by Federal requirements.

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

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 Building Bond Fund, Jail & Justice Center Bond Fund, and Highway Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

C. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when 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 deposit, 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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$23,618,000 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 and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$28,397,865 for County funds and \$2,211,290 for Fiduciary funds. The bank balances for all funds totaled \$30,643,422. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, 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 \$2,771,233 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The County also held deposits in NPAIT of \$13,951 for Fiduciary Funds. NPAIT is a public entity investment pool

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.336595/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.295171/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

4. **Retirement System**

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2022) 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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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

For the year ended June 30, 2022, 182 employees contributed \$349,421, and the County contributed \$517,300. Contributions included \$13,657 in cash contributions towards the supplemental law enforcement plan for 20 law enforcement employees. Lastly, the County paid \$230 directly to three retired employees for prior service benefits.

5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 106 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.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Road & Bridge Fund	Law Enforcement Center Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ -	\$ 767,042	\$ 767,042
Road & Bridge Fund	2,751,488	-	-	-	2,751,488
Nonmajor Funds	567,543	2,054,401	241,495	130,599	2,994,038
Total	<u>\$ 3,319,031</u>	<u>\$ 2,054,401</u>	<u>\$ 241,495</u>	<u>\$ 897,641</u>	<u>\$ 6,512,568</u>

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, 2022, the County made a one-time transfer of \$464,000 from the Road & Bridge Fund to the Highway Bond Fund to ensure sufficient funds were available to disburse a bond payment.

Additionally, \$412,917 was transferred from the General Fund and \$1,543,400 was transferred from the Road & Bridge Fund to the Escrow Holding Fund to set aside funds that were budgeted in fiscal year 2022 but were not used. These funds will be spent during fiscal year 2023 or transferred back to the General Fund or Road & Bridge Fund.

Furthermore, \$241,495 was transferred from the Law Enforcement Center Fund, and \$128,600 was transferred from the Jail & Justice Center Bond Fund to the Inheritance Fund to reimburse the Inheritance Fund for expenses and bond payment already incurred prior to the creation of the Law Enforcement Center Fund and the Jail & Justice Center Bond Fund.

7. **Long-Term Obligations**

Lease-Purchase Agreements

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

	<u>Motor Grader</u>
Balance July 1, 2021	\$ 140,160
Purchases	-
Payments	46,720
Balance June 30, 2022	<u>\$ 93,440</u>
Future Payments:	
Year	
2023	\$ 46,720
2024	46,720
Total Future Payments	<u>\$ 93,440</u>
Carrying Value of the Related Fixed Asset	<u>\$ 233,600</u>

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Bonds

Highway Allocation Road Bonds. The County issued bonds on July 16, 2018, in the amount of \$795,000 to pay the construction costs of certain roads within the County for the Southeast Truck Route. The bond payable balance, as of June 30, 2022, was \$275,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County plans to use future highway allocation receipts to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2023	\$ 275,000	\$ 3,410	\$ 278,410
Total Payments	\$ 275,000	\$ 3,410	\$ 278,410

Building Bonds. The County issued bonds on July 30, 2020, in the amount of \$240,000 to pay the costs of constructing and improving the site of a County building and paying certain costs of issuance of the bonds. The bond payable balance, as of June 30, 2022, was \$158,000. 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
2023	\$ 44,000	\$ 2,940	\$ 46,940
2024	45,000	2,060	47,060
2025	46,000	1,150	47,150
2026	23,000	230	23,230
Total Payments	\$ 158,000	\$ 6,380	\$ 164,380

Justice Center Bonds – Series 2021. The County issued bonds on April 15, 2021, in the amount of \$9,630,000 to pay the costs of constructing, equipping, and furnishing a new County Justice Center. The bond payable balance, as of June 30, 2022, was \$9,630,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2023	\$ -	\$ 192,600	\$ 192,600
2024	600,000	186,600	786,600
2025	615,000	174,450	789,450
2026	625,000	162,050	787,050
2027	640,000	149,400	789,400
2028-2032	3,400,000	547,600	3,947,600
2033-2037	3,750,000	190,500	3,940,500
Total Payments	\$ 9,630,000	\$ 1,603,200	\$ 11,233,200

Justice Center Bonds – Series 2022. The County issued bonds on April 28, 2022, in the amount of \$9,615,000 to pay the costs of constructing, equipping, and furnishing a new County Justice Center. The bond payable balance, as of June 30, 2022, was \$9,615,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

Future Payments:

Year	Principal	Interest	Total
2023	\$ -	\$ 352,935	\$ 352,935
2024	160,000	351,335	511,335
2025	165,000	348,085	513,085
2026	170,000	344,693	514,693
2027	170,000	340,400	510,400
2028-2032	930,000	1,621,300	2,551,300
2033-2037	1,085,000	1,470,325	2,555,325
2038-2042	5,660,000	839,000	6,499,000
2043	1,275,000	25,500	1,300,500
Total Payments	<u>\$ 9,615,000</u>	<u>\$ 5,693,573</u>	<u>\$ 15,308,573</u>

Rural Road Improvement Bonds. The County issued bonds on December 30, 2020, in the amount of \$4,085,000 to refinance the Bond Anticipation Notes issued on June 30, 2020, and provide permanent financing for the construction of improvements in Rural Road Improvement District No. 2020-1, along with related drainage improvements. The bond payable balance, as of June 30, 2022, was \$3,510,000. 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
2023	\$ 575,000	\$ 19,219	\$ 594,219
2024	580,000	16,475	596,475
2025	585,000	13,416	598,416
2026	585,000	10,052	595,052
2027	590,000	6,380	596,380
2028	595,000	2,231	597,231
Total Payments	<u>\$ 3,510,000</u>	<u>\$ 67,773</u>	<u>\$ 3,577,773</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 13,040,437	\$ 13,040,437	\$ 11,828,871	\$(1,211,566)
Licenses and Permits	171,045	171,045	183,937	12,892
Investment Income	30,000	30,000	33,440	3,440
Intergovernmental	1,629,405	1,629,405	1,985,078	355,673
Charges for Services	1,193,100	1,193,100	1,293,708	100,608
Miscellaneous	35,000	35,000	42,632	7,632
TOTAL RECEIPTS	16,098,987	16,098,987	15,367,666	(731,321)
DISBURSEMENTS				
General Government:				
County Board	237,187	237,187	231,795	5,392
County Clerk	353,001	335,030	291,007	44,023
County Treasurer	651,108	651,108	561,122	89,986
Register of Deeds	273,931	273,931	259,629	14,302
County Assessor	508,620	508,620	452,597	56,023
Election Commissioner	79,974	79,974	74,416	5,558
Building and Zoning	70,837	70,837	61,412	9,425
Data Processing	319,114	319,114	279,417	39,697
Clerk of the District Court	475,009	475,009	396,274	78,735
County Court System	160,500	160,500	135,509	24,991
District Judge	54,316	56,264	54,958	1,306
Public Defender	1,170,215	1,186,238	1,174,135	12,103
Building and Grounds	582,767	582,767	567,019	15,748
Agricultural Extension Agent	221,722	221,722	215,283	6,439
Microfilm	8,987	8,987	8,544	443
Miscellaneous	864,192	864,192	745,251	118,941
Public Safety				
County Sheriff	2,512,805	2,512,805	2,195,529	317,276
County Attorney	1,446,064	1,446,064	1,359,556	86,508
Communication Center	101,500	101,500	83,609	17,891
County Jail	2,799,943	2,799,943	2,536,150	263,793
Emergency Management	252,985	252,985	244,760	8,225
Adult Probation	63,886	63,886	62,749	1,137
Ambulance	62,500	62,500	62,500	-
Building Security	100,000	100,000	92,196	7,804
Homeland Security Grants	1,166,609	1,166,609	494,758	671,851
Public Works				
County Surveyor	27,742	27,742	16,405	11,337
Noxious Weed Control	96,538	96,538	80,033	16,505

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	158,405	158,405	144,586	13,819
County Relief	25,000	25,000	4,434	20,566
Institutions	14,000	14,000	9,772	4,228
TOTAL DISBURSEMENTS	<u>14,859,457</u>	<u>14,859,457</u>	<u>12,895,405</u>	<u>1,964,052</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,239,530</u>	<u>1,239,530</u>	<u>2,472,261</u>	<u>1,232,731</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	767,042	767,042	767,042	-
Transfers out	<u>(2,751,488)</u>	<u>(2,751,488)</u>	<u>(3,319,031)</u>	<u>(567,543)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,984,446)</u>	<u>(1,984,446)</u>	<u>(2,551,989)</u>	<u>(567,543)</u>
Net Change in Fund Balance	(744,916)	(744,916)	(79,728)	665,188
FUND BALANCE - BEGINNING	<u>1,494,916</u>	<u>1,494,916</u>	<u>1,494,916</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 750,000</u></u>	<u><u>\$ 750,000</u></u>	<u><u>\$ 1,415,188</u></u>	<u><u>\$ 665,188</u></u>

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 20	\$ 20
Licenses and Permits	7,500	7,500	11,228	3,728
Intergovernmental	3,100,561	3,100,561	3,539,997	439,436
Charges for Services	22,200	22,200	76,860	54,660
Miscellaneous	6,700	6,700	17,670	10,970
TOTAL RECEIPTS	3,136,961	3,136,961	3,645,775	508,814
DISBURSEMENTS	5,879,549	5,879,549	4,152,146	1,727,403
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,742,588)	(2,742,588)	(506,371)	2,236,217
OTHER FINANCING SOURCES (USES)				
Transfers in	2,751,488	2,751,488	2,751,488	-
Transfers out	(464,000)	(464,000)	(2,054,401)	(1,590,401)
TOTAL OTHER FINANCING SOURCES (USES)	2,287,488	2,287,488	697,087	(1,590,401)
Net Change in Fund Balance	(455,100)	(455,100)	190,716	645,816
FUND BALANCE - BEGINNING	455,100	455,100	546,630	91,530
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,346</u>	<u>\$ 737,346</u>
COVID AMERICAN RESCUE PLAN FUND				
RECEIPTS				
Intergovernmental	\$ 3,045,947	\$ 3,045,947	\$ 3,045,947	\$ -
TOTAL RECEIPTS	3,045,947	3,045,947	3,045,947	-
DISBURSEMENTS	6,091,895	6,091,895	296,785	5,795,110
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,045,948)	(3,045,948)	2,749,162	5,795,110
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(3,045,948)	(3,045,948)	2,749,162	5,795,110
FUND BALANCE - BEGINNING	3,045,948	3,045,948	3,045,948	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,795,110</u>	<u>\$ 5,795,110</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>LAW ENFORCEMENT CENTER FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	19,464,992	19,464,992	3,132,499	16,332,493
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(19,464,992)</u>	<u>(19,464,992)</u>	<u>(3,132,499)</u>	<u>16,332,493</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(241,495)	(241,495)	(241,495)	-
Proceeds from Sale of Bonds	9,851,824	9,851,824	9,853,707	1,883
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,610,329</u>	<u>9,610,329</u>	<u>9,612,212</u>	<u>1,883</u>
Net Change in Fund Balance	(9,854,663)	(9,854,663)	6,479,713	16,334,376
FUND BALANCE - BEGINNING	9,854,663	9,854,663	9,854,663	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,334,376</u>	<u>\$ 16,334,376</u>

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITORS PROMOTION FUND				
Receipts	\$ -	\$ -	\$ 199,660	\$ 199,660
Disbursements	(290,123)	(290,123)	(112,365)	177,758
Net Change in Fund Balance	(290,123)	(290,123)	87,295	377,418
Fund Balance - Beginning	290,123	290,123	290,123	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,418</u>	<u>\$ 377,418</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ 89,092	\$ 89,092
Disbursements	(261,307)	(261,307)	(35,000)	226,307
Net Change in Fund Balance	(261,307)	(261,307)	54,092	315,399
Fund Balance - Beginning	261,307	261,307	261,307	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,399</u>	<u>\$ 315,399</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 20,000	\$ 20,000	\$ 21,693	\$ 1,693
Disbursements	(95,238)	(95,238)	(39,542)	55,696
Net Change in Fund Balance	(75,238)	(75,238)	(17,849)	57,389
Fund Balance - Beginning	75,238	75,238	75,238	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,389</u>	<u>\$ 57,389</u>
HEALTH FUND				
Receipts	\$ -	\$ -	\$ 212,476	\$ 212,476
Disbursements	(849,402)	(849,402)	(456,133)	393,269
Transfers in	-	-	201,627	201,627
Net Change in Fund Balance	(849,402)	(849,402)	(42,030)	807,372
Fund Balance - Beginning	849,402	849,402	849,402	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,372</u>	<u>\$ 807,372</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ 1	\$ 1
Disbursements	(2,000)	(2,000)	(2,000)	-
Transfers in	1,999	1,999	1,999	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1)	(1)	-	1
Fund Balance - Beginning	1	1	1	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LIBRARY FUND				
Receipts	\$ 217,091	\$ 217,091	\$ 154,306	\$ (62,785)
Disbursements	(220,707)	(220,707)	(157,289)	63,418
Net Change in Fund Balance	(3,616)	(3,616)	(2,983)	633
Fund Balance - Beginning	3,616	3,616	3,616	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 633</u>

**COUNTY DRUG LAW ENFORCEMENT AND
EDUCATION FUND**

Receipts	\$ -	\$ -	\$ 3,156	\$ 3,156
Disbursements	(2,113)	(2,113)	(740)	1,373
Net Change in Fund Balance	(2,113)	(2,113)	2,416	4,529
Fund Balance - Beginning	2,113	2,113	2,113	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,529</u>	<u>\$ 4,529</u>

**FEDERAL DRUG LAW ENFORCEMENT
FUND**

Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,792)	(3,792)	(3,792)	-
Net Change in Fund Balance	(3,792)	(3,792)	(3,792)	-
Fund Balance - Beginning	3,792	3,792	3,792	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL EMERGENCY MANAGEMENT
FUND**

Receipts	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Disbursements	(13,104)	(13,104)	(2,056)	11,048
Net Change in Fund Balance	(11,604)	(11,604)	(556)	11,048
Fund Balance - Beginning	11,604	11,604	11,604	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,048</u>	<u>\$ 11,048</u>

JUVENILE GRANT FUND

Receipts	\$ 216,996	\$ 216,996	\$ 167,527	\$ (49,469)
Disbursements	(257,918)	(257,918)	(190,450)	67,468
Net Change in Fund Balance	(40,922)	(40,922)	(22,923)	17,999
Fund Balance - Beginning	40,922	40,922	40,922	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,999</u>	<u>\$ 17,999</u>

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COURTHOUSE BUILDING BOND FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(71,869)	(71,869)	(47,820)	24,049
Net Change in Fund Balance	(71,869)	(71,869)	(47,820)	24,049
Fund Balance - Beginning	71,869	71,869	71,869	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,049</u>	<u>\$ 24,049</u>
JAIL & JUSTICE CENTER BOND FUND				
Receipts	\$ 482,100	\$ 482,100	\$ 328,882	\$ (153,218)
Disbursements	(450,000)	(450,000)	(142,578)	307,422
Transfers in	-	-	-	-
Transfers out	(32,100)	(32,100)	(128,600)	(96,500)
Net Change in Fund Balance	-	-	57,704	57,704
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,704</u>	<u>\$ 57,704</u>
HIGHWAY BOND FUND				
Receipts	\$ 795,753	\$ 795,753	\$ 752,520	\$ (43,233)
Disbursements	(1,741,498)	(1,741,498)	(1,064,238)	677,260
Transfers in	464,000	464,000	464,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(481,745)	(481,745)	152,282	634,027
Fund Balance - Beginning	481,745	481,745	481,745	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,027</u>	<u>\$ 634,027</u>
INHERITANCE FUND				
Receipts	\$ 650,000	\$ 650,000	\$ 1,209,649	\$ 559,649
Disbursements	(2,186,459)	(2,186,459)	(245,496)	1,940,963
Transfers in	273,595	273,595	370,095	96,500
Transfers out	(751,999)	(751,999)	(751,999)	-
Net Change in Fund Balance	(2,014,863)	(2,014,863)	582,249	2,597,112
Fund Balance - Beginning	2,014,863	2,014,863	2,014,863	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,597,112</u>	<u>\$ 2,597,112</u>

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RURAL ROAD IMPROVEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(267,305)	(267,305)	(267,305)	-
Net Change in Fund Balance	(267,305)	(267,305)	(267,305)	-
Fund Balance - Beginning	267,305	267,305	267,305	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ESCROW HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(2,229,291)	(2,229,291)	(2,203,210)	26,081
Transfers in	-	-	1,956,317	1,956,317
Transfers out	(17,042)	(17,042)	(17,042)	-
Net Change in Fund Balance	(2,246,333)	(2,246,333)	(263,935)	1,982,398
Fund Balance - Beginning	2,246,333	2,246,333	2,246,333	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,982,398</u>	<u>\$ 1,982,398</u>
				(Concluded)

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

For the Year Ended June 30, 2022

	Visitors Promotion Fund	Visitors Improvement Fund	Preservation and Modernization Fund	Health Fund	Veterans' Aid Fund
RECEIPTS					
Taxes	\$ 178,184	\$ 89,092	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1
Charges for Services	-	-	21,693	-	-
Miscellaneous	21,476	-	-	212,476	-
TOTAL RECEIPTS	<u>199,660</u>	<u>89,092</u>	<u>21,693</u>	<u>212,476</u>	<u>1</u>
DISBURSEMENTS					
General Government	-	-	39,542	456,133	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	2,000
Culture and Recreation	112,365	35,000	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>112,365</u>	<u>35,000</u>	<u>39,542</u>	<u>456,133</u>	<u>2,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>87,295</u>	<u>54,092</u>	<u>(17,849)</u>	<u>(243,657)</u>	<u>(1,999)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	201,627	1,999
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,627</u>	<u>1,999</u>
Net Change in Fund Balances	87,295	54,092	(17,849)	(42,030)	-
FUND BALANCES - BEGINNING	<u>290,123</u>	<u>261,307</u>	<u>75,238</u>	<u>849,402</u>	<u>1</u>
FUND BALANCES - ENDING	<u>\$ 377,418</u>	<u>\$ 315,399</u>	<u>\$ 57,389</u>	<u>\$ 807,372</u>	<u>\$ 1</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	377,418	315,399	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	57,389	-	-
Debt Service	-	-	-	-	-
Juvenile Services	-	-	-	-	-
Committed to:					
Law Enforcement/Public Safety	-	-	-	-	-
Road/Bridge Maintenance & Equipment	-	-	-	-	-
Aid and Assistance	-	-	-	-	1
Insurance Premiums	-	-	-	807,372	-
Library Services	-	-	-	-	-
Office Furnishings, Supplies, & Equipment	-	-	-	-	-
Assigned to:					
Other Purposes	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 377,418</u>	<u>\$ 315,399</u>	<u>\$ 57,389</u>	<u>\$ 807,372</u>	<u>\$ 1</u>

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

For the Year Ended June 30, 2022

	Library Fund	County Drug Law Enforcement and Education Fund	Federal Drug Law Enforcement Fund	Regional Emergency Management Fund
RECEIPTS				
Taxes	\$ 142,172	\$ -	\$ -	\$ -
Intergovernmental	12,134	3,156	-	1,500
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>154,306</u>	<u>3,156</u>	<u>-</u>	<u>1,500</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	-	740	3,792	2,056
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	157,289	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL DISBURSEMENTS	<u>157,289</u>	<u>740</u>	<u>3,792</u>	<u>2,056</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,983)</u>	<u>2,416</u>	<u>(3,792)</u>	<u>(556)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,983)	2,416	(3,792)	(556)
FUND BALANCES - BEGINNING	<u>3,616</u>	<u>2,113</u>	<u>3,792</u>	<u>11,604</u>
FUND BALANCES - ENDING	<u>\$ 633</u>	<u>\$ 4,529</u>	<u>\$ -</u>	<u>\$ 11,048</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Drug Education	-	4,529	-	-
Preservation of Records	-	-	-	-
Debt Service	-	-	-	-
Juvenile Services	-	-	-	-
Committed to:				
Law Enforcement/Public Safety	-	-	-	11,048
Road/Bridge Maintenance & Equipment	-	-	-	-
Aid and Assistance	-	-	-	-
Insurance Premiums	-	-	-	-
Library Services	633	-	-	-
Office Furnishings, Supplies, & Equipment	-	-	-	-
Assigned to:				
Other Purposes	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 633</u>	<u>\$ 4,529</u>	<u>\$ -</u>	<u>\$ 11,048</u>

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

For the Year Ended June 30, 2022

	Juvenile Grant Fund	Courthouse Building Bond Fund	Jail & Justice Center Bond Fund	Highway Bond Fund
RECEIPTS				
Taxes	\$ -	\$ -	\$ 285,449	\$ 678,325
Intergovernmental	167,527	-	43,433	74,195
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>167,527</u>	<u>-</u>	<u>328,882</u>	<u>752,520</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	190,450	-	-	-
Public Works	-	-	-	-
Public Assistance	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	44,000	-	1,035,000
Interest and Fiscal Charges	-	3,820	142,578	29,238
TOTAL DISBURSEMENTS	<u>190,450</u>	<u>47,820</u>	<u>142,578</u>	<u>1,064,238</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(22,923)</u>	<u>(47,820)</u>	<u>186,304</u>	<u>(311,718)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	464,000
Transfers out	-	-	(128,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(128,600)</u>	<u>464,000</u>
Net Change in Fund Balances	(22,923)	(47,820)	57,704	152,282
FUND BALANCES - BEGINNING	<u>40,922</u>	<u>71,869</u>	<u>-</u>	<u>481,745</u>
FUND BALANCES - ENDING	<u>\$ 17,999</u>	<u>\$ 24,049</u>	<u>\$ 57,704</u>	<u>\$ 634,027</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
Drug Education	-	-	-	-
Preservation of Records	-	-	-	-
Debt Service	-	24,049	57,704	634,027
Juvenile Services	17,999	-	-	-
Committed to:				
Law Enforcement/Public Safety	-	-	-	-
Road/Bridge Maintenance & Equipment	-	-	-	-
Aid and Assistance	-	-	-	-
Insurance Premiums	-	-	-	-
Library Services	-	-	-	-
Office Furnishings, Supplies, & Equipment	-	-	-	-
Assigned to:				
Other Purposes	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 17,999</u>	<u>\$ 24,049</u>	<u>\$ 57,704</u>	<u>\$ 634,027</u>

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

For the Year Ended June 30, 2022

	Inheritance Fund	Rural Road Improvement Fund	Escrow Holding Fund	Total Nonmajor Funds
RECEIPTS				
Taxes	\$ 1,209,649	\$ -	\$ -	\$ 2,582,871
Intergovernmental	-	-	-	301,946
Charges for Services	-	-	-	21,693
Miscellaneous	-	-	-	233,952
TOTAL RECEIPTS	<u>1,209,649</u>	<u>-</u>	<u>-</u>	<u>3,140,462</u>
DISBURSEMENTS				
General Government	136,596	-	337,759	970,030
Public Safety	-	-	130,895	327,933
Public Works	-	267,305	1,462,860	1,730,165
Public Assistance	-	-	-	2,000
Culture and Recreation	12,400	-	-	317,054
Debt Service:				
Principal Payments	-	-	265,000	1,344,000
Interest and Fiscal Charges	96,500	-	6,696	278,832
TOTAL DISBURSEMENTS	<u>245,496</u>	<u>267,305</u>	<u>2,203,210</u>	<u>4,970,014</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>964,153</u>	<u>(267,305)</u>	<u>(2,203,210)</u>	<u>(1,829,552)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	370,095	-	1,956,317	2,994,038
Transfers out	(751,999)	-	(17,042)	(897,641)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(381,904)</u>	<u>-</u>	<u>1,939,275</u>	<u>2,096,397</u>
Net Change in Fund Balances	582,249	(267,305)	(263,935)	266,845
FUND BALANCES - BEGINNING	<u>2,014,863</u>	<u>267,305</u>	<u>2,246,333</u>	<u>6,620,233</u>
FUND BALANCES - ENDING	<u>\$ 2,597,112</u>	<u>\$ -</u>	<u>\$ 1,982,398</u>	<u>\$ 6,887,078</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	692,817
Drug Education	-	-	-	4,529
Preservation of Records	-	-	-	57,389
Debt Service	-	-	-	715,780
Juvenile Services	-	-	-	17,999
Committed to:				
Law Enforcement/Public Safety	-	-	273,364	284,412
Road/Bridge Maintenance & Equipment	-	-	1,543,400	1,543,400
Aid and Assistance	-	-	-	1
Insurance Premiums	-	-	-	807,372
Library Services	-	-	-	633
Office Furnishings, Supplies, & Equipment	-	-	139,553	139,553
Assigned to:				
Other Purposes	2,597,112	-	26,081	2,623,193
TOTAL FUND BALANCES	<u>\$ 2,597,112</u>	<u>\$ -</u>	<u>\$ 1,982,398</u>	<u>\$ 6,887,078</u>

ADAMS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2022

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2021	\$ 2,170	\$ 47,528	\$ 182,255	\$ 37,137	\$ 2,506	\$ 25
RECEIPTS						
Taxes	-	-	-	64,809	-	-
Licenses and Permits	4,990	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	12,376	258,847	60,184	156,387	80	762
Miscellaneous	398	-	-	44,119	819	-
State Fees	-	368,851	74,645	-	-	-
Other Liabilities	2	873	1,463,757	395,384	9,195	-
TOTAL RECEIPTS	17,766	628,571	1,598,586	660,699	10,094	762
DISBURSEMENTS						
Payments to County Treasurer	17,183	260,449	61,149	212,280	80	762
Payments to State Treasurer	-	365,768	75,544	-	-	-
Petty Cash & Other Payments	398	-	-	44,674	819	-
Other Liabilities	2	873	1,241,466	388,827	8,905	-
TOTAL DISBURSEMENTS	17,583	627,090	1,378,159	645,781	9,804	762
BALANCES JUNE 30, 2022	\$ 2,353	\$ 49,009	\$ 402,682	\$ 52,055	\$ 2,796	\$ 25
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 1,103	\$ 19,474	\$ 2,872	\$ 28,782	\$ 91	\$ -
Petty Cash	1,250	200	-	13,685	2,000	25
Due to State Treasurer	-	29,335	3,648	-	-	-
Due to Others	-	-	396,162	9,588	705	-
BALANCES JUNE 30, 2022	\$ 2,353	\$ 49,009	\$ 402,682	\$ 52,055	\$ 2,796	\$ 25

(Continued)

ADAMS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2022

	Highway Superintendent	Veterans' Service Officer	County Assessor	County Planning & Zoning	Total
BALANCES JULY 1, 2021	\$ 200	\$ 4,099	\$ 15	\$ 25	\$ 275,960
RECEIPTS					
Taxes	-	-	-	-	64,809
Licenses and Permits	8,908	-	-	31,266	45,164
Intergovernmental	81,029	2,000	-	-	83,029
Charges for Services	63,563	-	-	-	552,199
Miscellaneous	17,062	-	6	-	62,404
State Fees	-	-	-	-	443,496
Other Liabilities	-	-	-	-	1,869,211
TOTAL RECEIPTS	170,562	2,000	6	31,266	3,120,312
DISBURSEMENTS					
Payments to County Treasurer	170,426	-	6	31,266	753,601
Payments to State Treasurer	-	-	-	-	441,312
Petty Cash & Other Payments	136	3,627	-	-	49,654
Other Liabilities	-	-	-	-	1,640,073
TOTAL DISBURSEMENTS	170,562	3,627	6	31,266	2,884,640
BALANCES JUNE 30, 2022	\$ 200	\$ 2,472	\$ 15	\$ 25	\$ 511,632
BALANCES CONSIST OF:					
Due to County Treasurer	\$ -	\$ 2,472	\$ -	\$ -	\$ 54,794
Petty Cash	200	-	15	25	17,400
Due to State Treasurer	-	-	-	-	32,983
Due to Others	-	-	-	-	406,455
BALANCES JUNE 30, 2022	\$ 200	\$ 2,472	\$ 15	\$ 25	\$ 511,632

(Concluded)

ADAMS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2022

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 50,136,983	\$ 51,551,321	\$ 52,468,867	\$ 54,681,580	\$ 57,512,298
Personal and Specials	3,545,569	3,418,259	3,269,315	3,783,657	3,817,296
Total	<u>53,682,552</u>	<u>54,969,580</u>	<u>55,738,182</u>	<u>58,465,237</u>	<u>61,329,594</u>
Corrections					
Additions	32,230	27,051	14,192	14,431	13,757
Deductions	(74,146)	(141,387)	(82,822)	(116,989)	(27,093)
Net Additions/ (Deductions)	<u>(41,916)</u>	<u>(114,336)</u>	<u>(68,630)</u>	<u>(102,558)</u>	<u>(13,336)</u>
Corrected Certified Tax	<u>53,640,636</u>	<u>54,855,244</u>	<u>55,669,552</u>	<u>58,362,679</u>	<u>61,316,258</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	33,995,585	-	-	-	-
June 30, 2019	19,618,225	33,888,464	-	-	-
June 30, 2020	9,137	20,935,852	34,040,654	-	-
June 30, 2021	12,994	22,098	21,604,228	36,812,788	-
June 30, 2022	2,251	4,947	15,931	21,521,633	39,289,428
Total Net Collections	<u>53,638,192</u>	<u>54,851,361</u>	<u>55,660,813</u>	<u>58,334,421</u>	<u>39,289,428</u>
Total Uncollected Tax	<u>\$ 2,444</u>	<u>\$ 3,883</u>	<u>\$ 8,739</u>	<u>\$ 28,258</u>	<u>\$ 22,026,830</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.05%</u>	<u>35.92%</u>

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

ADAMS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
DEPARTMENT OF JUSTICE				
Passed through Nebraska Commission on Law Enforcement and Criminal Justice Crime Victim Assistance	16.575	106-2022-VA1038	\$ 76,703	\$ -
Total U.S. Department of Justice			<u>76,703</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed through Nebraska Military Department				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	001-99001-00	6,135	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	001-U76FM-00	30,659	-
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>36,794</u>	<u>-</u>
Emergency Management Performance Grants	97.042	21-GA 8689-03	59,785	-
COVID-19 - Emergency Management Performance Grants	97.042	21-SR 8689-02	4,506	-
Total - Emergency Management Performance Grants			<u>64,291</u>	<u>-</u>
Homeland Security Grant Program	97.067	18-SR 31008-01 19-SR 31008-01 20-SR 31008-01 21-SR 31008-01 *	568,653	10,204
Total U.S. Department of Homeland Security			<u>669,738</u>	<u>10,204</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	51234 Y3	79,572	-
Total U.S. Department of Health and Human Services			<u>79,572</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION				
Passed through Nebraska Department of Transportation National Priority Safety Program	20.616	6D056	6,876	-
Total U.S. Department of Transportation			<u>6,876</u>	<u>-</u>
EXECUTIVE OFFICE OF THE PRESIDENT				
Passed through Nebraska State Patrol High Intensity Drug Trafficking Areas Program	95.001	21HD05	12,575	-
Total Executive Office of the President			<u>12,575</u>	<u>-</u>
DEPARTMENT OF THE TREASURY				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	296,785	-
Total U.S. Department of the Treasury			<u>296,785</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR				
Payments In Lieu of Taxes	15.226	Not Applicable	2,711	-
Total U.S. Department of the Interior			<u>2,711</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,144,960</u></u>	<u><u>\$ 10,204</u></u>

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

ADAMS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Adams County (County) under programs of the Federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Adams County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. **Summary of Significant Accounting Policies**

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

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

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$36,794 for this program, of which \$734 was incurred and paid prior to the fiscal year ended June 30, 2022.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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ADAMS COUNTY

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

Board of Commissioners
Adams County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 17, 2023. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

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

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

Report on Compliance and Other Matters

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

Additional Items

We also noted certain matters that we reported to the management of Adams County in a separate letter dated January 17, 2023.

Adams County's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the finding identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 results 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.



Dakota Christensen, CPA, CFE
Audit Manager
Lincoln, Nebraska

January 17, 2023



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Independent Auditor's Report

Board of Commissioners
Adams County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Adams County's major Federal programs for the year ended June 30, 2022. Adams County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Adams County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Adams County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Adams County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Adams County's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Adams County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Adams County's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Adams County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Adams County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Adams County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CFE
Audit Manager
Lincoln, Nebraska

January 17, 2023

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____ Yes X None Reported

Significant deficiencies identified?

X Yes ____ No

Noncompliance material to financial statements noted?

____ Yes X None Reported

Federal Awards

Internal control over major programs:

Material weaknesses identified?

____ Yes X None Reported

Significant deficiencies identified?

____ Yes X None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

____ Yes X No

Major programs: **Homeland Security Grant Program: AL#97.067**

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

\$750,000

Auditee qualified as low-risk auditee?

____ Yes X No

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)

Section II – Financial Statement Findings

Finding # 2022-001

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

Section III – Federal Award Findings and Questioned Costs

None Noted



**Adams County
Board of Commissioners**

500 W 4th St
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SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

Finding 2021-1 (Since 2020) Segregation of Duties

Status: On-going

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



County Board Chairperson



**Adams County
Board of Commissioners**

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

CORRECTIVE ACTION PLAN

Year Ended June 30, 2022

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

Finding 2022-1 Segregation of Duties

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

Anticipated Completion Date: Ongoing

Responsible Party: County Board (Lee Hogan, Board Chairperson)

Lee Hogan, County Board Chairperson



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 17, 2023

Board of Commissioners
Adams County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Adams County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated January 17, 2023. 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 BUILDING AND GROUNDS

Questioned Charges

During the Auditor of Public Accounts' (APA) regular testing of charges made at Menards, a local home improvement retail store, we identified a potentially personal purchase made by the former County Maintenance Supervisor, totaling \$1.88, using the County's Menards charge account. That payment is summarized in the table below:

Claim #	Date of Purchase	Date of Claim	Item Purchased	Amount
210177	6/9/2021	7/6/2021	Pure Leaf Sweetened Tea	\$ 1.88

Furthermore, during the APA's initial inquiry about fraud during the planning stage of the audit, the County stated that it was unaware of any actual or suspected fraud within the County. However, after the APA's inquiry about the payment identified above, the APA was informed that the former County Maintenance Supervisor had made other potentially personal purchases in early April 2022, totaling \$100.75, at Menards using the County's Menards charge account. The following table summarizes those questioned purchases:

Description	Amount
Crabgrass Preventor (2 bags)	\$ 43.90
Weed and Feed (2 bags)	\$ 39.90
Rose Bush	\$ 9.99
Pepsi	\$ 6.96
Total Questioned Charges	\$ 100.75

As of the end of fieldwork in early November 2022, there was an active criminal case against the former County Maintenance Supervisor. Per the complaint in this case, the former County Maintenance Supervisor has been charged with one count of theft by unlawful taking less than \$500 and one count of second-degree forgery less than \$500. The complaint alleges that the former County Maintenance Supervisor forged another County employee's signature when purchasing these items in April 2022.

The questioned purchases addressed herein give rise to numerous possible statutory concerns. To start, Neb. Rev. Stat. § 28-511 (Reissue 2016) provides, in relevant part, the following:

(1) A person is guilty of theft if he or she takes, or exercises control over, movable property of another with the intent to deprive him or her thereof.

(2) A person is guilty of theft if he or she transfers immovable property of another or any interest therein with the intent to benefit himself or herself or another not entitled thereto.

Likewise, Neb. Rev. Stat. § 28-512 (Reissue 2016) states the following, as is relevant:

A person commits theft if he obtains property of another by deception. A person deceives if he intentionally:

** * * **

(4) Uses a credit card, charge plate, or any other instrument which purports to evidence an undertaking to pay for property or services delivered or rendered to or upon the order of a designated person or bearer (a) where such instrument has been stolen, forged, revoked, or canceled, or where for any other reason its use by the actor is unauthorized

Additionally, Neb. Rev. Stat. § 28-603 (Reissue 2016) states the following in relevant part:

(1) Whoever, with intent to deceive or harm, falsely makes, completes, endorses, alters, or utters any written instrument which is or purports to be, or which is calculated to become or to represent if completed, a written instrument which does or may evidence, create, transfer, terminate, or otherwise affect a legal right, interest, obligation, or status, commits forgery in the second degree.

** * * **

(5) Forgery in the second degree is a Class II misdemeanor when the face value, or purported face value, or the amount of any proceeds wrongfully procured or intended to be procured by the use of such instrument, is less than five hundred dollars.

In addition to these potential statutory concerns, good internal controls require procedures to ensure that no one person is in a position both to perpetuate and to conceal financial errors or irregularities.

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

We recommend the County implement procedures to prevent one person from being in a position both to perpetrate and to conceal financial errors or irregularities. Furthermore, we recommend the County continues to work with the appropriate authorities regarding the active criminal case.

COUNTY OVERALL

County Library Fund Tax Levy

During the audit, the APA noted that, on the 2021-2022 budget document that the County approved, there was a tax request of \$216,338 for the County Library Fund for tax year 2021. However, the tax request for the County Library Fund was incorrectly set at a total of \$127,634 for tax year 2021, or a \$88,704 shortage. The following table summarizes that shortage:

Description	Amount
County Board Approved 2021 Tax Request	\$ 216,338
2021 Taxes Levied	\$ 127,634
Shortage	\$ (88,704)

This shortage was due to the tax levy being incorrectly calculated by the County for the County Library Fund based on the County-wide valuation rather than the County Library valuation. The following table summarizes the calculations of both the County and the APA.

Description	County Calculated Levy	APA Calculated Levy	Difference
Approved 2021 Tax Request	\$ 216,338	\$ 216,338	\$ -
Valuation Used to Determine Levy (1)	\$ 3,896,636,611	\$2,298,822,122	\$ (1,597,814,489)
Levy Calculated (Per \$100 of Assessed Value)	\$ 0.005552	\$ 0.009411	\$ 0.003859

(1) - The valuation used by the County in calculating the tax levy was the County-wide valuation of \$3,896,636,611, and the valuation used in the APA's calculation was the County Library valuation of \$2,298,822,122.

Good internal controls and sound business practice require procedures to ensure the correct valuations are used in calculating tax levies when setting taxes.

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

We recommend the County implements procedures to ensure the correct valuations are used in calculating tax levies when setting taxes.

Segregation of Duties

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.

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.

This was also noted in prior audits.

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

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

COUNTY BOARD

Payroll Approval Documentation

During the audit, we noted that the County Board meeting minutes did not document the Board's approval of payroll. Furthermore, during our review of five publications of meeting minutes, we noted those publications did not include at least an "aggregate amount of all payroll claims." Payroll costs for fiscal year 2022 totaled \$8,713,389.

Neb. Rev. Stat. § 23-122 (Reissue 2022), states the following, in relevant part:

The county board of all counties having a population of less than one hundred fifty thousand inhabitants shall cause to be published, within ten working days after the close of each annual, regular, or special meeting of the board, a brief statement of the proceedings thereof which shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item, in one newspaper of general circulation published in the county . . .

(Emphasis added.) Moreover, as a public body, the County Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2014) et seq. Per Neb. Rev. Stat. § 84-1413(1) (Cum. Supp. 2022) public bodies, including County Boards, are required to “keep minutes of all meetings,” showing, among other things, “the substance of all matters discussed.”

Good internal controls require procedures to ensure the County Board’s approval of payroll is adequately documented in the meeting minutes and the publications include at least an “aggregate amount of all payroll claims.”

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

We recommend the County Board implement procedures to ensure the County Board’s approval of payroll is adequately documented in the meeting minutes and the publications include at least an “aggregate amount of all payroll claims.”

Credit Card and Rent Agreement

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

During the fiscal year, charges of \$3,355 were made on the CVB credit card, and the County paid rent, totaling \$16,800 for the upcoming year.

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

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

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

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

Duplicate Payments

During the audit, we noted that one claim for \$1,632 was a duplicate payment. The table below provides a summary of this duplicate payment:

Payee	Office Responsible	Duplicate Amount	Original Claim		Duplicate Claim	
			Date	Claim #	Date	Claim #
Flatwater Technologies	Data Processing	\$ 1,632	1/4/2022	212574	3/1/2022	213252

The vendor notified the County of this duplicate payment and issued a credit for the overpayment. The County lacked the proper controls, however, to identify the duplicate payment itself.

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

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

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

Untimely Payment

During the audit, we noted that an invoice for \$50,000, dated November 22, 2021, was not filed until March 10, 2022. The invoice was filed 108 days after the expenses were incurred, or 18 days after the statutorily required deadline. The delinquent payment was discovered after the vendor contacted the County to inquire about the payment.

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in relevant part, the following:

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed

Good internal controls and sound accounting practices require procedures to ensure that all claims against the County are submitted in a timely manner with adequate documentation.

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

We recommend the County Board implement procedures to ensure that expenses are submitted in a timely manner with adequate documentation.

COUNTY SHERIFF

Accounting Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures at June 30, 2022:

- A monthly asset-to-liability reconciliation was attempted by the office for the Fee account; however, it was not accurate, nor did the County Sheriff attempt to correct the variances identified therein. As of June 30, 2022, we noted an unknown long of \$7,344, as summarized in the table below:

Assets	
Reconciled Bank Balance	\$ 28,901
Accounts Receivable	\$ 5,422
Total Assets	\$ 34,323
Liabilities	
Unremitted County Fees	\$ 20,596
Due to Others	\$ 383
Petty Cash	\$ 6,000
Total Liabilities	\$ 26,979
Unknown Long	\$ 7,344

- As of June 30, 2022, we noted the following errors on the Fee account bank reconciliation:
 - One check, totaling \$118, was listed as outstanding; however, this check cleared the bank in July 2021.
 - Three checks, totaling \$77, were remitted to the State Treasurer as unclaimed property in October 2021, but these checks were not removed from the list of outstanding checks.
 - The list of outstanding checks did not include one check for \$2 that was still outstanding.
- The Inmate Food Petty Cash account did not reconcile to the authorized amount of \$4,500 as of June 30, 2022, resulting in an unknown short of \$275. Furthermore, we noted a \$36 overpayment to a vendor in September 2021 for this account. The following table summarizes the unknown short:

Assets	
Reconciled Bank Balance	\$ 2,150
Accounts Receivable	\$ 2,075
Total Assets	\$ 4,225
Liabilities	
Petty Cash	\$ 4,500
Total Liabilities	\$ 4,500
Unknown Short	\$ (275)

- The County Sheriff Revolving Account did not reconcile to the authorized amount of \$3,000 as of June 30, 2022, resulting in an unknown short of \$879. The following table summarizes that unknown short:

Assets	
Reconciled Bank Balance	\$ 1,697
Accounts Receivable	\$ 424
Total Assets	\$ 2,121
Liabilities	
Petty Cash	\$ 3,000
Total Liabilities	\$ 3,000
Unknown Short	\$ (879)

Additionally, we noted two erroneous entries on the accounts check register, which resulted in the County Sheriff's book balance being overstated by \$251.

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

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

Similar issues were noted in prior audits.

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

County Sheriff Response:

Civil Process (Fee Account): Our agency has added Quick Books and have also worked with other county employees who use Quick Books to try to resolve this. We have also met with a certified accountant to try to implement the state auditor's formula, this accountant felt this more than he could take on at this point. We now have a different certified accountant who is actively working with civil process to implement the formula given by the state auditor. As you can see, we are actively working to rectify this and have made multiple attempts to implement the state auditor's suggestions.

Inmate Food Petty Cash: We have made auditor recommended changes the past two years in attempt to reconcile. We are working on setting up a new check and balance system for this account.

County Sheriff Revolving account: There were several claims that had not been submitted, we have since submitted those claims. We have also made auditor recommended changes the past two years in an attempt to reconcile. We are working on setting up a new check and balance system for this account.

Unclaimed Property

During the audit, we noted that the County Sheriff was holding cash evidence, totaling \$4,829, for five cases that have been closed for several years, and that money has been ordered to be returned to the rightful owners thereof. The money held for these individuals has been uncollected for more than three years; consequently, it must be presumed abandoned under the Uniform Disposition of Unclaimed Property Act (Act), which is set out at Neb. Rev. Stat. §§ the 69-1301 to 69-1329 (Reissue 2018, Cum. Supp 2022), and submitted to the State Treasurer accordingly. Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act provides 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 (Cum. Supp. 2022) states, in relevant part, the following:

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

* * * *

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

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

We recommend the County Sheriff implement procedures to ensure that property presumed abandoned under the Act is remitted timely to the State Treasurer.

County Sheriff Response: All funds that are not involved in an open case have been returned to the rightful owner.

COUNTY CLERK OF THE DISTRICT COURT

District Court Fines and Bond Forfeitures Coding

During the fiscal year ending June 30, 2022, we noted that the County Clerk of the District Court remitted fines and bond forfeitures, totaling \$6,338, to the County Treasurer, who recorded those receipts to the County General Fund, not to the Fines and Licenses Fund. Because they were remitted to the incorrect fund, the fines were not subsequently remitted to the various County School Funds, as required by State statute.

The miscoding at issue is summarized in the table below:

Type	Incorrect Coding	Correct Coding	Amount
Fines	100-470-06	6500-470-06	\$ 2,750
Bond Forfeitures	100-472-02	6500-472-02	\$ 3,588
		Total	\$ 6,338

Neb. Rev. Stat. § 29-2708 (Reissue 2016) states, in relevant part, the following:

All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, section 5, Constitution of Nebraska

Neb. Rev. Stat. § 79-1037 (Reissue 2014) provides the following:

(1) Each county treasurer shall add (a) all money received by the county treasurer of his or her county on account of fines and licenses, (b) the proceeds from the sale of schoolhouses, sites, or other property of a school district, and (c) all unexpended balances of proceeds of taxes levied by a district when the district has been taken by the United States for any defense, flood control, irrigation, or war project.

(2) The sum total referred to in subsection (1) of this section shall be distributed to the several districts of the county pro rata according to the enumeration of those children who are five through eighteen years of age for which the district is obligated to report on the census last returned by the districts.

Good internal controls and sound accounting practices require procedures to ensure that fines and bond forfeitures are remitted to the Fines and Licenses Fund for subsequent remittance to the County School Funds. Those same procedures should ensure also that corrections are made for any monies that were credited to the wrong fund.

Without such procedures, there is an increased risk of not only fines and bond forfeitures being remitted to the wrong fund, preventing them from being subsequently remitted to the County School Funds, but also noncompliance with State statute, increasing the risk for loss or misuse of funds.

We recommend the Clerk of the District Court implement procedures to ensure that fines and bond forfeitures are remitted properly to the Fines and Licenses Fund for subsequent remittance to the County School Funds. We further recommend the Clerk of the District Court work with the County Treasurer to correct the previous error noted.

District Court Response: After reviewing your report, I understand the issues raised with 1. “Fines & Bonds Forfeitures Coding”. I have already taken steps to remedy these issues. I have [provided] receipts showing the corrections were made 11.3.22.

COUNTY ATTORNEY

Unknown Trust Balances and Untimely Remittance

As of June 30, 2022, the County Attorney had an unknown trust balance of \$97 in the Check Reimbursement Account and an unknown trust balance of \$4 in the Trust Account. The County Attorney was unable to identify the proper recipient(s) of these funds. Furthermore, as of fieldwork in late October 2022, the County Attorney had not remitted to the County Treasurer \$90 of bad check fees that were collected in a prior year.

Neb. Rev. Stat. § 23-1601(1) (Cum. Supp. 2022) provides the following:

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

Sound accounting practice and good internal control require the implementation of procedures to ensure that trust balances under the control of the County Attorney are carefully tracked to allow for the identification of the proper recipients. Those same procedures should ensure also that money belonging to the County is remitted timely to the County Treasurer.

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

A similar issue was noted in prior audits.

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

* * * * *

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Dakota Christensen".

Dakota Christensen, CPA, CFE
Audit Manager