

**AUDIT REPORT
OF
BOONE COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

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the Auditor of Public Accounts.**

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Issued on June 21, 2023

BOONE COUNTY

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BOONE COUNTY
222 S 4th Street
Albion, NE 68620

LIST OF COUNTY OFFICIALS
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Larry Temme	Jan. 2023
	Ben Rutten	Jan. 2023
	Jonathan Lindgren	Jan. 2023
Assessor	Barb Hanson	Jan. 2023
Attorney	John Morgan	Jan. 2023
Clerk Election Commissioner Register of Deeds	Sarah Robinson	Jan. 2023
Sheriff	Denny Johnson	Jan. 2023
Treasurer	Laurie Krohn	Jan. 2023
Surveyor	Christopher Hays	Jan. 2023
Veterans' Service Officer	Jacqueline Wells	Appointed
Weed Superintendent	Johnathan Lindgren	Appointed
Highway Superintendent	Dan Stankoski	Appointed
Planning & Zoning	Mary Ziemba	Appointed
Emergency Manager	Jenna Clark	Appointed
Ambulance Administrator	Randall Bruland	Appointed
Clerk of the District Court	Lisa Langan	Contracted
Public Defender	Vacant	



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BOONE COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Boone County, Nebraska

Report on the Audit of Financial Statements

Adverse and Unmodified Opinions

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

Summary of Opinions

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

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Boone County, as of June 30, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

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 Boone 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 Adverse and Unmodified 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

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

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, and schedule of taxes certified and collected, pages 18 - 28, 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 June 12, 2023, on our consideration of Boone County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Boone County’s internal control over financial reporting and compliance.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

June 12, 2023

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 17,975,074
TOTAL ASSETS	\$ 17,975,074
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 59,345
911 Emergency Services	319,947
Preservation of Records	30,350
Debt Service	536,602
Road and Bridge Projects	673,842
Aid and Assistance	73,809
Federal Relief	493,170
Unrestricted	15,788,009
TOTAL NET POSITION	\$ 17,975,074

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

BOONE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 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	\$ (2,145,377)	\$ 310,190	\$ 1,679	\$ (1,833,508)
Public Safety	(982,391)	210,818	-	(771,573)
Public Works	(5,805,793)	3,332	2,933,062	(2,869,399)
Public Assistance	(105,097)	-	-	(105,097)
Culture and Recreation	(7,779)	-	-	(7,779)
Debt Payments	(4,627,874)	-	-	(4,627,874)
Total Governmental Activities	<u><u>\$ (13,674,311)</u></u>	<u><u>\$ 524,340</u></u>	<u><u>\$ 2,934,741</u></u>	<u><u>(10,215,230)</u></u>

General Receipts:

Taxes	4,674,607
Grants and Contributions Not Restricted to Specific Programs	1,325,964
Investment Income	96,923
Licenses and Permits	36,941
Proceeds from Sale of Bonds	3,675,000
Miscellaneous	301,458
Total General Receipts	<u><u>10,110,893</u></u>
 Change in Net Position	 (104,337)
Net Position - Beginning of year	18,079,411
Net Position - End of year	<u><u>\$ 17,975,074</u></u>

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

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

	General Fund	Road Fund	Inheritance Fund	Highway Allocation Bond Repay Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 2,118,437	\$6,309,063	\$ 7,130,855	\$ 21,104	\$ 2,395,615	\$ 17,975,074
TOTAL ASSETS	<u>\$ 2,118,437</u>	<u>\$6,309,063</u>	<u>\$ 7,130,855</u>	<u>\$ 21,104</u>	<u>\$ 2,395,615</u>	<u>\$ 17,975,074</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	59,345	59,345
911 Emergency Services	-	-	-	-	319,947	319,947
Preservation of Records	-	-	-	-	30,350	30,350
Debt Service	-	-	-	21,104	515,498	536,602
Road and Bridge Projects	-	-	-	-	673,842	673,842
Aid and Assistance	-	-	-	-	73,809	73,809
Federal Relief	-	-	-	-	493,170	493,170
Committed to:						
Road Maintenance	-	6,309,063	-	-	-	6,309,063
Emergency Services	-	-	-	-	229,654	229,654
Assigned to:						
Other Purposes	-	-	7,130,855	-	-	7,130,855
Unassigned	2,118,437	-	-	-	-	2,118,437
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,118,437</u>	<u>\$6,309,063</u>	<u>\$ 7,130,855</u>	<u>\$ 21,104</u>	<u>\$ 2,395,615</u>	<u>\$ 17,975,074</u>

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

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

	General Fund	Road Fund	Inheritance Fund	Highway Allocation Bond Repay Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$ 4,063,773	\$ -	\$ 527,940	\$ -	\$ 82,894	\$ 4,674,607
Licenses and Permits	36,941	-	-	-	-	36,941
Investment Income	92,688	-	-	-	4,235	96,923
Intergovernmental	822,668	2,745,856	-	-	692,181	4,260,705
Charges for Services	357,824	3,332	-	-	163,184	524,340
Miscellaneous	35,212	66,246	-	-	200,000	301,458
TOTAL RECEIPTS	5,409,106	2,815,434	527,940	-	1,142,494	9,894,974
DISBURSEMENTS						
General Government	1,936,570	-	196,001	-	12,806	2,145,377
Public Safety	843,407	-	-	-	138,984	982,391
Public Works	19,074	5,786,719	-	-	-	5,805,793
Public Assistance	101,097	-	-	-	4,000	105,097
Culture and Recreation	-	-	-	-	7,779	7,779
Debt Service:						
Principal Payments	-	-	-	4,400,437	170,000	4,570,437
Interest and Fiscal Charges	-	-	-	11,735	45,702	57,437
TOTAL DISBURSEMENTS	2,900,148	5,786,719	196,001	4,412,172	379,271	13,674,311
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,508,958	(2,971,285)	331,939	(4,412,172)	763,223	(3,779,337)
OTHER FINANCING SOURCES (USES)						
Transfers in	30,605	2,550,546	-	737,172	-	3,318,323
Transfers out	(2,550,546)	(737,172)	-	-	(30,605)	(3,318,323)
Proceeds from Sale of Bonds	-	-	-	3,675,000	-	3,675,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,519,941)	1,813,374	-	4,412,172	(30,605)	3,675,000
Net Change in Fund Balances	(10,983)	(1,157,911)	331,939	-	732,618	(104,337)
CASH BASIS FUND BALANCES - BEGINNING						
	2,129,420	7,466,974	6,798,916	21,104	1,662,997	18,079,411
CASH BASIS FUND BALANCES - ENDING						
	<u>\$ 2,118,437</u>	<u>\$6,309,063</u>	<u>\$7,130,855</u>	<u>\$ 21,104</u>	<u>\$2,395,615</u>	<u>\$ 17,975,074</u>

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

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

	<u>Custodial Fund Balances July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Custodial Fund Balances June 30, 2022</u>
ASSETS				
Cash and Cash Equivalents	\$ 653,765	\$ 23,835,508	\$ 23,742,846	\$ 746,427
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	152,052	2,116,507	2,116,755	151,804
State - Collected by Other Offices	6,485	119,680	107,717	18,448
Schools	179,741	15,423,649	15,482,007	121,383
Educational Service Units	3,429	359,416	361,061	1,784
Technical College	21,897	2,228,606	2,239,523	10,980
Natural Resource Districts	7,288	740,293	743,897	3,684
Fire Districts	3,929	551,238	553,637	1,530
Municipalities	21,229	1,296,223	1,292,694	24,758
Agricultural Society	1,251	132,827	133,411	667
Historical Society	146	15,440	15,508	78
Airport Authority	17,359	28,612	27,892	18,079
Others - Collected by County Treasurer	78,182	156,499	73,768	160,913
Others - Collected by Other Offices	160,777	666,518	594,976	232,319
TOTAL LIABILITIES	<u>653,765</u>	<u>23,835,508</u>	<u>23,742,846</u>	<u>746,427</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$22,917 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 East Central District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 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.

B. Basis of Presentation

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

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

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

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

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

The County reports the following major governmental funds:

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

Highway Allocation Bond Repay Fund. The Highway Allocation Bond Repay Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs of the Highway Allocation Bond.

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

The County designates fund balances as follows:

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

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

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

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

C. **Measurement Focus, Basis of Accounting**

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

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

D. Assets and Net Position

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

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 \$2,187,065 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.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$17,975,074 for County funds and \$746,427 for Fiduciary funds. The bank balances for all funds totaled \$18,883,848. 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.

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 \$.170066/\$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 \$.192076/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System**

The Retirement System for Nebraska Counties (the 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 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 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, 61 employees contributed \$91,543, and the County contributed \$136,167. Contributions included \$2,285 in cash contributions towards the supplemental law enforcement plan for five law enforcement employees. Lastly, the County paid \$1,188 directly to 12 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.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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

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

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

6. Interfund Transfers

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

Transfers to	Transfers from			Total
	General Fund	Road Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 30,605	\$ 30,605
Road Fund	2,550,546	-	-	2,550,546
Highway Allocation Bond Repay Fund	-	737,172	-	737,172
Total	\$ 2,550,546	\$ 737,172	\$ 30,605	\$ 3,318,323

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

In the year ended June 30, 2022, the County made transfers, totaling \$737,172, from the Road Fund to the Highway Allocation Bond Repay Fund to assist in making bond payments for the Highway Allocation Bond. Additionally, the County made a one-time transfer from the 911 Wireless Service Fund to the General Fund, totaling \$28,989, for the reimbursement of dispatcher salaries.

7. Long-Term Obligations

Bonds

Fair Bond. The County issued bonds on September 27, 2018, in the amount of \$2,000,000 for the purpose of paying the costs of constructing, equipping, and making site preparations for a building to be used as an agricultural and education activities building. The bond payable balance, as of June 30, 2022, was \$1,530,000. 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.

BOONE COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

7. Long-Term Obligations (Concluded)

Future Payments:			
Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 175,000	\$ 41,734	\$ 216,734
2024	180,000	37,427	217,427
2025	180,000	32,792	212,792
2026	185,000	27,772	212,772
2027	195,000	22,259	217,259
2028-2030	615,000	29,799	644,799
Total Payments	<u>\$ 1,530,000</u>	<u>\$ 191,783</u>	<u>\$ 1,721,783</u>

Highway Allocation Bond. The County issued bonds on November 21, 2019, in the amount of \$5,000,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements in the County related to extreme flooding during March 2019. The County issued bonds on September 30, 2021, in the amount of \$3,675,000 for the purpose of refunding the Series 2019 bonds and paying costs of the issuance of the bonds. The bond payable balance, as of June 30, 2022, was \$3,675,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and highway allocation funds will be used to pay off the bonds.

Future Payments:			
Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 725,000	\$ 15,480	\$ 740,480
2024	735,000	13,106	748,106
2025	735,000	10,350	745,350
2026	740,000	6,845	746,845
2027	740,000	2,405	742,405
Total Payments	<u>\$ 3,675,000</u>	<u>\$ 48,186</u>	<u>\$ 3,723,186</u>

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

BOONE 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	\$ 4,289,009	\$ 4,289,009	\$4,063,773	\$ (225,236)
Licenses and Permits	35,110	35,110	36,941	1,831
Investment Income	130,155	130,155	92,688	(37,467)
Intergovernmental	248,480	248,480	822,668	574,188
Charges for Services	338,450	338,450	357,824	19,374
Miscellaneous	33,240	33,240	35,212	1,972
TOTAL RECEIPTS	5,074,444	5,074,444	5,409,106	334,662
DISBURSEMENTS				
General Government:				
County Board	79,850	79,850	78,146	1,704
County Clerk	140,550	140,550	131,029	9,521
County Treasurer	156,930	156,930	148,552	8,378
County Assessor	166,305	166,305	143,886	22,419
Election Commissioner	50,000	50,000	37,300	12,700
Building and Zoning	107,461	107,461	76,103	31,358
Judicial	79,001	79,001	16,239	62,762
County Court/District Court	38,895	38,895	35,422	3,473
District Judge	1,000	1,000	374	626
Public Defender	109,600	109,600	57,655	51,945
Building and Grounds	103,724	103,724	80,630	23,094
Reappraisal	108,505	108,505	95,678	12,827
Agricultural Extension Agent	65,762	65,762	57,895	7,867
County Building - Annex	151,900	151,900	42,795	109,105
Grants (Reimbursable)	13,000	13,000	-	13,000
Miscellaneous	1,159,539	1,159,539	934,866	224,673
Public Safety				
County Sheriff	710,489	710,489	608,057	102,432
County Attorney	105,219	105,219	102,164	3,055
Communication Center	94,397	94,397	79,183	15,214
County Jail	84,900	84,900	36,145	48,755
Emergency Management	33,500	33,500	13,157	20,343
Diversion Program	1,770	1,770	1,770	-
Emergency Equipment	29,700	29,700	2,931	26,769
Public Works				
County Surveyor	10,000	10,000	3,330	6,670
Noxious Weed Control	33,270	33,270	15,744	17,526

(Continued)

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

For the Year Ended June 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Assistance				
Veterans' Service Officer	49,731	49,731	46,104	3,627
County Relief & Assistance	30,000	30,000	-	30,000
Institutions	58,594	58,594	54,993	3,601
TOTAL DISBURSEMENTS	<u>3,773,592</u>	<u>3,773,592</u>	<u>2,900,148</u>	<u>873,444</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,300,852</u>	<u>1,300,852</u>	<u>2,508,958</u>	<u>1,208,106</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,274	25,274	30,605	5,331
Transfers out	<u>(2,550,546)</u>	<u>(2,550,546)</u>	<u>(2,550,546)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,525,272)</u>	<u>(2,525,272)</u>	<u>(2,519,941)</u>	<u>5,331</u>
Net Change in Fund Balance	(1,224,420)	(1,224,420)	(10,983)	1,213,437
FUND BALANCE - BEGINNING	<u>2,129,420</u>	<u>2,129,420</u>	<u>2,129,420</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 905,000</u></u>	<u><u>\$ 905,000</u></u>	<u><u>\$2,118,437</u></u>	<u><u>\$ 1,213,437</u></u>

(Concluded)

BOONE 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 FUND				
RECEIPTS				
Intergovernmental	\$ 1,752,753	\$ 1,752,753	\$ 2,745,856	\$ 993,103
Charges for Services	1,200	1,200	3,332	2,132
Miscellaneous	8,679	8,679	66,246	57,567
TOTAL RECEIPTS	<u>1,762,632</u>	<u>1,762,632</u>	<u>2,815,434</u>	<u>1,052,802</u>
DISBURSEMENTS	<u>12,319,924</u>	<u>12,319,924</u>	<u>5,786,719</u>	<u>6,533,205</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(10,557,292)</u>	<u>(10,557,292)</u>	<u>(2,971,285)</u>	<u>7,586,007</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,550,546	4,550,546	2,550,546	(2,000,000)
Transfers out	(760,228)	(760,228)	(737,172)	23,056
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,790,318</u>	<u>3,790,318</u>	<u>1,813,374</u>	<u>(1,976,944)</u>
Net Change in Fund Balance	(6,766,974)	(6,766,974)	(1,157,911)	5,609,063
FUND BALANCE - BEGINNING	<u>7,466,974</u>	<u>7,466,974</u>	<u>7,466,974</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 6,309,063</u>	<u>\$ 5,609,063</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 755,000	\$ 755,000	\$ 527,940	\$ (227,060)
TOTAL RECEIPTS	<u>755,000</u>	<u>755,000</u>	<u>527,940</u>	<u>(227,060)</u>
DISBURSEMENTS	<u>5,553,916</u>	<u>5,553,916</u>	<u>196,001</u>	<u>5,357,915</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,798,916)</u>	<u>(4,798,916)</u>	<u>331,939</u>	<u>5,130,855</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,000,000)	(2,000,000)	-	2,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>
Net Change in Fund Balance	(6,798,916)	(6,798,916)	331,939	7,130,855
FUND BALANCE - BEGINNING	<u>6,798,916</u>	<u>6,798,916</u>	<u>6,798,916</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,130,855</u>	<u>\$ 7,130,855</u>

(Continued)

BOONE 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)
HIGHWAY ALLOCATION BOND REPAY FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	4,440,068	4,440,068	4,412,172	27,896
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,440,068)	(4,440,068)	(4,412,172)	27,896
OTHER FINANCING SOURCES (USES)				
Transfers in	760,228	760,228	737,172	(23,056)
Transfers out	-	-	-	-
Proceeds from Sale of Bonds	3,675,000	3,675,000	3,675,000	-
TOTAL OTHER FINANCING SOURCES (USES)	4,435,228	4,435,228	4,412,172	(23,056)
Net Change in Fund Balance	(4,840)	(4,840)	-	4,840
FUND BALANCE - BEGINNING	21,104	21,104	21,104	-
FUND BALANCE - ENDING	\$ 16,264	\$ 16,264	\$ 21,104	\$ 4,840

(Concluded)

BOONE 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)
HIGHWAY BRIDGE BUYBACK PROGRAM FUND				
Receipts	\$ 187,980	\$ 187,980	\$ 187,938	\$ (42)
Disbursements	(673,884)	(673,884)	-	673,884
Net Change in Fund Balance	(485,904)	(485,904)	187,938	673,842
Fund Balance - Beginning	485,904	485,904	485,904	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 673,842</u>	<u>\$ 673,842</u>
VISITORS' PROMOTION FUND				
Receipts	\$ 10,000	\$ 10,000	\$ 15,191	\$ 5,191
Disbursements	(61,933)	(61,933)	(7,779)	54,154
Net Change in Fund Balance	(51,933)	(51,933)	7,412	59,345
Fund Balance - Beginning	51,933	51,933	51,933	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,345</u>	<u>\$ 59,345</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 5,000	\$ 5,000	\$ 5,123	\$ 123
Disbursements	(31,960)	(31,960)	(1,733)	30,227
Net Change in Fund Balance	(26,960)	(26,960)	3,390	30,350
Fund Balance - Beginning	26,960	26,960	26,960	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,350</u>	<u>\$ 30,350</u>
VETERANS' AID FUND				
Receipts	\$ 500	\$ 500	\$ 356	\$ (144)
Disbursements	(77,953)	(77,953)	(4,000)	73,953
Net Change in Fund Balance	(77,453)	(77,453)	(3,644)	73,809
Fund Balance - Beginning	77,453	77,453	77,453	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,809</u>	<u>\$ 73,809</u>
FEDERAL GRANT FUND				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOONE 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)
COVID AMERICAN RESCUE PLAN FUND				
Receipts	\$ 1,008,485	\$ 1,008,485	\$ 505,859	\$ (502,626)
Disbursements	(1,008,485)	(1,008,485)	(11,073)	997,412
Transfers in	-	-	-	-
Transfers out	-	-	(1,616)	(1,616)
Net Change in Fund Balance	-	-	493,170	493,170
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,170</u>	<u>\$ 493,170</u>
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 15,000	\$ 15,000	\$ 16,226	\$ 1,226
Disbursements	(167,329)	(167,329)	(14,646)	152,683
Net Change in Fund Balance	(152,329)	(152,329)	1,580	153,909
Fund Balance - Beginning	152,329	152,329	152,329	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,909</u>	<u>\$ 153,909</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 51,474	\$ 51,474	\$ 51,474	\$ -
Disbursements	(26,200)	(26,200)	(22,485)	3,715
Transfers in	-	-	-	-
Transfers out	(25,274)	(25,274)	(28,989)	(3,715)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 WIRELESS SERVICE HOLDING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(166,038)	(166,038)	-	166,038
Net Change in Fund Balance	(166,038)	(166,038)	-	166,038
Fund Balance - Beginning	166,038	166,038	166,038	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,038</u>	<u>\$ 166,038</u>

(Continued)

BOONE 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)
FAIR BOND FUND				
Receipts	\$ 200,000	\$ 200,000	\$ 202,266	\$ 2,266
Disbursements	(728,935)	(728,935)	(215,702)	513,233
Net Change in Fund Balance	(528,935)	(528,935)	(13,436)	515,499
Fund Balance - Beginning	528,935	528,935	528,934	(1)
Fund Balance - Ending	\$ -	\$ -	\$ 515,498	\$ 515,498
DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Disbursements	(2,000)	(2,000)	-	2,000
Net Change in Fund Balance	(1,000)	(1,000)	-	1,000
Fund Balance - Beginning	1,000	1,000	-	(1,000)
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
AMBULANCE FUND				
Receipts	\$ 130,000	\$ 130,000	\$ 158,061	\$ 28,061
Disbursements	(303,446)	(303,446)	(101,853)	201,593
Net Change in Fund Balance	(173,446)	(173,446)	56,208	229,654
Fund Balance - Beginning	173,446	173,446	173,446	-
Fund Balance - Ending	\$ -	\$ -	\$ 229,654	\$ 229,654

(Concluded)

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

For the Year Ended June 30, 2022

	Highway Bridge Buyback Program Fund	Visitors' Promotion Fund	Preservation and Modernization Fund	Veterans' Aid Fund	COVID American Rescue Plan Fund
RECEIPTS					
Taxes	\$ -	\$ 15,191	\$ -	\$ 3	\$ -
Investment Income	-	-	-	353	1,616
Intergovernmental	187,938	-	-	-	504,243
Charges for Services	-	-	5,123	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	187,938	15,191	5,123	356	505,859
DISBURSEMENTS					
General Government	-	-	1,733	-	11,073
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	4,000	-
Culture and Recreation	-	7,779	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	-	7,779	1,733	4,000	11,073
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	187,938	7,412	3,390	(3,644)	494,786
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,616)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(1,616)
Net Change in Fund Balances	187,938	7,412	3,390	(3,644)	493,170
FUND BALANCES - BEGINNING	485,904	51,933	26,960	77,453	-
FUND BALANCES - ENDING	\$ 673,842	\$ 59,345	\$ 30,350	\$ 73,809	\$ 493,170
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	59,345	-	-	-
911 Emergency Services	-	-	-	-	-
Preservation of Records	-	-	30,350	-	-
Debt Service	-	-	-	-	-
Road and Bridge Projects	673,842	-	-	-	-
Aid and Assistance	-	-	-	73,809	-
Federal Relief	-	-	-	-	493,170
Committed to:					
Emergency Services	-	-	-	-	-
TOTAL FUND BALANCES	\$ 673,842	\$ 59,345	\$ 30,350	\$ 73,809	\$ 493,170

(Continued)

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

	911 Emergency Management Fund	911 Wireless Service Fund	911 Wireless Service Holding Fund	Fair Bond Fund	Ambulance Fund	Total Nonmajor Funds
RECEIPTS						
Taxes	\$ 16,226	\$ 51,474	\$ -	\$ -	\$ -	\$ 82,894
Investment Income	-	-	-	2,266	-	4,235
Intergovernmental	-	-	-	-	-	692,181
Charges for Services	-	-	-	-	158,061	163,184
Miscellaneous	-	-	-	200,000	-	200,000
TOTAL RECEIPTS	<u>16,226</u>	<u>51,474</u>	<u>-</u>	<u>202,266</u>	<u>158,061</u>	<u>1,142,494</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	12,806
Public Safety	14,646	22,485	-	-	101,853	138,984
Public Assistance	-	-	-	-	-	4,000
Culture and Recreation	-	-	-	-	-	7,779
Debt Service:						
Principal Payments	-	-	-	170,000	-	170,000
Interest and Fiscal Charges	-	-	-	45,702	-	45,702
TOTAL DISBURSEMENTS	<u>14,646</u>	<u>22,485</u>	<u>-</u>	<u>215,702</u>	<u>101,853</u>	<u>379,271</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,580</u>	<u>28,989</u>	<u>-</u>	<u>(13,436)</u>	<u>56,208</u>	<u>763,223</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(28,989)	-	-	-	(30,605)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(28,989)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,605)</u>
Net Change in Fund Balances	1,580	-	-	(13,436)	56,208	732,618
FUND BALANCES - BEGINNING	<u>152,329</u>	<u>-</u>	<u>166,038</u>	<u>528,934</u>	<u>173,446</u>	<u>1,662,997</u>
FUND BALANCES - ENDING	<u>\$ 153,909</u>	<u>\$ -</u>	<u>\$ 166,038</u>	<u>\$ 515,498</u>	<u>\$ 229,654</u>	<u>\$ 2,395,615</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	59,345
911 Emergency Services	153,909	-	166,038	-	-	319,947
Preservation of Records	-	-	-	-	-	30,350
Debt Service	-	-	-	515,498	-	515,498
Road and Bridge Projects	-	-	-	-	-	673,842
Aid and Assistance	-	-	-	-	-	73,809
Federal Relief	-	-	-	-	-	493,170
Committed to:						
Emergency Services	-	-	-	-	229,654	229,654
TOTAL FUND BALANCES	<u>\$ 153,909</u>	<u>\$ -</u>	<u>\$ 166,038</u>	<u>\$ 515,498</u>	<u>\$ 229,654</u>	<u>\$ 2,395,615</u>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Assessor	Veterans' Service Officer	County Planning and Zoning	County Board	Total
BALANCES JULY 1, 2021	\$ 11,039	\$ 161,617	\$ 3,629	\$ 86	\$ 56	\$ 1,455	\$ -	\$ 3,500	\$ 181,382
RECEIPTS									
Licenses and Permits	800	-	760	-	-	-	4,546	-	6,106
Intergovernmental	-	70	-	-	-	4,000	-	-	4,070
Charges for Services	73,669	2,554	18,195	110	329	-	-	-	94,857
Miscellaneous	-	-	8	-	-	1	-	-	9
State Fees	115,962	3,718	-	-	-	-	-	-	119,680
Other Liabilities	-	629,417	33,337	3,764	-	-	-	-	666,518
TOTAL RECEIPTS	190,431	635,759	52,300	3,874	329	4,001	4,546	-	891,240
DISBURSEMENTS									
Payments to County Treasurer	70,470	2,389	18,048	50	352	-	4,546	-	95,855
Payments to State Treasurer	103,740	3,977	-	-	-	-	-	-	107,717
Petty Cash & Other Payments	-	-	-	-	-	4,068	-	-	4,068
Other Liabilities	-	559,260	32,113	3,603	-	-	-	-	594,976
TOTAL DISBURSEMENTS	174,210	565,626	50,161	3,653	352	4,068	4,546	-	802,616
BALANCES JUNE 30, 2022	<u>\$ 27,260</u>	<u>\$ 231,750</u>	<u>\$ 5,768</u>	<u>\$ 307</u>	<u>\$ 33</u>	<u>\$ 1,388</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 270,006</u>
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 9,276	\$ 358	\$ 4,502	\$ 60	\$ 33	\$ 1,388	\$ -	\$ -	\$ 15,617
Petty Cash	25	70	27	-	-	-	-	3,500	3,622
Due to State Treasurer	17,959	489	-	-	-	-	-	-	18,448
Due to Others	-	230,833	1,239	247	-	-	-	-	232,319
BALANCES JUNE 30, 2022	<u>\$ 27,260</u>	<u>\$ 231,750</u>	<u>\$ 5,768</u>	<u>\$ 307</u>	<u>\$ 33</u>	<u>\$ 1,388</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 270,006</u>

BOONE 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	\$ 17,634,188	\$ 18,502,032	\$ 19,294,029	\$ 19,527,323	\$ 18,701,133
Personal and Specials	811,712	798,085	765,223	911,507	930,322
Total	18,445,900	19,300,117	20,059,252	20,438,830	19,631,455
Corrections					
Additions	3,218	23,988	1,174	430	7,539
Deductions	(23,613)	(14,782)	(5,141)	(4,031)	(3,644)
Net Additions/ (Deductions)	(20,395)	9,206	(3,967)	(3,601)	3,895
Corrected Certified Tax	18,425,505	19,309,323	20,055,285	20,435,229	19,635,350
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	12,337,229	-	-	-	-
June 30, 2019	6,069,770	12,657,864	-	-	-
June 30, 2020	16,093	6,645,673	13,022,832	-	-
June 30, 2021	1,492	4,379	7,026,140	13,912,089	-
June 30, 2022	302	303	4,534	6,519,076	13,911,189
Total Net Collections	18,424,886	19,308,219	20,053,506	20,431,165	13,911,189
Total Uncollected Tax	\$ 619	\$ 1,104	\$ 1,779	\$ 4,064	\$ 5,724,161
Percentage Uncollected Tax	0.00%	0.01%	0.01%	0.02%	29.15%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Commissioners
Boone County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, as of and for the year ended June 30, 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 June 12, 2023. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Boone County Medical Center (Hospital), a component unit of Boone County.

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boone County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Boone County in a separate letter dated June 12, 2023.

Boone County’s Response to Findings

Boone County declined to respond to the finding described above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

June 12, 2023



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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June 12, 2023

Board of Commissioners
Boone County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Boone County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated June 12, 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 SHERIFF

Office Procedures

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

- Monthly bank reconciliations were not performed for the Sheriff's Fee bank account, resulting in a \$3,111 variance between the book and bank balances as of June 30, 2022. Additionally, monthly asset-to-liability reconciliations were not performed for the Fee bank account, resulting in an unknown cash shortage of \$110 as of June 30, 2022.
- The County Sheriff's office neither maintained a book balance nor performed monthly bank reconciliations for the Crime Stoppers bank account. As of June 30, 2022, the balance in the bank account was \$2,999.
- We noted the County Sheriff's office collected \$160 in vehicle title inspection fees and \$10 in handgun permit fees during the fiscal year but had not been remitted the collections to the County Treasurer as of April 2023.
- A prisoner boarding receipt of \$295 was remitted to the County Treasurer twice, in March 2021 and April 2021. This over-remittance had not been corrected as of April 2023.
- The office remitted service fees collected to the County Treasurer; however, this is contrary to State statute, which requires service fees earned to be remitted. We noted \$89 in service fees and mileage was earned in May 2022; however, this amount had not been remitted to the County Treasurer as of April 2023.

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in 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 . . .

Neb. Rev. Stat. § 23-1601(1) (Reissue 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.

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

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

(Emphasis added.) Sound accounting practices and good internal controls require procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) agree with office liabilities (fee and trust accounts) on, at least, a monthly basis. Such procedures should also include the timely identification and resolution of all variances noted and the maintenance of proper documentation to support correct balances. Additionally, the procedures should ensure that fees are remitted to the County Treasurer in accordance with State statute.

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

This was also noted in prior audits.

We recommend the County Sheriff implement monthly fund balancing procedures to ensure the performance of bank and asset-to-liability reconciliations and to resolve timely all variances identified. We further recommend the County Sheriff implement procedures to ensure all service fees earned and other fees collected are remitted to the County Treasurer.

County Sheriff's Response: In response to second bullet point, this account is never used so we felt that with no money coming in or out of the Crime Stoppers Account except for interest the bank statement was our reconciliation for the account. This account will be closed, and the money given to the County Treasurer by July 2023. In response to the fourth bullet point, we are asking the County Treasurer to refund the \$295 over-remittance so that the variance is resolved by June 2023. Also, as of the first quarter of this year, Jan, Feb, March, we have submitted the quarterly report that is required and will continue to do so from here on out.

COUNTY OVERALL

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.

* * * * *

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,



Mark Avery, CPA
Assistant Deputy Auditor