

**AUDIT REPORT  
OF  
DAKOTA COUNTY**

**JULY 1, 2022, THROUGH JUNE 30, 2023**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on November 14, 2023**

# DAKOTA COUNTY

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DAKOTA COUNTY  
1601 Broadway  
P.O. Box 39  
Dakota City, NE 68731

**LIST OF COUNTY OFFICIALS**  
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Martin Hohenstein	Jan. 2027
	Brian Van Berkum	Jan. 2027
	Scott Love	Jan. 2025
	Troy Launsby	Jan. 2025
	Robert J. Giese	Jan. 2025
Assessor	Christy Abts	Jan. 2027
Attorney	Kimberly Watson	Jan. 2027
Clerk	Cherie Conley	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Kathy Wiltgen	Jan. 2027
Public Defender	Lou Hunter	Jan. 2027
Sheriff	Chris Kleinberg	Jan. 2027
Treasurer	Dawn Bousquet	Jan. 2027
Surveyor	Tim Lamprecht	Appointed
Veterans' Service Officer	Bill Johnston	Appointed
Weed Superintendent	Scott Gubbels	Appointed
Highway Superintendent	Jolene Gubbels	Appointed
Planning & Zoning	Joseph O'Neill	Appointed
Emergency Manager	Deanna Hagberg	Appointed
Health Director	Theresa Grove	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### DAKOTA COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Dakota 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 Dakota County, as of and for the year ended June 30, 2023, 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 Dakota County as of June 30, 2023, 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 20-36, 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 November 6, 2023, on our consideration of Dakota 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 Dakota County's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Rachel Wittler". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

November 6, 2023

Rachel Wittler, CPA, CFE  
Audit Manager  
Lincoln, Nebraska

DAKOTA COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2023

	Governmental Activities
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 9,152,797
Investments (Note 1.D)	25
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 9,152,822</b> <hr/>
<b>NET POSITION</b>	
Restricted for:	
911 Emergency Services	\$ 6,573
Drug Education	1,680
Law Enforcement	14,660
Preservation of Records	13,352
Debt Service	21,524
Road and Bridge Maintenance	833,869
Miscellaneous Projects	2,418,209
Health Planning and Assistance	115,525
Aid and Assistance	5,922
Health and Dental Insurance	341,049
Unrestricted	5,380,459
<b>TOTAL NET POSITION</b>	<hr/> <b>\$ 9,152,822</b> <hr/>

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

DAKOTA COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2023

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (6,654,359)	\$ 741,852	\$ 23,763	\$ (5,888,744)
Public Safety	(5,879,743)	944,793	170,384	(4,764,566)
Public Works	(3,449,060)	9,905	2,292,821	(1,146,334)
Health and Sanitation	(394,527)	-	457,885	63,358
Public Assistance	(99,002)	-	-	(99,002)
Culture and Recreation	(272,110)	-	-	(272,110)
Debt Payments	(425,565)	-	-	(425,565)
Total Governmental Activities	<u>\$ (17,174,366)</u>	<u>\$ 1,696,550</u>	<u>\$ 2,944,853</u>	<u>(12,532,963)</u>

General Receipts:

Taxes:	
Property	7,048,714
Motor Vehicle	678,699
Inheritance	478,021
Other	920,799
Grants and Contributions Not Restricted to Specific Programs	49,496
Investment Income	330,378
Insurance Reimbursements and Rebates	616,891
Miscellaneous	456,833
Total General Receipts	<u>10,579,831</u>
Change in Net Position	(1,953,132)
Net Position - Beginning of year	11,105,954
Net Position - End of year	<u>\$ 9,152,822</u>

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



DAKOTA COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2023

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 3,957,195	\$ (28,768)	\$ 1,419,161	\$ 341,049	\$ 2,418,209	\$ 1,045,951	\$ 9,152,797
Investments (Note 1.D)	25	-	-	-	-	-	25
<b>TOTAL ASSETS</b>	<u><u>\$ 3,957,220</u></u>	<u><u>\$ (28,768)</u></u>	<u><u>\$ 1,419,161</u></u>	<u><u>\$ 341,049</u></u>	<u><u>\$ 2,418,209</u></u>	<u><u>\$ 1,045,951</u></u>	<u><u>\$ 9,152,822</u></u>
<b>FUND BALANCES</b>							
Restricted for:							
911 Emergency Services	-	-	-	-	-	6,573	6,573
Drug Education	-	-	-	-	-	1,680	1,680
Law Enforcement	-	-	-	-	-	14,660	14,660
Preservation of Records	-	-	-	-	-	13,352	13,352
Debt Service	-	-	-	-	-	21,524	21,524
Road and Bridge Maintenance	-	-	-	-	-	833,869	833,869
Miscellaneous Projects	-	-	-	-	2,418,209	-	2,418,209
Health Planning and Assistance	-	-	-	-	-	115,525	115,525
Aid and Assistance	-	-	-	-	-	5,922	5,922
Health and Dental Insurance	-	-	-	341,049	-	-	341,049
Committed to:							
Law Enforcement	-	-	-	-	-	8,144	8,144
Equipment Purchases	-	-	-	-	-	25,000	25,000
Assigned to:							
Other Purposes	-	-	1,419,161	-	-	-	1,419,161
Unassigned	3,957,220	(28,768)	-	-	-	(298)	3,928,154
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u><u>\$ 3,957,220</u></u>	<u><u>\$ (28,768)</u></u>	<u><u>\$ 1,419,161</u></u>	<u><u>\$ 341,049</u></u>	<u><u>\$ 2,418,209</u></u>	<u><u>\$ 1,045,951</u></u>	<u><u>\$ 9,152,822</u></u>

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

DAKOTA COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2023

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Taxes:							
Property	\$7,048,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,048,714
Motor Vehicle	678,699	-	-	-	-	-	678,699
Inheritance	-	-	478,021	-	-	-	478,021
Other	104,644	81,502	-	-	-	734,653	920,799
Investment Income	240,775	-	-	283	89,320	-	330,378
Intergovernmental	657,731	1,537,255	-	-	-	799,363	2,994,349
Charges for Services	1,677,090	9,905	-	-	-	9,555	1,696,550
Miscellaneous	323,915	61,775	-	688,034	-	-	1,073,724
<b>TOTAL RECEIPTS</b>	<b>10,731,568</b>	<b>1,690,437</b>	<b>478,021</b>	<b>688,317</b>	<b>89,320</b>	<b>1,543,571</b>	<b>15,221,234</b>
<b>DISBURSEMENTS</b>							
General Government	2,951,193	-	50,000	2,371,042	1,272,325	9,799	6,654,359
Public Safety	5,404,337	-	-	-	-	475,406	5,879,743
Public Works	282,757	1,815,133	-	-	-	1,351,170	3,449,060
Health and Sanitation	261,483	-	-	-	-	133,044	394,527
Public Assistance	99,002	-	-	-	-	-	99,002
Culture and Recreation	4,177	-	-	-	-	267,933	272,110
Debt Service:							
Principal Payments	345,000	-	-	-	-	-	345,000
Interest and Fiscal Charges	80,565	-	-	-	-	-	80,565
<b>TOTAL DISBURSEMENTS</b>	<b>9,428,514</b>	<b>1,815,133</b>	<b>50,000</b>	<b>2,371,042</b>	<b>1,272,325</b>	<b>2,237,352</b>	<b>17,174,366</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>1,303,054</b>	<b>(124,696)</b>	<b>428,021</b>	<b>(1,682,725)</b>	<b>(1,183,005)</b>	<b>(693,781)</b>	<b>(1,953,132)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	456,231	13,019	2,500	1,825,777	-	954,005	3,251,532
Transfers out	(1,993,334)	(120,720)	(655,000)	-	(4,800)	(477,678)	(3,251,532)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,537,103)</b>	<b>(107,701)</b>	<b>(652,500)</b>	<b>1,825,777</b>	<b>(4,800)</b>	<b>476,327</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(234,049)</b>	<b>(232,397)</b>	<b>(224,479)</b>	<b>143,052</b>	<b>(1,187,805)</b>	<b>(217,454)</b>	<b>(1,953,132)</b>
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>4,191,269</b>	<b>203,629</b>	<b>1,643,640</b>	<b>197,997</b>	<b>3,606,014</b>	<b>1,263,405</b>	<b>11,105,954</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$3,957,220</b>	<b>\$ (28,768)</b>	<b>\$1,419,161</b>	<b>\$ 341,049</b>	<b>\$2,418,209</b>	<b>\$1,045,951</b>	<b>\$ 9,152,822</b>

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

DAKOTA COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2023

	Custodial Fund Balances July 1, 2022	Receipts	Disbursements	Custodial Fund Balances June 30, 2023
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,504,575	\$ 41,089,583	\$ 40,847,830	\$ 1,746,328
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	496,109	5,270,162	5,271,766	494,505
State - Collected by Other Offices	11,393	175,344	176,688	10,049
Schools	515,899	23,397,449	23,485,254	428,094
Educational Service Units	4,759	313,553	314,688	3,624
Technical College	29,853	1,942,769	1,950,264	22,358
Natural Resource Districts	11,315	727,776	730,705	8,386
Fire Districts	3,690	303,852	304,875	2,667
Municipalities	119,731	6,583,569	6,605,517	97,783
Agricultural Society	2,234	142,597	143,193	1,638
Drainage Districts	362	93,013	93,120	255
Joint Public Agencies	31,741	11,881	11,338	32,284
Historical Society	581	38,293	38,429	445
Others - Collected by County Treasurer	686	734,794	413,828	321,652
Others - Collected by Other Offices	276,222	1,354,531	1,308,165	322,588
<b>TOTAL LIABILITIES</b>	<u>1,504,575</u>	<u>41,089,583</u>	<u>40,847,830</u>	<u>1,746,328</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## DAKOTA COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

#### 1. Summary of Significant Accounting Policies

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

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

Dakota 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 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 \$43,505 toward the operation of the Region during fiscal year 2023. 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.

Law Enforcement Center – The County has entered into an agreement with the City of South Sioux City (City), Nebraska to participate in a joint law enforcement center. Agreements were established under the authority of the Interlocal Cooperation Act to share the cost of construction, staffing, equipping, maintenance, and upkeep of the Law Enforcement Center. The Law Enforcement Center's governing board is established by the agreement and includes representatives from the participating county and municipality boards. Further, combined services are regulated by the Joint Communications Committee established by

## DAKOTA COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

the agreement. Funding is provided by a combination of state, local and private funding. Each entity contributes to the financial support of the Law Enforcement Center in accordance with the agreement. The County contributed \$517,662 toward the operation of the Law Enforcement Center during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Law Enforcement Center is not a separate legal entity and both the City and County report their share of the activity in their respective financial statements.

Dakota County Public Safety Services Agency – The County has entered into an agreement with Dakota City, Dakota Covington Rural Fire Protection District, Village of Homer, Homer Rural Fire Protection District, Village of Emerson, and Emerson Rural Fire Protection District to create a joint entity called the Dakota County Public Safety Services Agency (Agency). The joint entity was organized under the authority of the Interlocal Cooperation Act with the purpose of facilitating certain improvements to fire and other emergency protection services for each of its members. The Agency's governing board is established by the agreement and includes representatives for each participating political subdivision. The Agency's operations include the administration of sales tax and bond proceeds in accordance with the provisions of the agreement. The County contributed \$413,461 of sales and use taxes to the Agency during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Agency is a separate legal entity, and a separate audit of the Agency is available.

South Sioux City Convention and Visitors Bureau – The County has entered into a contract with the South Sioux City Convention and Visitors Bureau, Inc., (Bureau) to carry out the purpose Nebraska Visitors' Development Act. The Bureau provides convention and tourism promotional activities and services in the County. The County levies and collects a lodging tax to subsidize the Bureau operations. The County contributed \$267,933 of lodging taxes collected to the Bureau during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Bureau is a separate legal entity organized as a 501 (c)(3) not-for-profit.

#### **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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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:

**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.

**Insurance Fund.** This fund is used to account for the County's self-insured health and dental insurance plan and is primarily funded by employee and employer health insurance premiums, reinsurance reimbursements, refunds, and rebates.

**COVID American Rescue Plan Act Fund.** This fund is used to account for aid received from the Federal government through the American Rescue Plan Act and is used, as allowed by Federal regulations, and approved by the County Board.

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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$3,772,363 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 30, 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.

**Deficit fund balance.** The Road Fund and Health Disparity Fund had a deficit fund balance of \$28,768 and \$298, respectively, as of June 30, 2023. The deficit balances are the result of actual receipts being less than expected. The County plans to use future grant reimbursements or State tax receipts to cover the deficit or a transfer of funds if future grant reimbursements and State tax receipts are insufficient.

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).



DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

At year end, the County's carrying amount of deposits was \$9,152,797 for County funds and \$1,746,328 for Fiduciary funds. The bank balances for all funds totaled \$10,937,067. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, 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 \$25 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

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 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.329753/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.348739/\$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, public safety sales taxes, and lodging taxes.

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.

DAKOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2023, 139 employees contributed \$240,918, and the County contributed \$355,409. Contributions included \$11,935 in cash contributions towards the supplemental law enforcement plan for 22 law enforcement employees. Lastly, the County paid \$1,681 directly to 20 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 107 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	\$ 500,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management** (Concluded)

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.

The County self-insures for employee health and dental insurance and has contracted with Mid-American Benefits, LLC to administer the County's self-insured plan. Details of the coverage are available upon request from the County Clerk. The self-insured plan is funded through a combination of employee and County contributions, refunds, rebates, and reinsurance reimbursements. The activity of the plan is reflected in the County's financial statements under the Insurance Fund. No settlements exceeded coverage in any of the past three fiscal years. The County has obtained stop-loss coverage to limit the County's total exposure to \$60,000 per enrolled member, per year, as of June 30, 2023.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

<b>Transfers to</b>	<b>Transfers from</b>					<b>Total</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Inheritance Fund</b>	<b>COVID American Rescue Plan Act Fund</b>	<b>Nonmajor Funds</b>	
Road Fund	\$ 13,019	\$ -	\$ -	\$ -	\$ -	\$ 13,019
General Fund	-	-	-	4,800	451,431	456,231
Inheritance Fund	-	-	-	-	2,500	2,500
Insurance Fund	1,031,310	120,720	650,000	-	23,747	1,825,777
Nonmajor Funds	949,005	-	5,000	-	-	954,005
<b>Total</b>	<b>\$ 1,993,334</b>	<b>\$ 120,720</b>	<b>\$ 655,000</b>	<b>\$ 4,800</b>	<b>\$ 477,678</b>	<b>\$ 3,251,532</b>

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, 2023, the County made a one-time transfer of \$40,102 from the Health Disparity Fund, \$47,016 from the Minority Health Initiative Grant Fund, and \$84,366 from the DCHD Covid 19 Activities Fund to the General Fund for the reimbursement of payroll and other cybersecurity expenses. Additionally, the County made a one-time transfer of \$279,947 from the Jail Bond Fund to the General Fund to transfer prisoner boarding receipts in anticipation of closing the Fund. Further, the County made transfers of \$1,031,310 from the General Fund, \$120,720 from the Road Fund, \$650,000 from the Inheritance Fund, \$8,736 from the Health Planning Grant Fund, \$12,941 from the Minority Health Initiative Grant Fund, and \$2,070 from the Juvenile Service Aid Fund to the Insurance Fund for the County's share of health, dental, and life insurance premiums.

**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:

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

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

	Motor Graders	County Vehicles	Two-Way Radios	Total
Balance July 1, 2022	\$ 643,073	\$ 225,341	\$ 80,332	\$ 948,746
Purchases	-	233,673	-	233,673
Payments	173,161	152,229	47,755	373,145
Balance June 30, 2023	<u>\$ 469,912</u>	<u>\$ 306,785</u>	<u>\$ 32,577</u>	<u>\$ 809,274</u>
Future Payments:				
<b>Year</b>				
2024	\$ 124,390	\$ 132,362	\$ 16,515	\$ 273,267
2025	156,942	101,064	16,515	274,521
2026	156,942	83,736	-	240,678
2027	45,920	8,209	-	54,129
Total Payments	<u>484,194</u>	<u>325,371</u>	<u>33,030</u>	<u>842,595</u>
Less Interest	<u>14,282</u>	<u>18,586</u>	<u>453</u>	<u>33,321</u>
Present Value of Future				
Minimum Lease Payments	<u>\$ 469,912</u>	<u>\$ 306,785</u>	<u>\$ 32,577</u>	<u>\$ 809,274</u>
Carrying Value of the Related				
Fixed Asset	<u>\$ 1,049,486</u>	<u>\$ 716,052</u>	<u>\$ 195,978</u>	<u>\$ 1,961,516</u>

**Bonds**

**Highway Allocation Bond 1.** The County issued bonds on May 24, 2012, in the amount of \$1,330,000 for the purpose of paying the costs in connection with the construction of improvements to roads in the County. On October 31, 2017, the County refinanced the bonds in the amount of \$1,265,000. The bond payable balance, as of June 30, 2023, was \$1,000,000. 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 highway allocation proceeds will be used to pay off the bonds.

Future Payments:			
<b>Year</b>	Principal	Interest	Total
2024	\$ 95,000	\$ 24,679	\$ 119,679
2025	100,000	22,800	122,800
2026	100,000	20,700	120,700
2027	100,000	18,400	118,400
2028	100,000	15,925	115,925
2029-2033	505,000	37,725	542,725
Total Payments	<u>\$ 1,000,000</u>	<u>\$ 140,229</u>	<u>\$ 1,140,229</u>

**Highway Allocation Bond 2.** The County issued bonds on February 17, 2015, in the amount of \$1,470,000 for the purpose of paying the costs of the construction of improvements to roads in the County. The bond payable balance, as of June 30, 2023, was \$1,025,000. 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 highway allocation proceeds will be used to pay off the bonds.

DAKOTA COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

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

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 65,000	\$ 28,029	\$ 93,029
2025	70,000	26,660	96,660
2026	70,000	25,137	95,137
2027	70,000	23,493	93,493
2028	75,000	21,660	96,660
2029-2033	400,000	75,722	475,722
2034-2036	275,000	13,360	288,360
Total Payments	<u>\$ 1,025,000</u>	<u>\$ 214,061</u>	<u>\$ 1,239,061</u>

**Veterans' Drive Bond.** The County issued bonds on June 6, 2016, in the amount of \$850,000 for the purpose of paying the costs of the construction of improvements to roads in the County. On July 26, 2021, the County refinanced the bonds in the amount of \$475,000. The bond payable balance, as of June 30, 2023, was \$365,000. 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:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 90,000	\$ 1,742	\$ 91,742
2025	90,000	1,383	91,383
2026	90,000	910	90,910
2027	95,000	309	95,309
Total Payments	<u>\$ 365,000</u>	<u>\$ 4,344</u>	<u>\$ 369,344</u>

**County Road Bond.** The County issued bonds on June 20, 2019, in the amount of \$1,500,000 for the purpose of paying the costs of constructing and reconstructing certain road improvements within the County related to extreme flooding. The bond payable balance, as of June 30, 2023, was \$1,150,000. 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:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 90,000	\$ 30,743	\$ 120,743
2025	95,000	29,078	124,078
2026	95,000	26,750	121,750
2027	100,000	24,423	124,423
2028	100,000	21,972	121,972
2029-2033	550,000	67,822	617,822
2034	120,000	3,600	123,600
Total Payments	<u>\$ 1,150,000</u>	<u>\$ 204,388</u>	<u>\$ 1,354,388</u>

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 7,789,447	\$ 7,789,447	\$ 7,832,057	\$ 42,610
Investment Income	30,000	30,000	240,775	210,775
Intergovernmental	289,525	289,525	657,731	368,206
Charges for Services	1,568,987	1,568,987	1,677,090	108,103
Miscellaneous	536,500	536,500	323,915	(212,585)
<b>TOTAL RECEIPTS</b>	<b>10,214,459</b>	<b>10,214,459</b>	<b>10,731,568</b>	<b>517,109</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	193,610	193,610	160,003	33,607
County Clerk	241,366	241,366	191,636	49,730
County Treasurer	446,779	447,279	351,370	95,909
Register of Deeds	56,382	56,382	42,706	13,676
County Assessor	569,864	569,864	471,263	98,601
Election Commissioner	42,285	42,285	35,987	6,298
Building and Zoning	23,441	24,141	24,091	50
Data Processing Department	114,000	114,000	99,550	14,450
Clerk of the District Court	157,273	157,273	130,216	27,057
County Court System	22,125	22,125	16,384	5,741
District Judge	6,055	6,055	2,481	3,574
Public Defender	267,875	267,875	156,709	111,166
Legal Services	273,500	273,500	267,410	6,090
Child Support	55,731	55,731	37,291	18,440
Building and Grounds	205,468	205,468	170,628	34,840
Agricultural Extension Agent	80,661	80,661	63,929	16,732
Miscellaneous	591,700	578,000	729,539	(151,539)
Public Safety				
County Sheriff	1,929,346	1,929,346	1,711,036	218,310
County Attorney	582,627	582,627	419,887	162,740
Communication Center	574,400	574,400	517,662	56,738
Law Enforcement Grant	50,000	50,000	42,523	7,477
County Jail	3,018,607	3,018,607	2,591,130	427,477
District Probation Office	56,000	56,000	55,426	574
Emergency Management	87,537	87,537	66,673	20,864
Public Works				
County Surveyor	10,000	10,000	8,540	1,460
Noxious Weed Control	13,925	13,925	12,645	1,280
Highway Department	75,338	81,838	67,893	13,945
Miscellaneous	196,616	196,616	193,679	2,937

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health				
County Health Department	366,859	366,859	261,483	105,376
Public Assistance				
Veterans' Service Officer	106,594	112,594	99,002	13,592
Victims Assistance	10,000	10,000	-	10,000
Culture and Recreation				
County Law Library	4,280	4,280	4,177	103
Debt Service				
Principal Payments	345,000	345,000	345,000	-
Interest and Charges	583,065	583,065	80,565	502,500
TOTAL DISBURSEMENTS	<u>11,358,309</u>	<u>11,358,309</u>	<u>9,428,514</u>	<u>1,929,795</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,143,850)</u>	<u>(1,143,850)</u>	<u>1,303,054</u>	<u>2,446,904</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	394,947	394,947	456,231	61,284
Transfers out	<u>(1,338,366)</u>	<u>(1,338,366)</u>	<u>(1,993,334)</u>	<u>(654,968)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(943,419)</u>	<u>(943,419)</u>	<u>(1,537,103)</u>	<u>(593,684)</u>
Net Change in Fund Balance	(2,087,269)	(2,087,269)	(234,049)	1,853,220
<b>FUND BALANCE - BEGINNING</b>	<u>4,187,269</u>	<u>4,187,269</u>	<u>4,191,269</u>	<u>4,000</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 2,100,000</u></u>	<u><u>\$ 2,100,000</u></u>	<u><u>\$ 3,957,220</u></u>	<u><u>\$ 1,857,220</u></u>

(Concluded)

DAKOTA COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 81,502	\$ 81,502
Intergovernmental	1,586,109	1,586,109	1,537,255	(48,854)
Charges for Services	8,000	8,000	9,905	1,905
Miscellaneous	59,000	59,000	61,775	2,775
TOTAL RECEIPTS	1,653,109	1,653,109	1,690,437	37,328
DISBURSEMENTS	2,241,094	2,241,094	1,815,133	425,961
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(587,985)	(587,985)	(124,696)	463,289
OTHER FINANCING SOURCES (USES)				
Transfers in	384,356	384,356	13,019	(371,337)
Transfers out	-	-	(120,720)	(120,720)
TOTAL OTHER FINANCING SOURCES (USES)	384,356	384,356	(107,701)	(492,057)
Net Change in Fund Balance	(203,629)	(203,629)	(232,397)	(28,768)
FUND BALANCE - BEGINNING	203,629	203,629	203,629	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ (28,768)	\$ (28,768)
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ 400,000	\$ 400,000	\$ 478,021	\$ 78,021
TOTAL RECEIPTS	400,000	400,000	478,021	78,021
DISBURSEMENTS	1,541,140	1,541,140	50,000	1,491,140
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,141,140)	(1,141,140)	428,021	1,569,161
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	2,500	2,500	-
Transfers out	(505,000)	(505,000)	(655,000)	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	(502,500)	(502,500)	(652,500)	(150,000)
Net Change in Fund Balance	(1,643,640)	(1,643,640)	(224,479)	1,419,161
FUND BALANCE - BEGINNING	1,643,640	1,643,640	1,643,640	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,419,161	\$ 1,419,161



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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INSURANCE FUND</b>				
RECEIPTS				
Investment Income	\$ 45	\$ 45	\$ 283	\$ 238
Miscellaneous	1,253,120	1,973,120	688,034	(1,285,086)
TOTAL RECEIPTS	1,253,165	1,973,165	688,317	(1,284,848)
DISBURSEMENTS	1,951,162	2,671,162	2,371,042	300,120
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(697,997)	(697,997)	(1,682,725)	(984,728)
OTHER FINANCING SOURCES (USES)				
Transfers in	500,000	500,000	1,825,777	1,325,777
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	500,000	500,000	1,825,777	1,325,777
Net Change in Fund Balance	(197,997)	(197,997)	143,052	341,049
FUND BALANCE - BEGINNING	197,997	197,997	197,997	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 341,049	\$ 341,049
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
RECEIPTS				
Investment Income	\$ 10,000	\$ 10,000	\$ 89,320	\$ 79,320
TOTAL RECEIPTS	10,000	10,000	89,320	79,320
DISBURSEMENTS	3,616,014	3,616,014	1,272,325	2,343,689
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,606,014)	(3,606,014)	(1,183,005)	2,423,009
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(4,800)	(4,800)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(4,800)	(4,800)
Net Change in Fund Balance	(3,606,014)	(3,606,014)	(1,187,805)	2,418,209
FUND BALANCE - BEGINNING	3,606,014	3,606,014	3,606,014	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,418,209	\$ 2,418,209

(Concluded)

DAKOTA COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HARD SURFACE ROAD FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(21,524)	(21,524)	-	21,524
Net Change in Fund Balance	(21,524)	(21,524)	-	21,524
Fund Balance - Beginning	21,524	21,524	21,524	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,524</u>	<u>\$ 21,524</u>
<b>HIGHWAY STREET BUYBACK PROGRAM FUND</b>				
Receipts	\$ 78,450	\$ 78,450	\$ 99,354	\$ 20,904
Disbursements	(548,356)	(548,356)	(77,168)	471,188
Net Change in Fund Balance	(469,906)	(469,906)	22,186	492,092
Fund Balance - Beginning	469,906	469,906	469,906	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,092</u>	<u>\$ 492,092</u>
<b>HIGHWAY BRIDGE BUYBACK PROGRAM FUND</b>				
Receipts	\$ 64,500	\$ 64,500	\$ 86,523	\$ 22,023
Disbursements	(354,695)	(354,695)	(34,941)	319,754
Net Change in Fund Balance	(290,195)	(290,195)	51,582	341,777
Fund Balance - Beginning	290,195	290,195	290,195	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,777</u>	<u>\$ 341,777</u>
<b>ROAD IMPROVEMENT FUND</b>				
Receipts	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Disbursements	(1,124,010)	(1,124,010)	(1,124,005)	5
Transfers in	924,010	924,010	924,005	(5)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>VISITORS' PROMOTION FUND</b>				
Receipts	\$ 275,000	\$ 275,000	\$ 267,933	\$ (7,067)
Disbursements	(275,000)	(275,000)	(267,933)	7,067
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

DAKOTA COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REGISTER OF DEEDS PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 15,000	\$ 15,000	\$ 8,543	\$ (6,457)
Disbursements	(29,608)	(29,608)	(9,799)	19,809
Net Change in Fund Balance	(14,608)	(14,608)	(1,256)	13,352
Fund Balance - Beginning	14,608	14,608	14,608	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,352</u>	<u>\$ 13,352</u>
<b>STOP FUND</b>				
Receipts	\$ 2,868	\$ 2,868	\$ 560	\$ (2,308)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(7,132)	(7,132)	560	7,692
Fund Balance - Beginning	7,132	7,132	7,132	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,692</u>	<u>\$ 7,692</u>
<b>COUNTY DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 8,320	\$ 8,320	\$ -	\$ (8,320)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(1,680)	(1,680)	-	1,680
Fund Balance - Beginning	1,680	1,680	1,680	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680</u>	<u>\$ 1,680</u>
<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 7,408	\$ 7,408	\$ -	\$ (7,408)
Disbursements	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	(7,592)	(7,592)	-	7,592
Fund Balance - Beginning	7,592	7,592	7,592	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,592</u>	<u>\$ 7,592</u>
<b>HEALTH PLANNING GRANT FUND</b>				
Receipts	\$ 57,398	\$ 57,398	\$ 51,760	\$ (5,638)
Disbursements	(125,191)	(125,191)	(46,538)	78,653
Transfers in	-	-	-	-
Transfers out	-	-	(8,736)	(8,736)
Net Change in Fund Balance	(67,793)	(67,793)	(3,514)	64,279
Fund Balance - Beginning	67,793	67,793	67,793	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,279</u>	<u>\$ 64,279</u>

(Continued)

DAKOTA COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HEALTH DISPARITY FUND</b>				
Receipts	\$ 58,388	\$ 58,388	\$ 48,860	\$ (9,528)
Disbursements	(36,528)	(36,528)	(12,196)	24,332
Transfers in	5,000	5,000	5,000	-
Transfers out	(25,000)	(25,000)	(40,102)	(15,102)
Net Change in Fund Balance	1,860	1,860	1,562	(298)
Fund Balance - Beginning	(1,860)	(1,860)	(1,860)	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (298)</u>	<u>\$ (298)</u>
<b>MINORITY HEALTH INITIATIVE GRANT FUND</b>				
Receipts	\$ 153,580	\$ 153,580	\$ 139,783	\$ (13,797)
Disbursements	(172,249)	(172,249)	(74,310)	97,939
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	(59,957)	(34,957)
Net Change in Fund Balance	(43,669)	(43,669)	5,516	49,185
Fund Balance - Beginning	43,669	43,669	43,669	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,185</u>	<u>\$ 49,185</u>
<b>LAW ENFORCEMENT EQUIPMENT GRANT FUND</b>				
Receipts	\$ 2,932	\$ 2,932	\$ -	\$ (2,932)
Disbursements	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(7,068)	(7,068)	-	7,068
Fund Balance - Beginning	7,068	7,068	7,068	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,068</u>	<u>\$ 7,068</u>
<b>CRIME COMMISSION ENHANCEMENT GRANT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(2,500)	(2,500)	(2,500)	-
Net Change in Fund Balance	(2,500)	(2,500)	(2,500)	-
Fund Balance - Beginning	2,500	2,500	2,500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

DAKOTA COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>JUVENILE SERVICE AID FUND</b>				
Receipts	\$ 82,773	\$ 82,773	\$ 58,586	\$ (24,187)
Disbursements	(99,027)	(99,027)	(66,848)	32,179
Transfers in	-	-	-	-
Transfers out	-	-	(2,070)	(2,070)
Net Change in Fund Balance	(16,254)	(16,254)	(10,332)	5,922
Fund Balance - Beginning	16,254	16,254	16,254	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,922</u>	<u>\$ 5,922</u>
<b>DCHD COVID 19 ACTIVITIES FUND</b>				
Receipts	\$ 388,362	\$ 388,362	\$ 114,497	\$ (273,865)
Disbursements	(348,500)	(348,500)	(48,208)	300,292
Transfers in	-	-	-	-
Transfers out	(60,000)	(60,000)	(84,366)	(24,366)
Net Change in Fund Balance	(20,138)	(20,138)	(18,077)	2,061
Fund Balance - Beginning	20,138	20,138	20,138	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,061</u>	<u>\$ 2,061</u>
<b>SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(25,000)	(25,000)	-	25,000
Transfers in	25,000	25,000	25,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	25,000	25,000
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
<b>E-911 EMERGENCY MANAGEMENT FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ 53,259	\$ 3,259
Disbursements	(65,259)	(65,259)	(61,945)	3,314
Net Change in Fund Balance	(15,259)	(15,259)	(8,686)	6,573
Fund Balance - Beginning	15,259	15,259	15,259	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,573</u>	<u>\$ 6,573</u>

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC SAFETY SALES TAX FUND</b>				
Receipts	\$ 500,000	\$ 500,000	\$ 413,461	\$ (86,539)
Disbursements	(500,000)	(500,000)	(413,461)	86,539
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>JAIL BOND FUND</b>				
Receipts	\$ -	\$ -	\$ 452	\$ 452
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(279,947)	(279,947)	(279,947)	-
Net Change in Fund Balance	(279,947)	(279,947)	(279,495)	452
Fund Balance - Beginning	279,947	279,947	279,947	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452</u>	<u>\$ 452</u>

(Concluded)

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

For the Year Ended June 30, 2023

	Hard Surface Road Fund	Highway Street Buyback Program Fund	Highway Bridge Buyback Program Fund	Road Improvement Fund	Visitors' Promotion Fund
<b>RECEIPTS</b>					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 267,933
Intergovernmental	-	99,354	86,523	200,000	-
Charges for Services	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>99,354</b>	<b>86,523</b>	<b>200,000</b>	<b>267,933</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	77,168	34,941	1,124,005	-
Health and Sanitation	-	-	-	-	-
Culture and Recreation	-	-	-	-	267,933
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>77,168</b>	<b>34,941</b>	<b>1,124,005</b>	<b>267,933</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>-</b>	<b>22,186</b>	<b>51,582</b>	<b>(924,005)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	924,005	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>924,005</b>	<b>-</b>
Net Change in Fund Balances	-	22,186	51,582	-	-
<b>FUND BALANCES - BEGINNING</b>	<b>21,524</b>	<b>469,906</b>	<b>290,195</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 21,524</b>	<b>\$ 492,092</b>	<b>\$ 341,777</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>					
Restricted for:					
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	21,524	-	-	-	-
Road and Bridge Maintenance	-	492,092	341,777	-	-
Health Planning and Assistance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Equipment Purchases	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 21,524</b>	<b>\$ 492,092</b>	<b>\$ 341,777</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

DAKOTA COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2023

	Register of Deeds Preservation & Modernization Fund	STOP Fund	County Drug Law Enforcement & Education Fund	Federal Drug Law Enforcement Fund	Health Planning Grant Fund
<b>RECEIPTS</b>					
Taxes:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	51,760
Charges for Services	8,543	560	-	-	-
<b>TOTAL RECEIPTS</b>	<b>8,543</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>51,760</b>
<b>DISBURSEMENTS</b>					
General Government	9,799	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Sanitation	-	-	-	-	46,538
Culture and Recreation	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>9,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,538</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(1,256)</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>5,222</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(8,736)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,736)</b>
Net Change in Fund Balances	(1,256)	560	-	-	(3,514)
<b>FUND BALANCES - BEGINNING</b>	<b>14,608</b>	<b>7,132</b>	<b>1,680</b>	<b>7,592</b>	<b>67,793</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 13,352</b>	<b>\$ 7,692</b>	<b>\$ 1,680</b>	<b>\$ 7,592</b>	<b>\$ 64,279</b>
<b>FUND BALANCES:</b>					
Restricted for:					
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	1,680	-	-
Law Enforcement	-	-	-	7,592	-
Preservation of Records	13,352	-	-	-	-
Debt Service	-	-	-	-	-
Road and Bridge Maintenance	-	-	-	-	-
Health Planning and Assistance	-	-	-	-	64,279
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	7,692	-	-	-
Equipment Purchases	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 13,352</b>	<b>\$ 7,692</b>	<b>\$ 1,680</b>	<b>\$ 7,592</b>	<b>\$ 64,279</b>

(Continued)



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

For the Year Ended June 30, 2023

	Health Disparity Fund	Minority Health Initiative Grant Fund	Law Enforcement Equipment Grant Fund	Crime Commission Enhancement Grant Fund	Juvenile Service Aid Fund	DCHD Covid 19 Activities Fund
<b>RECEIPTS</b>						
Taxes:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	48,860	139,783	-	-	58,586	114,497
Charges for Services	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>48,860</u>	<u>139,783</u>	<u>-</u>	<u>-</u>	<u>58,586</u>	<u>114,497</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	66,848	48,208
Health and Sanitation	12,196	74,310	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>12,196</u>	<u>74,310</u>	<u>-</u>	<u>-</u>	<u>66,848</u>	<u>48,208</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>36,664</u>	<u>65,473</u>	<u>-</u>	<u>-</u>	<u>(8,262)</u>	<u>66,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	5,000	-	-	-	-	-
Transfers out	(40,102)	(59,957)	-	(2,500)	(2,070)	(84,366)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>(35,102)</u>	<u>(59,957)</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,070)</u>	<u>(84,366)</u>
Net Change in Fund Balances	1,562	5,516	-	(2,500)	(10,332)	(18,077)
<b>FUND BALANCES - BEGINNING</b>	<u>(1,860)</u>	<u>43,669</u>	<u>7,068</u>	<u>2,500</u>	<u>16,254</u>	<u>20,138</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ (298)</u>	<u>\$ 49,185</u>	<u>\$ 7,068</u>	<u>\$ -</u>	<u>\$ 5,922</u>	<u>\$ 2,061</u>
<b>FUND BALANCES:</b>						
Restricted for:						
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	7,068	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Road and Bridge Maintenance	-	-	-	-	-	-
Health Planning and Assistance	-	49,185	-	-	-	2,061
Aid and Assistance	-	-	-	-	5,922	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	-	-
Unassigned	(298)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ (298)</u>	<u>\$ 49,185</u>	<u>\$ 7,068</u>	<u>\$ -</u>	<u>\$ 5,922</u>	<u>\$ 2,061</u>

(Continued)

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

For the Year Ended June 30, 2023

	Sinking Fund	E-911 Emergency Management Fund	Public Safety Sales Tax Fund	Jail Bond Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes:					
Other	\$ -	\$ 53,259	\$ 413,461	\$ -	\$ 734,653
Intergovernmental	-	-	-	-	799,363
Charges for Services	-	-	-	452	9,555
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>53,259</u>	<u>413,461</u>	<u>452</u>	<u>1,543,571</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	9,799
Public Safety	-	61,945	413,461	-	475,406
Public Works	-	-	-	-	1,351,170
Health and Sanitation	-	-	-	-	133,044
Culture and Recreation	-	-	-	-	267,933
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>61,945</u>	<u>413,461</u>	<u>-</u>	<u>2,237,352</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>-</u>	<u>(8,686)</u>	<u>-</u>	<u>452</u>	<u>(693,781)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	25,000	-	-	-	954,005
Transfers out	-	-	-	(279,947)	(477,678)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(279,947)</u>	<u>476,327</u>
Net Change in Fund Balances	25,000	(8,686)	-	(279,495)	(217,454)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>15,259</u>	<u>-</u>	<u>279,947</u>	<u>1,263,405</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 25,000</u>	<u>\$ 6,573</u>	<u>\$ -</u>	<u>\$ 452</u>	<u>\$ 1,045,951</u>
<b>FUND BALANCES:</b>					
Restricted for:					
911 Emergency Services	-	6,573	-	-	6,573
Drug Education	-	-	-	-	1,680
Law Enforcement	-	-	-	-	14,660
Preservation of Records	-	-	-	-	13,352
Debt Service	-	-	-	-	21,524
Road and Bridge Maintenance	-	-	-	-	833,869
Health Planning and Assistance	-	-	-	-	115,525
Aid and Assistance	-	-	-	-	5,922
Committed to:					
Law Enforcement	-	-	-	452	8,144
Equipment Purchases	25,000	-	-	-	25,000
Unassigned	-	-	-	-	(298)
<b>TOTAL FUND BALANCES</b>	<u>\$ 25,000</u>	<u>\$ 6,573</u>	<u>\$ -</u>	<u>\$ 452</u>	<u>\$ 1,045,951</u>

(Concluded)

**DAKOTA COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2023

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	Highway Superintendent	Veterans' Service Officer	County Extension	County Health Department	County Planning & Zoning	County Jail	Total
BALANCES JULY 1, 2022	\$ 584	\$ 18,728	\$ 242,422	\$ 28,659	\$ 100	\$ 10,029	\$ 3,241	\$ -	\$ -	\$ 86,967	\$ 390,730
RECEIPTS											
Intergovernmental	-	-	-	-	-	-	-	457,885	-	-	457,885
Charges for Services	5,916	102,610	76,555	99,016	2,750	-	-	-	1,837	135,154	423,838
Miscellaneous	-	-	157	60	59,293	13,500	80	9,934	-	186	83,210
State Fees	-	134,603	40,741	-	-	-	-	-	-	-	175,344
Other Liabilities	-	-	344,880	5,169	-	-	-	-	-	1,004,482	1,354,531
TOTAL RECEIPTS	5,916	237,213	462,333	104,245	62,043	13,500	80	467,819	1,837	1,139,822	2,494,808
DISBURSEMENTS											
Payments to County Treasurer	5,701	104,975	67,406	97,738	62,010	-	-	467,819	1,837	136,080	943,566
Payments to State Treasurer	-	135,536	41,152	-	-	-	-	-	-	-	176,688
Petty Cash & Other Payments	-	-	157	60	33	9,377	80	-	-	186	9,893
Other Liabilities	-	-	296,770	5,090	-	-	-	-	-	1,006,305	1,308,165
TOTAL DISBURSEMENTS	5,701	240,511	405,485	102,888	62,043	9,377	80	467,819	1,837	1,142,571	2,438,312
BALANCES JUNE 30, 2023	\$ 799	\$ 15,430	\$ 299,270	\$ 30,016	\$ 100	\$ 14,152	\$ 3,241	\$ -	\$ -	\$ 84,218	\$ 447,226
BALANCES CONSIST OF:											
Due to County Treasurer	\$ 799	\$ 7,417	\$ 13,113	\$ 29,162	\$ -	\$ 14,152	\$ -	\$ -	\$ -	\$ 18,055	\$ 82,698
Petty Cash	-	-	50	500	100	-	3,241	-	-	28,000	31,891
Due to State Treasurer	-	8,013	2,036	-	-	-	-	-	-	-	10,049
Due to Others	-	-	284,071	354	-	-	-	-	-	38,163	322,588
BALANCES JUNE 30, 2023	\$ 799	\$ 15,430	\$ 299,270	\$ 30,016	\$ 100	\$ 14,152	\$ 3,241	\$ -	\$ -	\$ 84,218	\$ 447,226

DAKOTA COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2023

Item	2018	2019	2020	2021	2022
Tax Certified by Assessor					
Real Estate	\$ 30,529,699	\$ 29,863,740	\$ 30,315,500	\$ 31,013,909	\$ 32,112,801
Personal and Specials	2,297,209	2,379,351	2,923,162	3,338,505	5,483,335
Total	<u>32,826,908</u>	<u>32,243,091</u>	<u>33,238,662</u>	<u>34,352,414</u>	<u>37,596,136</u>
Corrections					
Additions	15,980	11,682	23,328	2,942	78,757
Deductions	(157,372)	(74,258)	(31,903)	(10,219)	(111,917)
Net Additions/ (Deductions)	<u>(141,392)</u>	<u>(62,576)</u>	<u>(8,575)</u>	<u>(7,277)</u>	<u>(33,160)</u>
Corrected Certified Tax	<u>32,685,516</u>	<u>32,180,515</u>	<u>33,230,087</u>	<u>34,345,137</u>	<u>37,562,976</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	19,146,267	-	-	-	-
June 30, 2020	13,183,180	18,278,396	-	-	-
June 30, 2021	7,749	13,555,435	19,789,396	-	-
June 30, 2022	1,692	4,750	13,080,328	22,397,051	-
June 30, 2023	268	1,253	21,368	11,568,961	23,443,249
Total Net Collections	<u>32,339,156</u>	<u>31,839,834</u>	<u>32,891,092</u>	<u>33,966,012</u>	<u>23,443,249</u>
Total Uncollected Tax	<u>\$ 346,360</u>	<u>\$ 340,681</u>	<u>\$ 338,995</u>	<u>\$ 379,125</u>	<u>\$ 14,119,727</u>
Percentage Uncollected Tax	<u>1.06%</u>	<u>1.06%</u>	<u>1.02%</u>	<u>1.10%</u>	<u>37.59%</u>

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

DAKOTA COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	57175 Y3	63,239
Injury Prevention and Control Research and State and Community Based Programs	93.136	60094 Y3	48,650
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	66194 Y3	2,613
Immunization Cooperative Agreements	93.268	625701 Y3	39,812
COVID-19 - Immunization Cooperative Agreements	93.268	63340 Y3	134,070
Total Immunization Cooperative Agreements			<u>173,882</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	61190 Y3; 67998 Y3 97348 O4;	880
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	56809 Y3	40,818
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			<u>41,698</u>
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	62125 Y3	71,613
Child Support Services	93.563	31043	29,313
COVID-19 - Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	67998 Y3	7,500
Preventive Health and Health Services Block Grant	93.991	65246 Y3; 69952 Y3	<u>6,443</u>
Total U.S. Department of Health and Human Services			<u>444,951</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
Emergency Management Performance Grants	97.042	22-SR 8706-01	<u>28,821</u>
Total U.S. Department of Homeland Security			<u>28,821</u>
<b>DEPARTMENT OF JUSTICE</b>			
State Criminal Alien Assistance Program	16.606	Not applicable	42,753
Bulletproof Vest Partnership Program	16.607	Not applicable	<u>3,688</u>
Total U.S. Department of Justice			<u>46,441</u>

(Continued)

DAKOTA COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation Highway Safety Cluster:			
		4021-22-33-07; 402-23-05-05; 4021-23-12-09; 402-23-27-46; 4021-23-12-44;	
State and Community Highway Safety	20.600	402-23-05-41	41,113
National Priority Safety Programs	20.616	405d-22-51-40; 405d-23-52-24	13,955
Total Highway Safety Cluster			<u>55,068</u>
Total U.S. Department of Transportation			<u>55,068</u>
<b>DEPARTMENT OF THE TREASURY</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable *	1,277,125
Total U.S. Department of the Treasury			<u>1,277,125</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through Nebraska Department of Health and Human Services State Indoor Radon Grants	66.032	69514 Y3	1,608
Total U.S. Environmental Protection Agency			<u>1,608</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,854,014</u></u>
			(Concluded)

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

DAKOTA COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Dakota County (County) under programs of the federal government for the year ended June 30, 2023. 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 Dakota 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. Dakota County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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DAKOTA 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  
Dakota 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 Dakota County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 6, 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 Board Response: The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.*

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dakota 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 Dakota County in a separate letter dated November 6, 2023.

### **Dakota 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.



November 6, 2023

Rachel Wittler, CPA, CFE  
Audit Manager  
Lincoln, Nebraska



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### DAKOTA COUNTY INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners  
Dakota County, Nebraska

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

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

We have audited Dakota 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 Dakota County's major Federal programs for the year ended June 30, 2023. Dakota 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, Dakota 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, 2023.

##### ***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 Dakota 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 Dakota 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 Dakota 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 Dakota 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 Dakota 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 Dakota 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 Dakota County's internal control over compliance relevant to the audit in order to design audit procedures that Dakota 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 Dakota 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item #2023-002. Our opinion on each major Federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Dakota County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Dakota County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

### **Report on Internal Control Over Compliance**

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item #2023-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Dakota County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Dakota County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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.



November 6, 2023

Rachel Wittler, CPA, CFE  
Audit Manager  
Lincoln, Nebraska

DAKOTA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

**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 No

Significant deficiencies identified?

X Yes \_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_ Yes X No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

\_\_\_ Yes X No

Significant deficiencies identified?

X Yes \_\_\_ None Reported

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

**Unmodified**

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

X Yes \_\_\_ No

Major programs: **Coronavirus State and Local Fiscal Recovery Funds: AL#21.027**

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes X No

DAKOTA COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

**Section II – Financial Statement Findings**

**Finding # 2023-001**

<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 properly segregate accounting functions.
<u>Recommendation</u> -	The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
<u>View of Officials</u> -	The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

**Section III – Federal Award Findings and Questioned Costs**

**Finding # 2023-002**

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment
<u>Grant Number &amp; Year</u> -	SLFRP0874, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury
<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) states the following, in relevant part:

*The non-Federal entity must:*

*(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).*

DAKOTA COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

2 CFR § 200.214 (January 1, 2023) states the following:

*Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.*

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2023), which states the following:

*Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.*

2 CFR § 180.300 (January 1, 2023) requires non-Federal entities to verify that an entity is not excluded or disqualified prior to entering into a covered transaction by, “(a) Checking SAM Exclusions; or (b) Collecting a certification from that . . . [entity]; or (c) Adding a clause or condition to the covered transaction with that . . . [entity].”

A good internal control plan requires the County to have proper procedures in place to verify that contractors paid with Federal funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition -

Dakota County could not provide documentation to support that the County implemented effective internal controls to ensure that suspension and debarment requirements were followed and adequately documented.

We noted the County used Coronavirus State and Local Fiscal Recovery Funds to pay 14 vendors over \$25,000 each, totaling \$1,033,366, during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors were not excluded or disqualified prior to entering into these covered transactions.

We reviewed SAM.gov, and noted that none of these vendors were suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date testing was performed.

Repeat Finding -

No

Questioned Costs -

None

Statistical Sample -

No

DAKOTA COUNTY

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

Context -

The following table provides details of the covered transactions noted:

<b>VENDOR</b>	<b>AMOUNT</b>
A-TEAM HEATING & COOLING	\$ 328,424
MURPHY TRACTOR & EQUIP CO	95,500
NEBRASKA DEPT OF TRANSPORTATION	95,000
GILL CONSTRUCTION CO	71,080
PHOENIX PLUMBING INC	59,405
MULLIN AWNING & SIDING	54,370
KNOEPFLER CHEVROLET CO	50,179
SIDE DUMP INDUSTRIES	47,424
TRIVIEW COMMUNICATIONS INC	46,087
RTI - RIVERSIDE TECHNOLOGIES INC	41,202
STEVE HARRIS CONSTRUCTION INC	39,702
TITAN MACHINERY	37,888
CIVIL ENGINEERS & CONSTRUCTORS, LLC	36,890
ROBERTSON IMPLEMENT CO, INC	30,215
<b>Total</b>	<b>\$ 1,033,366</b>

Cause -

Lack of procedures and knowledge regarding suspension and debarment requirements.

Effect -

Without adequate procedures to ensure contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations, leading to possible Federal sanctions.

Recommendation -

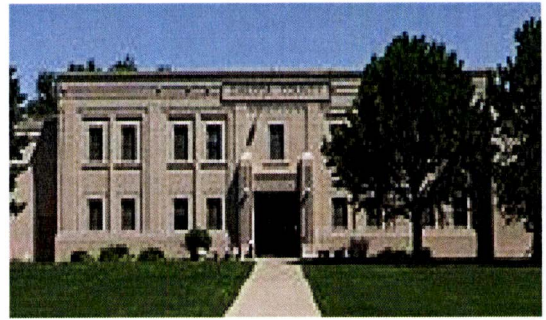
We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and those procedures are adequately documented.

View of Officials -

The County will implement procedures to ensure when a contractor is paid with federal funds, <https://www.sam.gov> will be utilized to verify the entity has not been suspended or debarred and such procedure will be adequately documented.



**Dakota County  
Board of Commissioners**  
1601 Broadway Street, PO Box 39  
Dakota City NE 68731  
402-987-2130



September 26, 2023

TO WHOM IT MAY CONCERN:

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2023

**Finding 2022-1 (Since 2022) Segregation of Duties**

**Status:** On-going

**Reason for Recurrence:** The County has discussed the finding and will make every consideration feasible; but must consider the cost of adequate segregation of duties when determining the use of tax money.

Please contact me if you have any questions.

Sincerely,

Robert J. Giese  
Dakota County Chair

# Dakota County Commissioners

PO Box 39

Dakota City, NE 68731-0039

402.987.2130 Phone

[cconley@dakotacounty.ne.gov](mailto:cconley@dakotacounty.ne.gov)

402.494.9229 Fax

## DAKOTA COUNTY CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

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

### I. Findings Related to the Financial Statements

#### *Finding 2023-001: 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:

Dakota County Board of Commissioners: Robert J. Giese, Troy Launsby, Scott Love, Martin Hohenstein, and Brian Van Berkum.

### II. Findings Related to Federal Awards

#### *Finding 2023-002: Suspension & Debarment*

##### Program:

AL 21.027 – COVID-19 - Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

##### Corrective Action Planned:

The County will implement procedures to ensure when a contractor is paid with federal funds, <https://www.sam.gov> will be utilized to verify the entity has not been suspended or debarred and such procedure will be adequately documented.

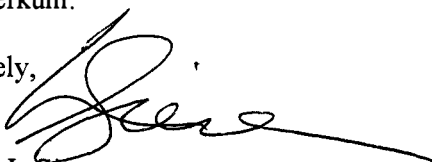
##### Anticipated Completion Date:

Ongoing

##### Responsible Party:

Dakota County Board of Commissioners: Robert J. Giese, Troy Launsby, Scott Love, Martin Hohenstein, and Brian Van Berkum.

Sincerely,



Robert J. Giese  
Dakota County Chair



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

November 6, 2023

Board of Commissioners  
Dakota County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dakota County (County) for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 6, 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 BOARD

#### Menards Rebates

Menards, a home improvement retail store frequented by County employees to purchase supplies needed for their official duties, offers 11% rebates on purchases. We noted that the County lacked a formal policy and review procedures to ensure that rebates earned on County purchases at Menards were not used by County employees for personal gain.

As a result of the County's lack of policies and procedures, \$656 of rebates earned on purchases totaling \$5,511 made with the County's Menards charge account were redeemed and spent by Kevin Hansen, the former County Building and Grounds Employee, or his spouse at Menards from May 2021 through May of 2023, as shown in the table below:

Purchases On County Charge Account				Redeemed Rebates		
Purchase Date	Transaction Number	Purchase Signer	Purchase Amount	Date Redeemed	Transaction Number	Rebate Amount
4/15/2021	652	Kevin Hansen	\$ 252	5/15/2021	5946	\$ 28
4/29/2021	6195	Kevin Hansen	96	6/14/2021	1817	11
6/30/2021	7367	Kevin Hansen	30	8/20/2021	1155	3
7/16/2021	4449	Kevin Hansen	46	9/12/2021	9331	5
7/20/2021	1784	Kevin Hansen	139	9/12/2021	9331	15
8/3/2021	4297	Kevin Hansen	134	9/12/2021	9331	15
9/7/2021	2220	Kevin Hansen	96	11/11/2021	2440	11
9/29/2021	4355	Kevin Hansen	67	12/4/2021	327	7
9/30/2021	4620	Kevin Hansen	227	12/4/2021	327	75
10/7/2021	7087	Kevin Hansen	101	12/4/2021	327	11

Purchases On County Charge Account				Redeemed Rebates		
Purchase Date	Transaction Number	Purchase Signer	Purchase Amount	Date Redeemed	Transaction Number	Rebate Amount
4/14/2022	4921	Kevin Hansen	311	6/18/2022	2057	34
6/17/2022	482	Kevin Hansen	741	8/27/2022	1163	82
6/18/2022	2058	Kevin Hansen	52	8/12/2022	8401	6
6/21/2022	1803	Kevin Hansen	196	8/12/2022	8401	21
6/23/2022	2186	Kevin Hansen	300	8/12/2022	8401	33
8/31/2022	1532	Kevin Hansen	151	10/25/2022	1476	16
9/13/2022	5786	Kevin Hansen	110	10/25/2022	1476	12
10/11/2022	5821	Kevin Hansen	112	1/15/2023	2639	12
4/3/2023	4971	Kevin Hansen	18	5/6/2023	3400	2
4/3/2023	4971	Kevin Hansen	707	5/11/2023	6396	78
4/19/2023	2912	Kevin Hansen	1,625	5/31/2023	2392	179
<b>Total</b>			<b>\$ 5,511</b>	<b>\$ 656</b>		

Kevin Hansen or his spouse appear to have received the direct benefit of these rebates earned from the expenditure of County funds, as the items purchased with the rebates included candy, food, pet supplies, laundry detergent, clothes, and cleaning supplies.

In actuality, the rebates at issue belonged to the County, constituting County property, as the County created the underlying charge account, and the purchases thereon are assumed to have been made for strictly County purposes; therefore, neither the former employee, his spouse, nor any County official or employee was entitled to claim the resulting rebates for his or her own personal gain.

Neb. Rev. Stat. § 28-511(1) (Reissue 2016) states the following:

*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.*

Per Neb. Rev. Stat. § 28-518(3) (Reissue 2016), a theft involving more than \$500 but less than \$5,000 is punishable as a Class I misdemeanor.

Additionally, Neb. Rev. Stat. § 49-14,101.01 (Reissue 2021), which is found in the Nebraska Political Accountability and Disclosure Act, provides the following, in relevant part:

*(1) A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.*

*(2) A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.*

Subsection (7) of that same statute states the following, as is relevant, “[A]ny person violating this section shall be guilty of a Class III misdemeanor . . . .”

Despite the lack of a formal policy regarding the use of vendor rebates, the County’s Employee Handbook states, under the “Performance and Conduct Rules” section, that improper employee behavior consists of: “Theft, including either County property or another person’s property.”

A public employee who utilizes his or her official position and knowledge of the Menards rebate program – as well as actually redeems the rebate itself, which constitutes County property – for personal gain does so in apparent

contravention of both the above statutory prohibitions and the County's own personnel policies. Thus, it is essential for the County to implement immediately a formal policy and review procedures to help forestall public employees from engaging in such improper activity.

Additionally, good internal controls and sound business practices require a formal policy and review procedures to ensure that vendor rebates earned on purchases made with County funds are tracked properly and used only for the benefit of the County, not personally by County employees.

Without such a formal policy and review procedures, there is an increased risk of County employees using rebates earned from purchases made with County funds for personal gain, resulting in not only loss, theft, or misuse of County funds but also violation of State statutes.

We recommend the County Board implement a formal policy and review procedures to ensure vendor rebates earned on purchases made with County funds are tracked properly and used only for the benefit of the County. Because the present comment points to possible violations of State statutes, we are forwarding this information to the Dakota County Attorney, Nebraska Attorney General, and the Nebraska Accountability and Disclosure Commission for further review.

*County Board Response: The Chair of the Board of Commissioners had conversations with the County Attorney. A letter was then sent to Mr. Hansen regarding the findings and asked that the County be refunded for the rebate amount of \$656.00. Mr. Hansen responded quickly via mail with payment to the county.*

### **Deficit Fund Balances**

For the fiscal year ended June 30, 2023, the disbursements in the Road Fund and Health Disparity Fund exceeded revenues by \$28,768 and \$298, respectively, creating deficit fund balances. The County plans to use future grant reimbursements or State tax receipts to cover the deficits or a transfer of funds if future grant reimbursements and State tax receipts are insufficient.

Neb. Rev. Stat. § 23-916 (Reissue 2022) states, in relevant part, the following:

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

When expenditures are made in excess of amounts provided in the budget, with no appropriation adjustments by the County Board to address those excesses, the County is noncompliant with State statute.

A similar finding was noted in the prior year.

We recommend the County Board implement procedures to monitor closely its budget status on an ongoing basis to avoid individual functions and funds incurring expenses in excess of the amounts provided in the budget.

### **Claims Issues**

For the fiscal year ended June 30, 2023, the following issues with claims were noted:

- The County lacked adequate documentation, such as receipts or invoices, to support four purchases, including purchases made with a County charge card, totaling \$372, as shown in the table below:

Name	Claim #	Claim Date	Amount
Marco Technologies LLC	22070178	7/25/2022	\$ 65
Thomas J. Wente	23010200	1/23/2023	250
Cenex	23040186	4/17/2023	44
Burger King	22110281	11/28/2022	13
<b>Total</b>			<b>\$ 372</b>

- For two claims tested, we noted that the County Board incorrectly paid sales and lodging taxes, totaling \$97, to local state businesses, as shown in the table below:

Name	Location	Claim #	Claim Date	Taxes Paid
SilverStar Car Wash	South Sioux City, NE	23040186	4/17/2023	\$ 2
MidWest Fast Lube	South Sioux City, NE	23040186	4/17/2023	7
Candlewood Suites	Kearney, NE	22110281	11/28/2022	88
<b>Total</b>				<b>\$ 97</b>

- Claim #22110281 included \$7 in interest paid to Siouxland Federal Credit Union on November 28, 2021, due to the County Sheriff's unpaid credit card balance from September and October 2022.

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) requires purchases made with a political subdivision's purchasing card to be accompanied by an itemized receipt, as follows:

*An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

(Emphasis added.) Additionally, Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2022) states, in relevant part, the following:

*Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county . . . .*

Further, good internal control and sound business practices require procedures to ensure: 1) claims against the County are supported by adequate documentation showing that monies were spent appropriately; 2) County credit card purchases are supported by itemized receipts and paid timely to avoid interest charges; and 3) and sales and use taxes are not paid on the County's purchases.

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

A similar finding was noted in the prior year.

We recommend the County Board implement procedures to ensure claims are supported by adequate documentation showing that the monies were spent appropriately. Those same procedures should ensure also that County credit card purchases are supported by appropriate documentation and paid timely to avoid interest charges, and sales and use taxes are not paid on the County's purchases.

### **Bidding Issues**

As of June 30, 2023, the County Board had approved claims for three road projects that exceeded the awarded bid amount by \$45,588. The County Board neither approved change orders nor took any other formal action to increase the estimated costs.

The following table provides a summary of the claim amounts paid by the County Board in excess of the bids accepted:

Project Name	Contractor	Amount Paid	Bid Amount	Variance
Elgin Ave	Knife River Midwest, LLC	\$ 108,405	\$ 102,435	\$ 5,970
Lake Ave North	Knife River Midwest, LLC	126,894	114,576	12,318
265th Bridge	Norfolk Contracting, Inc.	576,939	549,639	27,300
<b>Total</b>		<b>\$ 812,238</b>	<b>\$ 766,650</b>	<b>\$ 45,588</b>

Neb. Rev. Stat. § 39-1407 (Cum. Supp. 2022) states, in relevant part, the following:

*Whenever contracts are to be let for road improvements, it shall be the duty of the county board to cause to be prepared and filed with the county clerk an estimate of the nature of the work and the cost thereof. After such estimate has been filed, bids for such contracts shall be advertised by publication of a notice thereof once a week for three consecutive weeks in a legal newspaper of the county prior to the date set for receiving bids. Bids shall be let to the lowest responsible bidder.*

Good internal controls and sound business practices require procedures to ensure that all payments made on County contracts are within the awarded bid amount and increased only upon the formal approval of the County Board.

Without such procedures, there is an increased risk for not only violation of State law but also waste or other mismanagement of public funds.

We recommend the County implement procedures to ensure all payments made on County contracts are within the awarded bid amount and increased only upon the approval of the County Board.

### **COUNTY TREASURER**

#### **In Lieu Distributions**

During our audit, we noted that the distribution of 5% Gross in Lieu was not calculated correctly due to the inclusion of the South Sioux City School Bond Fund for the Village of Jackson calculation. That error resulted in the overpayments and underpayments detailed in the table below:

Entity	(Over)/Under Payment
Dakota County	\$ 20
South Sioux City School District	(160)
Ponca School District	70
Homer School District	46
Village of Jackson	23
Other Entities	1

Additionally, the County has failed to distribute \$215 in 1957 In Lieu funds receipted during the fiscal year 2023 for Jackson School District, which was dissolved in 2005.

Neb. Rev. Stat. § 70-651.04 (Reissue 2018) states the following:

*All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.*



Neb. Rev. Stat. § 23-1601(4)(a) (Reissue 2022) states, in relevant part, the following:

*On or before the fifteenth day of each month, the county treasurer (i) shall pay to each city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township located within the county the amount of all funds collected or received for the city, village, school district, educational service unit, county agricultural society, rural or suburban fire protection district, and township the previous calendar month*  
....

Additionally, good internal controls require procedures to ensure that 5% Gross In Lieu and 1957 In Lieu distributions are calculated correctly and paid in accordance with State statute.

Without such procedures, there is an increased risk of not only political subdivisions failing to receive the appropriate amount of funding but also loss or misuse of funds.

A similar finding was noted in prior years.

We recommend the County Treasurer correct the erroneous 5% Gross In Lieu distributions. Additionally, we recommend the County Treasurer distribute funds held for the dissolved Jackson School District to the consolidating school district(s). Further, we recommend the County Treasurer implement procedures to ensure future such distributions are calculated correctly and paid to the appropriate entities.

## **COUNTY SHERIFF**

### **Office Accountability**

During our audit, we noted the following issues with the County Sheriff office's accounting procedures at June 30, 2023:

- Complete and accurate monthly asset-to-liability reconciliations were not performed for the County Sheriff Fee Account and the County Jail Accounts, resulting in the unknown variances listed in the table below:

Account	Long/ (Short) Amount
Sheriff Fee Account	\$ 17,948
Jail House Arrest Account	6,448
Jail Prodigy Commissary Account	574
Jail Petty Cash Account	2,206
Jail Old Jail Commissary Account	(2,028)
Jail Trinity Commissary Account	4,802
<b>Total</b>	<b>\$ 29,950</b>

- We noted that the County Sheriff received an overpayment of \$79, which was recorded in the office records in December 2022; however, no refund was issued as of June 30, 2023.
- We noted that the County Sheriff did not keep adequate receipt records for the Sheriff's Fee Account. Three checks, totaling \$915, were paid from the County Sheriff's Fee Account, as shown in the table below. No corresponding receipt or deposit into the bank account was noted to support the initial receipt of these monies.



Check #	Date	Payee	Amount
6494	11/15/2022	Rausch Sturm LLP	\$ 33
6487	10/7/2022	USPS	3
6475	8/23/2022	Collection Associates	879
<b>Total</b>			<b>\$ 915</b>

- Accurate bank reconciliations were not completed for the Jail Prodigy Commissary Account, resulting in a variance of \$322 in receipts deposited into the bank but not recorded in the office records. Further, a variance of \$21 was noted between the bank account balance and check register as of June 30, 2023.
- An accurate listing of accounts payable was not maintained for the Jail Prodigy Commissary Account. As a result, the County was unable to identify the proper recipient(s) of \$70 held in the account as of June 30, 2023.
- The Old Jail Commissary bank account includes \$25,000 of petty cash funds authorized by the County Board; however, the petty cash amount was not listed on the Fiscal Year 2022-2023 County Budget Message, as required by State statute. Additionally, the account was not reconciled to the authorized amount, as the account was short \$2,028 as of June 30, 2023.
- The most current balance sheet on file for the Trinity Commissary Account was from September 2018, which indicated that \$365 was collected in commissary retained earnings and due to the County Treasurer; however, these earnings had not been properly remitted as of June 30, 2023.

Neb. Rev. Stat. § 23-106(2) (Reissue 2022) states the following:

*The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the count board budget message.*

Sound accounting practices and good internal controls requires procedures to ensure that adequate reconciliation and balancing methods are utilized, including procedures to ensure office assets (cash on hand, reconciled bank balances, 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.

A lack of such procedures increases the risk of loss, theft, or misuse of County funds and allows errors to go undetected more easily. Further, when petty cash funds held by the office are not reflected in the County Budget Message, the County is not in compliance with State statute.

A similar finding was noted in prior years.

We recommend the County Sheriff implement monthly fund-balancing procedures to ensure the performance of regular bank and asset-to-liability reconciliations. We further recommend the County Sheriff review all funds held and remit excess funds to the County Treasurer or request reimbursement through the County Board, when applicable. Finally, we recommend the County Sheriff ensure all petty cash funds held are properly reflected on the annual County Budget Message.

### **Unclaimed Property**

As of June 30, 2023, we noted 72 checks from three bank accounts, outstanding for more than three years, that had not been remitted to the State Treasurer as unclaimed property, as follows:

Date Due to the State Treasurer	Account	# of Checks	Amount
11/1/2012	Sheriff Fee Account	4	\$ 40
11/1/2013	Sheriff Fee Account	1	6
11/1/2014	Sheriff Fee Account	1	2
11/1/2015	Sheriff Fee Account	4	60
11/1/2016	Sheriff Fee Account	6	90
11/1/2017	Sheriff Fee Account	7	116
11/1/2018	Sheriff Fee Account	8	91
11/1/2019	Sheriff Fee Account	10	149
11/1/2020	Sheriff Fee Account	8	136
11/1/2021	Sheriff Fee Account	6	76
11/1/2022	Sheriff Fee Account	8	96
	Jail Prodigy Commissary Account	8	22
	Jail House Arrest Account	1	120
<b>Total</b>		<b>72</b>	<b>\$ 1,004</b>

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

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

Neb. Rev. Stat. § 69-1310 (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.*

Good internal control requires procedures to ensure that outstanding checks held for more than three years – and, therefore, presumed abandoned – are remitted timely to the State Treasurer as unclaimed property.

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

A similar finding was noted in prior years.

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

## **COUNTY OVERALL**

### **Tax Reconciliations**

During our audit, we noted that the County Treasurer did not perform regular reconciliations of total taxes to be collected, per the office's system, to the original taxes certified by the County Assessor to ensure that total taxes to be collected, tax corrections, and collections were entered accurately into the system. Additionally, we noted that neither the County Assessor nor the County Treasurer were able to provide a copy of the original taxes certified for tax year 2022. As a result, the following variances were noted:

<b>Tax Year</b>	<b>Variance</b>
2018	\$ (26,183)
2019	355
2020	88
2021	532
2022	75,248
<b>Total</b>	<b>\$ 50,040</b>

Further, we noted the Certified Taxes Levied (CTL) Report and final levies set by the County Board for tax year 2022 listed the incorrect levy for the Village of Homer. The preliminary levy set by the Village of Homer was 0.325000. The Village subsequently amended its budget on September 15, 2022, which decreased the levy to 0.218980; however, the County Board failed to adjust the levy for the Village when the final levies were set on December 27, 2022. As a result, the levy listed on the County's CTL Report filed with the State of Nebraska by the County Assessor was incorrect.

Neb. Rev. Stat. § 77-1616 (Reissue 2018) states, in part, the following:

*The tax list shall be completed by the county assessor and delivered to the county treasurer on or before November 22.*

Additionally, Neb. Rev. Stat. § 77-1613.02 (Reissue 2018) provides the following, in relevant part:

*The county assessor or county clerk shall correct the assessment and tax rolls after action of the county board of equalization. Each correction shall be made in triplicate, each set of triplicate forms being consecutively numbered . . . The original copy shall be delivered to the county treasurer, the duplicate copy to the county clerk, and the triplicate copy shall remain in the office of the county assessor. . . . The county treasurer shall thereupon correct the tax roll to conform to the correction copy . . . .*

Furthermore, Neb. Rev. Stat. § 77-1710 (Reissue 2018) states, in part, the following:

*The county treasurer shall maintain a record of the total tax assessed and monthly total tax collections.*

Good internal controls require procedures for periodic and accurate tax reconciliations to ensure that the total taxes certified by the County Assessor are collected correctly and posted to the appropriate tax year, and tax corrections are entered properly into the system. Those same procedures should ensure also the accuracy of levies set by the County Board and included on the County's CTL Report.

Without such procedures, there is an increased risk that the taxes due and collected will not be reflected properly in the County Treasurer's system.

We recommend the County Treasurer implement procedures to ensure complete and accurate tax reconciliations are completed for the previous five tax years, and levies set by the County Board and included on the County's CTL are accurate.

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

\* \* \* \* \*

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 "Rachel Wittler".

Rachel Wittler, CPA, CFE  
Audit Manager