

**AUDIT REPORT
OF
DIXON COUNTY**

JULY 1, 2021, THROUGH JUNE 30, 2022

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on January 4, 2023

DIXON COUNTY

TABLE OF CONTENTS

	<u>Page</u>
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Fiduciary Funds	9
Notes to Financial Statements	10 - 18
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	19 - 20
Budgetary Comparison Schedule - Budget and Actual - Major Funds	21 - 22
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	23 - 26
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	27 - 29
Schedule of Office Activities	30
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	31
Government Auditing Standards Section	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32 - 33

DIXON COUNTY
302 W 3rd Street
P.O. Box 546
Ponca, NE 68770

LIST OF COUNTY OFFICIALS
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Supervisors	Donald Andersen	Jan. 2023
	Deric Anderson	Jan. 2025
	Roger Peterson	Jan. 2023
	Neil R. Blohm	Jan. 2025
	Lisa Lunz	Jan. 2023
	Terry Nicholson	Jan. 2025
	Steven Hassler	Jan. 2023
Assessor	Amy Watchorn	Jan. 2023
Attorney	Leland Miner	Jan. 2023
Clerk Election Commissioner Register of Deeds	Cindy Purucker	Jan. 2023
Clerk of the District Court	Quin Rohan	Jan. 2023
Sheriff	Tom Decker	Jan. 2023
Treasurer	JoAnn Brennan	Jan. 2023
Veterans' Service Officer	Bill Johnston	Appointed
Weed Superintendent	Douglas Ellis	Appointed
Highway Superintendent	Arnold Mellick	Appointed
Emergency Manager	Shea Scollard	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

DIXON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Dixon 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 Dixon County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter — Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19-31, 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 December 9, 2022, on our consideration of Dixon 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 Dixon County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

December 9, 2022

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 6,845,033
Investments (Note 1.D)	4,158,909
TOTAL ASSETS	\$ 11,003,942
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 111,575
911 Emergency Services	219,686
Drug Education	1,500
Law Enforcement	3,648
Preservation of Records	9,086
Road & Bridge Maintenance	691,232
Child Support Enforcement	3,633
Coronavirus Relief & Assistance	1,094,804
Unrestricted	8,868,778
TOTAL NET POSITION	\$ 11,003,942

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (3,075,001)	\$ 310,575	\$ 593,363	\$ (2,171,063)
Public Safety	(1,506,572)	238,309	61,138	(1,207,125)
Public Works	(3,732,705)	31,689	2,251,375	(1,449,641)
Public Assistance	(21,600)	-	-	(21,600)
Culture and Recreation	(47,076)	-	-	(47,076)
Debt Payments	(102,480)	-	-	(102,480)
Total Governmental Activities	\$ (8,485,434)	\$ 580,573	\$ 2,905,876	(4,998,985)

General Receipts:

Taxes	4,023,160
Grants and Contributions Not Restricted to Specific Programs	553,858
Investment Income	29,426
Licenses and Permits	27,434
Miscellaneous	300,674
Total General Receipts	4,934,552
 Change in Net Position	 (64,433)
Net Position - Beginning of year	11,068,375
Net Position - End of year	\$ 11,003,942

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

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

	General Fund	Road & Bridge Fund	County Health Insurance Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 1,458,265	\$ 686,007	\$ 1,803,945	\$ 2,106,341	\$ 790,475	\$ 6,845,033
Investments (Note 1.D)	652,776	307,084	807,517	942,881	1,448,651	\$ 4,158,909
TOTAL ASSETS	<u>\$ 2,111,041</u>	<u>\$ 993,091</u>	<u>\$ 2,611,462</u>	<u>\$ 3,049,222</u>	<u>\$ 2,239,126</u>	<u>\$ 11,003,942</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	111,575	111,575
911 Emergency Services	-	-	-	-	219,686	219,686
Drug Education	-	-	-	-	1,500	1,500
Law Enforcement	-	-	-	-	3,648	3,648
Preservation of Records	-	-	-	-	9,086	9,086
Road & Bridge Maintenance	-	-	-	-	691,232	691,232
Child Support Enforcement	-	-	-	-	3,633	3,633
Coronavirus Relief & Assistance	-	-	-	-	1,094,804	1,094,804
Committed to:						
Law Enforcement	-	-	-	-	32,483	32,483
Road Maintenance	-	993,091	-	-	-	993,091
Aid and Assistance	-	-	-	-	6,118	6,118
Property Reappraisal	-	-	-	-	8,229	8,229
Weed Control	-	-	-	-	57,132	57,132
Health Insurance	-	-	2,611,462	-	-	2,611,462
Assigned to:						
Other Purposes	-	-	-	3,049,222	-	3,049,222
Unassigned	2,111,041	-	-	-	-	2,111,041
TOTAL CASH BASIS FUND BALANCES	<u>\$ 2,111,041</u>	<u>\$ 993,091</u>	<u>\$ 2,611,462</u>	<u>\$ 3,049,222</u>	<u>\$ 2,239,126</u>	<u>\$ 11,003,942</u>

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

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

	General Fund	Road & Bridge Fund	County Health Insurance Fund	Inheritance Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes	\$3,651,107	\$ -	\$ -	\$ 254,647	\$ 117,406	\$ 4,023,160
Licenses and Permits	27,434	-	-	-	-	27,434
Investment Income	29,021	-	-	1	404	29,426
Intergovernmental	660,084	2,075,972	-	-	723,678	3,459,734
Charges for Services	543,723	3,743	-	-	33,107	580,573
Miscellaneous	81,680	32,985	142,979	1,933	41,097	300,674
TOTAL RECEIPTS	4,993,049	2,112,700	142,979	256,581	915,692	8,421,001
DISBURSEMENTS						
General Government	1,544,907	-	1,273,614	232,148	24,332	3,075,001
Public Safety	1,320,445	-	-	-	186,127	1,506,572
Public Works	854	3,584,799	-	-	147,052	3,732,705
Public Assistance	19,700	-	-	-	1,900	21,600
Culture and Recreation	-	-	-	-	47,076	47,076
Debt Service:						
Principal Payments	-	-	-	-	90,000	90,000
Interest and Fiscal Charges	-	-	-	-	12,480	12,480
TOTAL DISBURSEMENTS	2,885,906	3,584,799	1,273,614	232,148	508,967	8,485,434
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,107,143	(1,472,099)	(1,130,635)	24,433	406,725	(64,433)
OTHER FINANCING SOURCES (USES)						
Transfers in	27,759	1,832,674	912,561	-	272,288	3,045,282
Transfers out	(2,490,296)	-	-	(500,000)	(54,986)	(3,045,282)
TOTAL OTHER FINANCING SOURCES (USES)	(2,462,537)	1,832,674	912,561	(500,000)	217,302	-
Net Change in Fund Balances	(355,394)	360,575	(218,074)	(475,567)	624,027	(64,433)
CASH BASIS FUND BALANCES - BEGINNING						
	2,466,435	632,516	2,829,536	3,524,789	1,615,099	11,068,375
CASH BASIS FUND BALANCES - ENDING						
	\$2,111,041	\$ 993,091	\$ 2,611,462	\$3,049,222	\$2,239,126	\$ 11,003,942

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

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

	<u>Custodial Fund Balances July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Custodial Fund Balances June 30, 2022</u>
ASSETS				
Cash and Cash Equivalents	\$ 686,071	\$21,131,279	\$ 21,354,163	\$ 463,187
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	169,048	1,643,179	1,650,103	162,124
State - Collected by Other Offices	11,648	121,863	128,689	4,822
Schools	368,194	13,224,682	13,471,243	121,633
Educational Service Units	5,949	229,979	234,798	1,130
Technical College	36,381	1,403,938	1,433,373	6,946
Natural Resource Districts	9,904	385,692	393,686	1,910
Fire Districts	9,356	404,262	409,249	4,369
Municipalities	29,895	1,167,245	1,177,199	19,941
Agricultural Society	1,190	46,804	47,760	234
Townships	27,673	1,175,733	1,198,786	4,620
Others - Collected by County Treasurer	712	193,264	90,883	103,093
Others - Collected by Other Offices	16,121	1,134,638	1,118,394	32,365
TOTAL LIABILITIES	<u>686,071</u>	<u>21,131,279</u>	<u>21,354,163</u>	<u>463,187</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

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

A. **Reporting Entity**

Dixon 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 \$21,861 toward the operation of the Region during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2022. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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:

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

County Health Insurance Fund. This fund is used to account for the costs of insurance premiums and claims and is primarily funded by County and employee contributions, rebates, and reimbursements.

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

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

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

Debt Service Fund. The Highway Bridge Buyback Fund partially accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

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

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

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.

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

D. Assets and Net Position

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

Capital Assets. Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), to be reported in the applicable governmental activities columns in the government-wide financial statements.

Depreciation expenses on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expenses would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,135,164 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.

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

Excess of Disbursements Over Appropriations. For the year ended June 30, 2022, disbursements exceeded budgeted appropriations in the E911 Wireless Service Fund by \$464. These over-expenditures were funded by greater than anticipated receipts.

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$6,845,033 for County funds and \$463,187 for Fiduciary funds. The bank balances for all funds totaled \$7,243,917. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$3,064,105 deposited in Nebraska Federal Investment Trust (NFIT) and of \$1,094,804 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. NFIT is a public entity investment pool. 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 NFIT are not held in the County's name.

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Taxes

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.249567/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.277240/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

4. Retirement System

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

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

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

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

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2022, 67 employees contributed \$104,507, and the County contributed \$154,624. Contributions included \$4,270 in cash contributions towards the supplemental law enforcement plan for eight law enforcement employees. Lastly, the County paid \$1,778 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 106 counties and local governments throughout Nebraska.

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

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

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

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

The County self-insures for employee health and dental insurance and has contracted with Group Resources to administer the County's self-insured plan through June 30, 2022. 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, rebates, and reimbursements. The activity of the plan is reflected in the County's financial statements under the County Health 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 \$30,000 per enrolled member, per year, except for one member, which the County's total exposure was limited to \$70,000 per year.

6. **Interfund Transfers**

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

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Interfund Transfers (Concluded)

Transfers to	Transfers Out			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 27,759	\$ 27,759
Road & Bridge Fund	1,332,674	500,000	-	1,832,674
County Health Insurance Fund	890,049	-	22,512	912,561
Nonmajor Funds	267,573	-	4,715	272,288
Total	<u>\$ 2,490,296</u>	<u>\$ 500,000</u>	<u>\$ 54,986</u>	<u>\$ 3,045,282</u>

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

In the year ended June 30, 2022, the County made a one-time transfer of \$27,759 from the E911 Wireless Service Fund to the General Fund to pay the costs of dispatcher wages, \$22,512 from the Emergency Services Fund to the County Health Insurance Fund to pay for the cost of health insurance for the emergency management employees, \$4,715 from the E911 Wireless Service Fund to the E911 Wireless Service Holding Fund, which is a transfer mandated by the Public Service Commission to set aside funds for future projects.

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:

	Brite – In Car Video Equipment	JD Motor Grader	Total
Balance July 1, 2021	\$ 68,862	\$ 183,704	\$ 252,566
Purchases	-	-	-
Payments	16,708	183,704	200,412
Balance June 30, 2022	<u>\$ 52,154</u>	<u>\$ -</u>	<u>\$ 52,154</u>
Future Payments:			
Year			
2023	\$ 18,085	\$ -	\$ 18,085
2024	18,085	-	18,085
2025	18,085	-	18,085
Total Payments	54,255	-	54,255
Less Interest	2,101	-	2,101
Present Value of Future Minimum Lease Payments	<u>\$ 52,154</u>	<u>\$ -</u>	<u>\$ 52,154</u>
Carrying Value of the Related Fixed Asset	<u>\$ 86,800</u>	<u>\$ 196,200</u>	<u>\$ 283,000</u>

DIXON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

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

Bonds

The County issued bonds on July 14, 2017, in the amount of \$910,000 for the purpose of paying the costs of the improvements of certain bridges, drainage structures, streets, highways, and roads within the County. The bond payable balance, as of June 30, 2022, was \$490,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources and buyback resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2023	\$ 90,000	\$ 10,415	\$ 100,415
2024	100,000	8,750	108,750
2025	100,000	6,900	106,900
2026	100,000	4,600	104,600
2027	100,000	2,300	102,300
Total Payments	\$ 490,000	\$ 32,965	\$ 522,965

8. **Noxious Weed Board**

The County has a separately elected Noxious Weed Board (Weed Board). The Weed Board has the authority to set rates and approve bids for the activity of the County's Noxious Weed Department.

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,820,478	\$ 3,820,478	\$ 3,651,107	\$ (169,371)
Licenses and Permits	18,500	18,500	27,434	8,934
Investment Income	30,000	30,000	29,021	(979)
Intergovernmental	392,100	392,100	660,084	267,984
Charges for Services	475,794	475,794	543,723	67,929
Miscellaneous	20,000	20,000	81,680	61,680
TOTAL RECEIPTS	<u>4,756,872</u>	<u>4,756,872</u>	<u>4,993,049</u>	<u>236,177</u>
DISBURSEMENTS				
General Government:				
County Board	138,949	138,949	135,572	3,377
County Clerk	178,692	178,692	170,903	7,789
County Treasurer	153,950	153,950	145,944	8,006
County Assessor	137,385	137,385	137,385	-
Election Commissioner	44,500	44,500	43,245	1,255
Clerk of the District Court	99,340	99,340	97,130	2,210
County Court System	10,618	10,618	4,767	5,851
District Judge	7,570	7,570	5,327	2,243
Public Defender	155,352	155,352	117,643	37,709
Building and Grounds	191,452	191,452	137,992	53,460
Reappraisal	51,677	51,677	51,552	125
Agricultural Extension Agent	90,097	90,097	81,398	8,699
Miscellaneous	629,330	629,330	416,049	213,281
Public Safety				
County Sheriff	565,980	565,980	507,696	58,284
County Attorney	133,839	133,839	113,924	19,915
Law Enforcement - Wakefield	225,944	225,944	216,597	9,347
County Attorney - Child Support Argmt	29,188	29,188	25,866	3,322
County Jail	353,104	353,104	349,689	3,415
Law Enforcement Grants	230,000	230,000	17,612	212,388
Emergency Management	103,706	103,706	89,061	14,645
Public Works				
County Surveyor	13,000	13,000	854	12,146
Public Assistance				
Veterans' Service Officer	21,500	21,500	18,500	3,000
County Relief & Assistance	11,600	11,600	1,200	10,400
TOTAL DISBURSEMENTS	<u>3,576,773</u>	<u>3,576,773</u>	<u>2,885,906</u>	<u>690,867</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	<u>1,180,099</u>	<u>1,180,099</u>	<u>2,107,143</u>	<u>927,044</u>

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,042	15,042	27,759	12,717
Transfers out	(2,509,576)	(2,509,576)	(2,490,296)	19,280
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,494,534)</u>	<u>(2,494,534)</u>	<u>(2,462,537)</u>	<u>31,997</u>
Net Change in Fund Balance	(1,314,435)	(1,314,435)	(355,394)	959,041
FUND BALANCE - BEGINNING	<u>2,466,435</u>	<u>2,466,435</u>	<u>2,466,435</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 1,152,000</u></u>	<u><u>\$ 1,152,000</u></u>	<u><u>\$ 2,111,041</u></u>	<u><u>\$ 959,041</u></u>

(Concluded)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD & BRIDGE FUND				
RECEIPTS				
Intergovernmental	\$ 2,453,865	\$ 2,453,865	\$ 2,075,972	\$ (377,893)
Charges for Services	500	500	3,743	3,243
Miscellaneous	3,000	3,000	32,985	29,985
TOTAL RECEIPTS	<u>2,457,365</u>	<u>2,457,365</u>	<u>2,112,700</u>	<u>(344,665)</u>
DISBURSEMENTS	<u>4,923,303</u>	<u>4,923,303</u>	<u>3,584,799</u>	<u>1,338,504</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,465,938)</u>	<u>(2,465,938)</u>	<u>(1,472,099)</u>	<u>993,839</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,832,674	1,832,674	1,832,674	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,832,674</u>	<u>1,832,674</u>	<u>1,832,674</u>	<u>-</u>
Net Change in Fund Balance	(633,264)	(633,264)	360,575	993,839
FUND BALANCE - BEGINNING	633,264	633,264	632,516	(748)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 993,091</u>	<u>\$ 993,091</u>
COUNTY HEALTH INSURANCE FUND				
RECEIPTS				
Miscellaneous	\$ 13,200	\$ 13,200	\$ 142,979	\$ 129,779
TOTAL RECEIPTS	<u>13,200</u>	<u>13,200</u>	<u>142,979</u>	<u>129,779</u>
DISBURSEMENTS	<u>3,255,297</u>	<u>3,255,297</u>	<u>1,273,614</u>	<u>1,981,683</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,242,097)</u>	<u>(3,242,097)</u>	<u>(1,130,635)</u>	<u>2,111,462</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	912,561	912,561	912,561	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>912,561</u>	<u>912,561</u>	<u>912,561</u>	<u>-</u>
Net Change in Fund Balance	(2,329,536)	(2,329,536)	(218,074)	2,111,462
FUND BALANCE - BEGINNING	2,529,536	2,529,536	2,829,536	300,000
FUND BALANCE - ENDING	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 2,611,462</u>	<u>\$ 2,411,462</u>

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 300,000	\$ 300,000	\$ 254,647	\$ (45,353)
Investment Income	-	-	1	1
Miscellaneous	-	-	1,933	1,933
TOTAL RECEIPTS	<u>300,000</u>	<u>300,000</u>	<u>256,581</u>	<u>(43,419)</u>
DISBURSEMENTS	<u>3,324,789</u>	<u>3,324,789</u>	<u>232,148</u>	<u>3,092,641</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,024,789)</u>	<u>(3,024,789)</u>	<u>24,433</u>	<u>3,049,222</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(500,000)	(500,000)	(500,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,524,789)	(3,524,789)	(475,567)	3,049,222
FUND BALANCE - BEGINNING	<u>3,524,789</u>	<u>3,524,789</u>	<u>3,524,789</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,049,222</u>	<u>\$ 3,049,222</u>

(Concluded)

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BRIDGE BUYBACK PROGRAM FUND				
Receipts	\$ 170,770	\$ 170,770	\$ 169,710	\$ (1,060)
Disbursements	(794,772)	(794,772)	(102,480)	692,292
Net Change in Fund Balance	(624,002)	(624,002)	67,230	691,232
Fund Balance - Beginning	624,002	624,002	624,002	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,232</u>	<u>\$ 691,232</u>
JUVENILE DIVERSION GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(6,335)	(6,335)	-	6,335
Net Change in Fund Balance	(6,335)	(6,335)	-	6,335
Fund Balance - Beginning	6,335	6,335	6,336	1
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,336</u>	<u>\$ 6,336</u>
CHILD SUPPORT INCENTIVE FUND				
Receipts	\$ 3,500	\$ 3,500	\$ 6,604	\$ 3,104
Disbursements	(5,619)	(5,619)	(5,090)	529
Net Change in Fund Balance	(2,119)	(2,119)	1,514	3,633
Fund Balance - Beginning	2,119	2,119	2,119	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,633</u>	<u>\$ 3,633</u>
VISITOR PROMOTION FUND				
Receipts	\$ 33,719	\$ 33,719	\$ 26,601	\$ (7,118)
Disbursements	(79,129)	(79,129)	(25,866)	53,263
Net Change in Fund Balance	(45,410)	(45,410)	735	46,145
Fund Balance - Beginning	45,410	45,410	38,917	(6,493)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,652</u>	<u>\$ 39,652</u>
VISITOR IMPROVEMENT FUND				
Receipts	\$ 33,719	\$ 33,719	\$ 26,600	\$ (7,119)
Disbursements	(100,252)	(100,252)	(21,210)	79,042
Net Change in Fund Balance	(66,533)	(66,533)	5,390	71,923
Fund Balance - Beginning	66,533	66,533	66,533	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,923</u>	<u>\$ 71,923</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAPPRAISAL FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(24,127)	(24,127)	(19,131)	4,996
Transfers in	-	-	3,233	3,233
Transfers out	-	-	-	-
Net Change in Fund Balance	(24,127)	(24,127)	(15,898)	8,229
Fund Balance - Beginning	24,127	24,127	24,127	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,229</u>	<u>\$ 8,229</u>
PRESERVATION AND MODERNIZATION FUND				
Receipts	\$ 4,000	\$ 4,000	\$ 5,161	\$ 1,161
Disbursements	(13,126)	(13,126)	(5,201)	7,925
Net Change in Fund Balance	(9,126)	(9,126)	(40)	9,086
Fund Balance - Beginning	9,126	9,126	9,126	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,086</u>	<u>\$ 9,086</u>
VETERANS' AID FUND				
Receipts	\$ -	\$ -	\$ 18	\$ 18
Disbursements	(8,000)	(8,000)	(1,900)	6,100
Transfers in	880	880	880	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(7,120)	(7,120)	(1,002)	6,118
Fund Balance - Beginning	7,120	7,120	7,120	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,118</u>	<u>\$ 6,118</u>
DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,500)	(1,500)	-	1,500
Transfers in	1,500	1,500	-	(1,500)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	1,500	1,500
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>

(Continued)

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

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SHERIFF FEDERAL GRANT FUND				
Receipts	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Disbursements	(75,000)	(75,000)	-	75,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ATTORNEY FEDERAL GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,649)	(3,649)	-	3,649
Net Change in Fund Balance	(3,649)	(3,649)	-	3,649
Fund Balance - Beginning	3,649	3,649	3,648	(1)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,648</u>	<u>\$ 3,648</u>
HOMELAND SECURITY FEDERAL GRANT FUND				
Receipts	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Disbursements	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVID AMERICAN RESCUE PLAN FUND				
Receipts	\$ 547,365	\$ 547,365	\$ 547,750	\$ 385
Disbursements	(1,094,730)	(1,094,730)	(311)	1,094,419
Net Change in Fund Balance	(547,365)	(547,365)	547,439	1,094,804
Fund Balance - Beginning	547,365	547,365	547,365	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094,804</u>	<u>\$ 1,094,804</u>
EMERGENCY SERVICES FUND				
Receipts	\$ 12,400	\$ 12,400	\$ 20,388	\$ 7,988
Disbursements	(194,719)	(194,719)	(140,089)	54,630
Transfers in	154,768	154,768	154,768	-
Transfers out	-	-	(22,512)	(22,512)
Net Change in Fund Balance	(27,551)	(27,551)	12,555	40,106
Fund Balance - Beginning	27,551	27,551	27,551	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,106</u>	<u>\$ 40,106</u>

DIXON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 WIRELESS SERVICE FUND</u>				
Receipts	\$ 43,835	\$ 43,835	\$ 44,300	\$ 465
Disbursements	(17,835)	(17,835)	(11,826)	6,009
Transfers in	-	-	-	-
Transfers out	(26,001)	(26,001)	(32,474)	(6,473)
Net Change in Fund Balance	(1)	(1)	-	1
Fund Balance - Beginning	1	1	1	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<u>E911 WIRELESS SERVICE HOLDING FUND</u>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(200,167)	(200,167)	(14,344)	185,823
Transfers in	10,959	10,959	4,715	(6,244)
Transfers out	-	-	-	-
Net Change in Fund Balance	(189,208)	(189,208)	(9,629)	179,579
Fund Balance - Beginning	189,208	189,208	189,208	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,579</u>	<u>\$ 179,579</u>
<u>NOXIOUS WEED FUND</u>				
Receipts	\$ 30,000	\$ 30,000	\$ 27,946	\$ (2,054)
Disbursements	(206,238)	(206,238)	(147,052)	59,186
Transfers in	108,692	108,692	108,692	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(67,546)	(67,546)	(10,414)	57,132
Fund Balance - Beginning	67,546	67,546	67,546	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,132</u>	<u>\$ 57,132</u>
<u>CANINE FUND</u>				
Receipts	\$ 26,719	\$ 26,719	\$ 40,614	\$ 13,895
Disbursements	(26,719)	(26,719)	(14,467)	12,252
Net Change in Fund Balance	-	-	26,147	26,147
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,147</u>	<u>\$ 26,147</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Highway Bridge Buyback Program Fund	Juvenile Diversion Grant Fund	Child Support Incentive Fund	Visitor Promotion Fund	Visitor Improvement Fund	Reappraisal Fund
RECEIPTS						
Taxes	\$ -	\$ -	\$ -	\$ 26,601	\$ 26,600	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	169,710	-	6,604	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>169,710</u>	<u>-</u>	<u>6,604</u>	<u>26,601</u>	<u>26,600</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	19,131
Public Safety	-	-	5,090	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	25,866	21,210	-
Debt Service:						
Principal Payments	90,000	-	-	-	-	-
Interest and Fiscal Charges	12,480	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>102,480</u>	<u>-</u>	<u>5,090</u>	<u>25,866</u>	<u>21,210</u>	<u>19,131</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>67,230</u>	<u>-</u>	<u>1,514</u>	<u>735</u>	<u>5,390</u>	<u>(19,131)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	3,233
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,233</u>
Net Change in Fund Balances	67,230	-	1,514	735	5,390	(15,898)
FUND BALANCES - BEGINNING	<u>624,002</u>	<u>6,336</u>	<u>2,119</u>	<u>38,917</u>	<u>66,533</u>	<u>24,127</u>
FUND BALANCES - ENDING	<u>\$ 691,232</u>	<u>\$ 6,336</u>	<u>\$ 3,633</u>	<u>\$ 39,652</u>	<u>\$ 71,923</u>	<u>\$ 8,229</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	39,652	71,923	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Road & Bridge Maintenance	691,232	-	-	-	-	-
Child Support Enforcement	-	-	3,633	-	-	-
Coronavirus Relief & Assistance	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	6,336	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
Property Reappraisal	-	-	-	-	-	8,229
Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 691,232</u>	<u>\$ 6,336</u>	<u>\$ 3,633</u>	<u>\$ 39,652</u>	<u>\$ 71,923</u>	<u>\$ 8,229</u>

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

For the Year Ended June 30, 2022

	Preservation and Modernization Fund	Veterans' Aid Fund	Drug Law Enforcement Fund	Attorney Federal Grant Fund	Covid American Rescue Plan Fund
RECEIPTS					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	18	-	-	386
Intergovernmental	-	-	-	-	547,364
Charges for Services	5,161	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>5,161</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>547,750</u>
DISBURSEMENTS					
General Government	5,201	-	-	-	-
Public Safety	-	-	-	-	311
Public Works	-	-	-	-	-
Public Assistance	-	1,900	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>5,201</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>311</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(40)</u>	<u>(1,882)</u>	<u>-</u>	<u>-</u>	<u>547,439</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	880	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING	<u>-</u>	<u>880</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(40)	(1,002)	-	-	547,439
FUND BALANCES - BEGINNING	<u>9,126</u>	<u>7,120</u>	<u>1,500</u>	<u>3,648</u>	<u>547,365</u>
FUND BALANCES - ENDING	<u>\$ 9,086</u>	<u>\$ 6,118</u>	<u>\$ 1,500</u>	<u>\$ 3,648</u>	<u>\$ 1,094,804</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	1,500	-	-
Law Enforcement	-	-	-	3,648	-
Preservation of Records	9,086	-	-	-	-
Road & Bridge Maintenance	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Coronavirus Relief & Assistance	-	-	-	-	1,094,804
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	6,118	-	-	-
Property Reappraisal	-	-	-	-	-
Weed Control	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 9,086</u>	<u>\$ 6,118</u>	<u>\$ 1,500</u>	<u>\$ 3,648</u>	<u>\$ 1,094,804</u>

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

	Emergency Services Fund	E911 Wireless Service Fund	E911 Wireless Service Holding Fund	Noxious Weed Fund	Canine Fund	Total Nonmajor Funds
RECEIPTS						
Taxes	\$ 20,370	\$ 43,835	\$ -	\$ -	\$ -	\$ 117,406
Investment Income	-	-	-	-	-	404
Intergovernmental	-	-	-	-	-	723,678
Charges for Services	-	-	-	27,946	-	33,107
Miscellaneous	18	465	-	-	40,614	41,097
TOTAL RECEIPTS	<u>20,388</u>	<u>44,300</u>	<u>-</u>	<u>27,946</u>	<u>40,614</u>	<u>915,692</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	24,332
Public Safety	140,089	11,826	14,344	-	14,467	186,127
Public Works	-	-	-	147,052	-	147,052
Public Assistance	-	-	-	-	-	1,900
Culture and Recreation	-	-	-	-	-	47,076
Debt Service:						
Principal Payments	-	-	-	-	-	90,000
Interest and Fiscal Charges	-	-	-	-	-	12,480
TOTAL DISBURSEMENTS	<u>140,089</u>	<u>11,826</u>	<u>14,344</u>	<u>147,052</u>	<u>14,467</u>	<u>508,967</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(119,701)</u>	<u>32,474</u>	<u>(14,344)</u>	<u>(119,106)</u>	<u>26,147</u>	<u>406,725</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	154,768	-	4,715	108,692	-	272,288
Transfers out	(22,512)	(32,474)	-	-	-	(54,986)
TOTAL OTHER FINANCING	<u>132,256</u>	<u>(32,474)</u>	<u>4,715</u>	<u>108,692</u>	<u>-</u>	<u>217,302</u>
Net Change in Fund Balances	12,555	-	(9,629)	(10,414)	26,147	624,027
FUND BALANCES - BEGINNING	<u>27,551</u>	<u>1</u>	<u>189,208</u>	<u>67,546</u>	<u>-</u>	<u>1,615,099</u>
FUND BALANCES - ENDING	<u>\$ 40,106</u>	<u>\$ 1</u>	<u>\$ 179,579</u>	<u>\$ 57,132</u>	<u>\$ 26,147</u>	<u>\$ 2,239,126</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	111,575
911 Emergency Services	40,106	1	179,579	-	-	219,686
Drug Education	-	-	-	-	-	1,500
Law Enforcement	-	-	-	-	-	3,648
Preservation of Records	-	-	-	-	-	9,086
Road & Bridge Maintenance	-	-	-	-	-	691,232
Child Support Enforcement	-	-	-	-	-	3,633
Coronavirus Relief & Assistance	-	-	-	-	-	1,094,804
Committed to:						
Law Enforcement	-	-	-	-	26,147	32,483
Aid and Assistance	-	-	-	-	-	6,118
Property Reappraisal	-	-	-	-	-	8,229
Weed Control	-	-	-	57,132	-	57,132
TOTAL FUND BALANCES	<u>\$ 40,106</u>	<u>\$ 1</u>	<u>\$ 179,579</u>	<u>\$ 57,132</u>	<u>\$ 26,147</u>	<u>\$ 2,239,126</u>

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

	County Clerk	Clerk of the District Court	County Sheriff	Weed Superintendent	Veterans' Service Officer	County Health Insurance Account	Total
BALANCES JULY 1, 2021	\$ 19,401	\$ 20,801	\$ 30,383	\$ -	\$ 1,599	\$ 300,000	\$ 372,184
RECEIPTS							
Licenses and Permits	375	-	625	-	-	-	1,000
Intergovernmental	-	-	-	-	1,500	-	1,500
Charges for Services	74,272	5,863	155,437	26,731	-	-	262,303
Miscellaneous	563	483	7,503	1,215	-	-	9,764
State Fees	114,412	7,451	-	-	-	-	121,863
Other Liabilities	-	125,065	25,703	-	-	983,870	1,134,638
TOTAL RECEIPTS	<u>189,622</u>	<u>138,862</u>	<u>189,268</u>	<u>27,946</u>	<u>1,500</u>	<u>983,870</u>	<u>1,531,068</u>
DISBURSEMENTS							
Payments to County Treasurer	79,279	6,167	155,325	27,946	-	-	268,717
Payments to State Treasurer	122,200	6,489	-	-	-	-	128,689
Petty Cash & Other Payments	-	8,583	10,364	-	499	-	19,446
Other Liabilities	-	105,056	29,468	-	-	983,870	1,118,394
TOTAL DISBURSEMENTS	<u>201,479</u>	<u>126,295</u>	<u>195,157</u>	<u>27,946</u>	<u>499</u>	<u>983,870</u>	<u>1,535,246</u>
BALANCES JUNE 30, 2022	<u>\$ 7,544</u>	<u>\$ 33,368</u>	<u>\$ 24,494</u>	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ 300,000</u>	<u>\$ 368,006</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 3,954	\$ 694	\$ 21,371	\$ -	\$ 1,100	\$ -	\$ 27,119
Petty Cash	-	-	2,200	-	1,500	300,000	303,700
Due to State Treasurer	3,590	1,232	-	-	-	-	4,822
Due to Others	-	31,442	923	-	-	-	32,365
BALANCES JUNE 30, 2022	<u>\$ 7,544</u>	<u>\$ 33,368</u>	<u>\$ 24,494</u>	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ 300,000</u>	<u>\$ 368,006</u>

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

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 17,587,358	\$ 17,810,056	\$ 17,684,352	\$ 17,140,075	\$ 17,327,573
Personal and Specials	1,108,876	1,089,696	1,073,138	948,915	929,585
Total	18,696,234	18,899,752	18,757,490	18,088,990	18,257,158
Corrections					
Additions	6,829	-	2,095	749	-
Deductions	(10,329)	(2,332)	(6,987)	(404)	(1,266)
Net Additions/ (Deductions)	(3,500)	(2,332)	(4,892)	345	(1,266)
Corrected Certified Tax	18,692,734	18,897,420	18,752,598	18,089,335	18,255,892
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	12,345,714	-	-	-	-
June 30, 2019	6,339,910	12,362,557	-	-	-
June 30, 2020	3,619	6,522,267	12,345,037	-	-
June 30, 2021	2,125	9,692	6,400,514	12,255,738	-
June 30, 2022	935	1,848	5,199	5,829,159	12,638,737
Total Net Collections	18,692,303	18,896,364	18,750,750	18,084,897	12,638,737
Total Uncollected Tax	\$ 431	\$ 1,056	\$ 1,848	\$ 4,438	\$ 5,617,155
Percentage Uncollected Tax	0.00%	0.01%	0.01%	0.02%	30.77%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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

Board of Supervisors
Dixon 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 Dixon County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2022. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dixon 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 Dixon County in a separate letter dated December 9, 2022.

Dixon County’s Response to Finding

Dixon County declined to respond to the finding described above.

Purpose of this Report

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



Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

December 9, 2022



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

December 9, 2022

Board of Supervisors
Dixon County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Dixon County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated December 9, 2022. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

COUNTY BOARD

Duplicate Payment

During the audit, we noted that one claim for \$70 was a duplicate payment. The original \$70 payment was made to Bomgaars on Claim #21100152 on October 12, 2021, for the purchase of office supplies. Subsequently, the County Board made payment to Bomgaars on Claim #21110085 on November 9, 2021, which included \$70 for the same purchase previously paid. The County received a credit to recover the overpayment after inquiry during the audit.

Good internal controls and sound business practices require procedures for reviewing all claims prior to approval to ensure that they are not duplicate payments. Such procedures should include a review of original supporting documents.

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

A similar finding was noted in the prior year audit.

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

Expenditures in Excess of Budget

For the fiscal year ended June 30, 2022, the expenditures in the E911 Wireless Service Fund exceeded the adopted budget by \$464. This was the result of a transfer out of \$4,715, from the E911 Wireless Service Fund to the E911 Wireless Service Holding Fund on June 16, 2022.

Neb. Rev. Stat. § 23-916 (Reissue 2012) provides 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. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.

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

A similar finding was noted in the prior audit.

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

COUNTY SHERIFF

Purchases Made with Fee Collections

During the audit, we noted the County Sheriff made purchases using office collections without going through the claim and warrant process in two bank accounts, as follows:

Commissary Account

In the Commissary Account, commissions received were not remitted to the County Treasurer; instead, they were used for the following purchases:

Payee	Amount	Check Register Description
Silvers Creek	\$ 50	Repairs Speed Trailer
Bob Barkers	\$ 549	5 Inmate Mattresses
Bank of Dixon County	\$ 1,187	Sheets, Desiccant, Postal Scale, Medical Cart, Library Wall, Parade
Miller Building Supply	\$ 22	Remodel Hallway
Miller Building Supply	\$ 9	Paint Supply
Bank of Dixon County	\$ 86	Flowers - Fallen Officer, Inmate Commissary
Phil Chalmers	\$ 6,000	Speaker
K&K Catering	\$ 375	Catering
Bank of Dixon County	\$ 636	Phil Chalmers Event, Coffee Pot, Frames for Officers/Dispatchers
Bank of Dixon County	\$ 67	Phil Chalmers, Tin Foil, Coffee
On Target	\$ 1,210	Ammunition
Bank of Dixon County	\$ 593	Microwave, Funeral Flowers, Coffee, Candy, Nuts, Inmate HBA, Shower
Allen Schools	\$ 25	Annual Ad
Total	\$ 10,808	

*The items with a payee of “Bank of Dixon County” were made through a County credit card. Our testing did not include verification of the Check Register Description column above.

Additionally, as of June 30, 2022, the County Sheriff still had \$11,887 of commissions and \$355 of fingerprinting fees that had not been remitted to the County Treasurer.

Intoximeter Account

In the Intoximeter Account, breath tests and lab fee payments received were not remitted to the County Treasurer; instead, they were used to purchase the following items:

Payee	Amount	Check Register Description
Intoximeters	\$ 154	Intoximeters
Intoximeters	\$ 154	Intoximeters
Total	\$ 308	

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

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

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

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

Good internal control and sound business practices require procedures to ensure that public funds held by a County officer, including receipts in the commissary and intoximeter accounts, are remitted timely to the County Treasurer, and no expenditure of such money occurs without the proper approval of the County Board.

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

A similar finding was noted in the prior audit.

We recommend the County Sheriff implement procedures to ensure all funds received are remitted to the County Treasurer, and all purchases and expenditures are made through the claims process for inclusion in the budget.

County Sheriff Response: All monies in both the Commissary Account and Intoximeter Account were submitted to the Dixon County Treasurer on 07/04/2022. This was the first date available in the new fiscal year to transfer these funds. This will no longer be an issue in the next audit.

Balancing Procedures

During testing, we noted that a monthly asset-to-liability reconciliation was not performed for the County Sheriff's General Account, resulting in an unknown short balance of \$414 at June 30, 2022.

Sound accounting practices and good internal controls require procedures to ensure adequate reconciliation and balancing methods are utilized, and all variances identified are resolved.

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

We recommend the County Sheriff implement procedures to ensure adequate reconciliation and balancing methods are utilized, and variances are identified and resolved in a timely manner.

County Sheriff Response: We are currently working to establish a monthly asset/liability reconciliation and to resolve the unknown balance.

COUNTY OVERALL

Segregation of Duties

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

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

This was also noted in prior audits.

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor