

**AUDIT REPORT  
OF  
KIMBALL COUNTY**

**JULY 1, 2021, THROUGH JUNE 30, 2022**

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**Issued on March 28, 2023**

# KIMBALL COUNTY

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KIMBALL COUNTY  
114 E. 3<sup>rd</sup> St.  
Kimball, NE 69145

**LIST OF COUNTY OFFICIALS**

At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Larry Engstrom	Jan. 2023
	Carl Stander	Jan. 2025
	Rich Flores	Jan. 2023
Assessor	Sherry Winstrom	Jan. 2023
Attorney	David Wilson	Jan. 2023
Clerk	Cathleen Sibal	Jan. 2023
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Debra Diemoz	Jan. 2023
Sheriff	Harry Gillway	Jan. 2023
Treasurer	Cindy Rahmig	Jan. 2023
Surveyor	Donald Brush	Appointed
Veterans' Service Officer	Brian Howard	Appointed
Weed Superintendent	Rick Wrangler	Appointed
Highway Superintendent	Randal Bymer	Appointed
Planning & Zoning	Sheila Newell	Appointed
Rural Transit Administrator	Christy Warner	Appointed
Emergency Manager	Ronald Leal	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## KIMBALL COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Kimball County, Nebraska

#### Report on the Audit of Financial Statements

##### *Adverse and Unmodified Opinions*

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

##### *Summary of Opinions*

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

##### *Adverse Opinion on Aggregate Discretely Presented Component Units*

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

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

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

##### *Basis for Adverse and Unmodified Opinions*

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

*Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units*

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

***Emphasis of Matter – Basis of Accounting***

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

***Responsibilities of Management for the Financial Statements***

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, 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 19-32, 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 March 27, 2023, on our consideration of Kimball 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 Kimball County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Jeff Schreier".

Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

March 27, 2023

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

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,280,475
<b>TOTAL ASSETS</b>	<u><u>\$ 5,280,475</u></u>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 28,795
911 Emergency Services	54,477
Drug Education	4,547
Preservation of Records	29,126
Federal Relief	705,833
Child Support Enforcement	651
Aid and Assistance	3,698
Unrestricted	4,453,348
<b>TOTAL NET POSITION</b>	<u><u>\$ 5,280,475</u></u>

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

KIMBALL 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	
<b>Governmental Activities:</b>				
General Government	\$ (2,136,899)	\$ 209,709	\$ 58,184	\$ (1,869,006)
Public Safety	(1,134,590)	14,585	-	(1,120,005)
Public Works	(1,495,079)	87,673	922,213	(485,193)
Public Assistance	(1,254,253)	169,171	938,184	(146,898)
Culture and Recreation	(131,328)	21,488	-	(109,840)
Debt Payments	(124,310)	-	102,815	(21,495)
Capital Outlay	(54,492)	-	42,989	(11,503)
Total Governmental Activities	<u>\$ (6,330,951)</u>	<u>\$ 502,626</u>	<u>\$ 2,064,385</u>	<u>(3,763,940)</u>
General Receipts:				
Taxes				3,358,909
Grants and Contributions Not Restricted to Specific Programs				761,232
Investment Income				11,873
Licenses and Permits				20,877
Miscellaneous				93,874
Total General Receipts				<u>4,246,765</u>
Change in Net Position				482,825
Net Position - Beginning of year				<u>4,797,650</u>
Net Position - End of year				<u>\$ 5,280,475</u>

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



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

	General Fund	Road Fund	Inheritance Fund	Road Sinking Fund	COVID American Rescue Plan Fund	Transit Service Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and Cash Equivalents (Note 1.D)	\$ 517,954	\$ 94,239	\$ 1,792,566	\$ 1,137,798	\$ 705,833	\$ 80,539	\$ 765,190	\$ 186,356	\$ 5,280,475
<b>TOTAL ASSETS</b>	<u>\$ 517,954</u>	<u>\$ 94,239</u>	<u>\$ 1,792,566</u>	<u>\$ 1,137,798</u>	<u>\$ 705,833</u>	<u>\$ 80,539</u>	<u>\$ 765,190</u>	<u>\$ 186,356</u>	<u>\$ 5,280,475</u>
<b>FUND BALANCES</b>									
Restricted for:									
Visitor Promotion	-	-	-	-	-	-	-	28,795	28,795
911 Emergency Services	-	-	-	-	-	-	-	54,477	54,477
Drug Education	-	-	-	-	-	-	-	4,547	4,547
Preservation of Records	-	-	-	-	-	-	-	29,126	29,126
Federal Relief	-	-	-	-	705,833	-	-	-	705,833
Child Support Enforcement	-	-	-	-	-	-	-	651	651
Aid and Assistance	-	-	-	-	-	-	-	3,698	3,698
Committed to:									
Law Enforcement	-	-	-	-	-	-	-	24,470	24,470
Road Maintenance	-	94,239	-	1,137,798	-	-	-	-	1,232,037
Aid and Assistance	-	-	-	-	-	80,539	-	-	80,539
County Buildings	-	-	-	-	-	-	765,190	-	765,190
Landfill	-	-	-	-	-	-	-	40,592	40,592
Assigned to:									
Other Purposes	-	-	1,792,566	-	-	-	-	-	1,792,566
Unassigned	517,954	-	-	-	-	-	-	-	517,954
<b>TOTAL CASH BASIS</b>	<u>\$ 517,954</u>	<u>\$ 94,239</u>	<u>\$ 1,792,566</u>	<u>\$ 1,137,798</u>	<u>\$ 705,833</u>	<u>\$ 80,539</u>	<u>\$ 765,190</u>	<u>\$ 186,356</u>	<u>\$ 5,280,475</u>
<b>FUND BALANCES</b>									

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

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

	General Fund	Road Fund	Inheritance Fund	Road Sinking Fund	COVID American Rescue Plan Fund	Transit Service Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>									
Taxes	\$ 3,131,247	\$ -	\$ 108,835	\$ -	\$ -	\$ -	\$ -	\$ 118,827	\$ 3,358,909
Licenses and Permits	20,877	-	-	-	-	-	-	-	20,877
Investment Income	11,495	-	-	-	356	-	-	22	11,873
Intergovernmental	440,716	834,822	-	87,391	352,737	902,152	42,989	164,810	2,825,617
Charges for Services	218,651	5,197	-	-	-	169,171	-	109,607	502,626
Miscellaneous	75,530	1,998	-	-	-	7,759	-	8,587	93,874
<b>TOTAL RECEIPTS</b>	<b>3,898,516</b>	<b>842,017</b>	<b>108,835</b>	<b>87,391</b>	<b>353,093</b>	<b>1,079,082</b>	<b>42,989</b>	<b>401,853</b>	<b>6,813,776</b>
<b>DISBURSEMENTS</b>									
General Government	2,115,834	-	-	-	-	-	-	21,065	2,136,899
Public Safety	1,028,541	-	-	-	-	-	-	106,049	1,134,590
Public Works	102,056	1,302,014	-	11,692	-	-	-	79,317	1,495,079
Public Assistance	48,053	-	-	-	-	1,205,900	-	300	1,254,253
Culture and Recreation	-	-	-	-	-	-	-	131,328	131,328
Debt Service:									
Principal Payments	-	-	-	-	-	-	-	95,000	95,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	29,310	29,310
Capital Outlay	-	-	-	-	-	-	54,492	-	54,492
<b>TOTAL DISBURSEMENTS</b>	<b>3,294,484</b>	<b>1,302,014</b>	<b>-</b>	<b>11,692</b>	<b>-</b>	<b>1,205,900</b>	<b>54,492</b>	<b>462,369</b>	<b>6,330,951</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>604,032</b>	<b>(459,997)</b>	<b>108,835</b>	<b>75,699</b>	<b>353,093</b>	<b>(126,818)</b>	<b>(11,503)</b>	<b>(60,516)</b>	<b>482,825</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	2,782	575,000	-	100,000	-	95,000	168,257	73,040	1,014,079
Transfers out	(871,545)	(100,000)	-	-	-	(18,257)	-	(24,277)	(1,014,079)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(868,763)</b>	<b>475,000</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>76,743</b>	<b>168,257</b>	<b>48,763</b>	<b>-</b>
Net Change in Fund Balances	(264,731)	15,003	108,835	175,699	353,093	(50,075)	156,754	(11,753)	482,825
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>782,685</b>	<b>79,236</b>	<b>1,683,731</b>	<b>962,099</b>	<b>352,740</b>	<b>130,614</b>	<b>608,436</b>	<b>198,109</b>	<b>4,797,650</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 517,954</b>	<b>\$ 94,239</b>	<b>\$ 1,792,566</b>	<b>\$ 1,137,798</b>	<b>\$ 705,833</b>	<b>\$ 80,539</b>	<b>\$ 765,190</b>	<b>\$ 186,356</b>	<b>\$ 5,280,475</b>

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

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

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 232,813	\$ 11,024,743	\$ 10,993,697	\$ 263,859
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	81,695	990,840	964,287	108,248
State - Collected by Other Offices	4,220	64,529	63,648	5,101
Schools	91,864	7,525,780	7,532,965	84,679
Educational Service Units	989	110,683	110,805	867
Technical College	6,498	726,711	727,517	5,692
Natural Resource Districts	3,130	355,909	356,220	2,819
Fire Districts	1,110	163,313	163,496	927
Municipalities	16,520	625,599	627,192	14,927
Agricultural Society	637	77,146	77,157	626
Cemetery Districts	79	10,532	10,528	83
Airport Authority	823	45,693	45,743	773
Historical Society	135	15,405	15,418	122
Others - Collected by County Treasurer	3,622	180,359	177,120	6,861
Others - Collected by Other Offices	21,491	132,244	121,601	32,134
<b>TOTAL LIABILITIES</b>	<u>232,813</u>	<u>11,024,743</u>	<u>10,993,697</u>	<u>263,859</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.

## KIMBALL 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 Kimball County.

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

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

**Component Units.** These financial statements present the County (the primary government). The Kimball County Hospital (Hospital) and the Kimball County Manor (Nursing Home) are component units of the County because of the significance of their operational and financial relationships with the County. The financial statements do not include the data of the Hospital and Nursing Home necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital and Nursing Home can be obtained from their respective administrative office.

##### **Joint Organization.**

Behavioral Health Region I - 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 I (Region) consists of the following counties: Sioux, Dawes, Box Butte, Sheridan, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne and Deuel.

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 \$12,743 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 Panhandle 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).

## KIMBALL COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

#### **B. Basis of Presentation**

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

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

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

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

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

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

**Road Sinking Fund.** This fund is used to account for the costs of necessary road and bridge construction and improvements, and is primarily funded by State receipts.

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

**Transit Service Fund.** This fund is used to account for the costs of providing transportation services and is primarily funded by State and Federal grant reimbursements and transit fare receipts.

**Capital Projects Fund.** This fund is used to account for resources received and used for the acquisition and development of major capital improvements. This fund is primarily funded by grant reimbursements received from the Nebraska Department of Transportation.

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 Funds.** The Manor Bond Fund and Welcome Center Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

**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.

KIMBALL COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

**D. Assets and Net Position**

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

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

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

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

**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.

# KIMBALL COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$827,127 of restricted net position, which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

### 2. Deposits and Investments

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

At year end, the County's carrying amount of deposits was \$5,280,475 for County funds and \$263,859 for Fiduciary funds. The bank balances for all funds totaled \$5,557,849. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

### 3. Taxes

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

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



## KIMBALL COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 3. Taxes (Concluded)

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.459842/\$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 \$.449691/\$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 (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022) and may be amended through legislative action.

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

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

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

For the year ended June 30, 2022, 93 employees contributed \$119,463, and the County contributed \$181,508. Contributions included \$1,486 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees.

# KIMBALL COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### 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.

### 6. Interfund Transfers

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

Transfers to	Transfers from				Total
	General Fund	Road Fund	Transit Service Fund	Nonmajor Funds	
Road Fund	\$ 575,000	\$ -	\$ -	\$ -	\$ 575,000
General Fund	-	-	-	2,782	2,782
Road Sinking Fund	-	100,000	-	-	100,000
Transit Service Fund	95,000	-	-	-	95,000
Capital Projects Fund	150,000	-	18,257	-	168,257
Nonmajor Funds	51,545	-	-	21,495	73,040
Total	<u>\$ 871,545</u>	<u>\$ 100,000</u>	<u>\$ 18,257</u>	<u>\$ 24,277</u>	<u>\$ 1,014,079</u>

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

## KIMBALL COUNTY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**7. Long-Term Obligations**Lease-Purchase Agreements

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

	Road Equipment	Sheriff Equipment	911 Equipment	Transit Van	Total
Balance July 1, 2021	\$ 382,044	\$ 62,199	\$ 82,792	\$ -	\$ 527,035
Purchases	-	36,724	-	37,650	74,374
Payments	104,870	27,510	18,079	18,761	169,220
Balance June 30, 2022	<u>\$ 277,174</u>	<u>\$ 71,413</u>	<u>\$ 64,713</u>	<u>\$ 18,889</u>	<u>\$ 432,189</u>
Future Payments:					
<b>Year</b>					
2023	\$ 110,764	\$ 36,329	\$ 18,861	\$ 19,030	\$ 184,984
2024	71,749	24,884	18,861	-	115,494
2025	68,202	13,146	18,861	-	100,209
2026	34,101	-	9,431	-	43,532
Total Payments	284,816	74,359	66,014	19,030	444,219
Less Interest	7,642	2,946	1,301	141	12,030
Present Value of Future Minimum Lease Payments	<u>\$ 277,174</u>	<u>\$ 71,413</u>	<u>\$ 64,713</u>	<u>\$ 18,889</u>	<u>\$ 432,189</u>
Carrying Value of the Related Fixed Asset	<u>\$ 553,413</u>	<u>\$ 143,389</u>	<u>\$ 91,837</u>	<u>\$ 37,650</u>	<u>\$ 826,289</u>

Bonds

**Hospital Bonds.** The County issued bonds on May 26, 2022, in the amount of \$6,405,000 for the purpose of paying the costs of constructing an addition to the existing hospital facilities and renovation of existing space, equipment, site and parking improvements, all located at the existing North campus hospital site. The bond payable balance, as of June 30, 2022, was \$6,405,000. 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 in the event the Hospital cannot meet the debt service obligation. As of June 30, 2022, no additional taxes had been levied by the County. Full disclosure of the liability can be found in the separately issued Hospital audit report.

**Manor Bond.** The County issued bonds on May 30, 2019, in the amount of \$1,125,000 for the purpose of refunding the County's outstanding General Obligation Nursing Home Bonds, Series 2014. The bond payable balance, as of June 30, 2022, was \$1,050,000. 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. As of June 30, 2022, no additional taxes had been levied by the County. The County expects the Nursing Home to cover bond payments due.

KIMBALL 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>
2023	\$ 75,000	\$ 26,028	\$ 101,028
2024	80,000	24,515	104,515
2025	80,000	22,875	102,875
2026	80,000	21,155	101,155
2027	85,000	19,298	104,298
2028-2032	455,000	62,826	517,826
2033-2034	195,000	6,099	201,099
Total Payments	<u>\$ 1,050,000</u>	<u>\$ 182,796</u>	<u>\$ 1,232,796</u>

**Welcome Center Bond.** The County issued bonds on July 1, 2014, in the amount of \$205,000 for the purpose of paying the costs of acquiring and furnishing a building for use as a welcome center for the County. The bond payable balance, as of June 30, 2022, was \$45,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County expects the bonds to be paid off using lodging tax receipts.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 20,000	\$ 1,035	\$ 21,035
2024	25,000	575	25,575
Total Payments	<u>\$ 45,000</u>	<u>\$ 1,610</u>	<u>\$ 46,610</u>

**8. Contingent Liabilities**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

**KIMBALL 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)
<b>RECEIPTS</b>				
Taxes	\$ 3,382,327	\$ 3,382,327	\$ 3,131,247	\$ (251,080)
Licenses and Permits	20,100	20,100	20,877	777
Investment Income	17,000	17,000	11,495	(5,505)
Intergovernmental	441,725	441,725	440,716	(1,009)
Charges for Services	217,800	217,800	218,651	851
Miscellaneous	318,000	318,000	75,530	(242,470)
<b>TOTAL RECEIPTS</b>	<b>4,396,952</b>	<b>4,396,952</b>	<b>3,898,516</b>	<b>(498,436)</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	69,610	69,610	69,393	217
County Clerk	199,176	199,176	185,491	13,685
County Treasurer	173,809	173,809	156,506	17,303
County Assessor	165,711	165,711	157,393	8,318
Election Commissioner	24,700	24,700	20,158	4,542
Building and Zoning	21,520	21,520	15,358	6,162
Clerk of the District Court	91,595	91,595	91,250	345
County Court System	5,010	5,010	3,809	1,201
Building and Grounds	211,167	211,167	186,198	24,969
Reappraisal	53,446	53,446	38,210	15,236
Agricultural Extension Agent	69,485	69,485	39,191	30,294
Human Resources	8,015	8,015	5,426	2,589
Employment Security	5,000	5,000	9	4,991
Grants	300,000	300,000	-	300,000
Miscellaneous	1,508,900	1,508,900	1,147,442	361,458
Public Safety				
County Sheriff	373,272	360,772	357,279	3,493
County Attorney	120,821	120,821	119,631	1,190
Dispatch	286,907	299,407	297,968	1,439
County Jail	123,087	123,087	116,528	6,559
Emergency Management	32,000	32,000	31,162	838
County Ambulance	115,250	115,250	105,973	9,277
Public Works				
County Surveyor	22,200	22,200	4,465	17,735
Noxious Weed Control	131,298	131,298	97,591	33,707
Public Assistance				
Veterans' Service Officer	48,565	48,565	45,076	3,489
County Relief	12,950	12,950	2,977	9,973
Institutions	2,000	2,000	-	2,000
<b>TOTAL DISBURSEMENTS</b>	<b>4,175,494</b>	<b>4,175,494</b>	<b>3,294,484</b>	<b>881,010</b>

KIMBALL 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)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	221,458	221,458	604,032	382,574
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	780,500	780,500	2,782	(777,718)
Transfers out	(1,234,643)	(1,234,643)	(871,545)	363,098
TOTAL OTHER FINANCING SOURCES (USES)	(454,143)	(454,143)	(868,763)	(414,620)
Net Change in Fund Balance	(232,685)	(232,685)	(264,731)	(32,046)
<b>FUND BALANCE - BEGINNING</b>	782,685	782,685	782,685	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 517,954</u>	<u>\$ (32,046)</u>
				(Concluded)

KIMBALL 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)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Intergovernmental	791,675	791,675	834,822	43,147
Charges for Services	1,600	1,600	5,197	3,597
Miscellaneous	1,100	1,100	1,998	898
TOTAL RECEIPTS	795,375	795,375	842,017	46,642
 DISBURSEMENTS	 1,497,209	 1,497,209	 1,302,014	 195,195
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (701,834)	 (701,834)	 (459,997)	 241,837
 OTHER FINANCING SOURCES (USES)				
Transfers in	897,598	897,598	575,000	(322,598)
Transfers out	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	797,598	797,598	475,000	(322,598)
 Net Change in Fund Balance	 95,764	 95,764	 15,003	 (80,761)
FUND BALANCE - BEGINNING	79,236	79,236	79,236	-
FUND BALANCE - ENDING	\$ 175,000	\$ 175,000	\$ 94,239	\$ (80,761)
 <b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 100,300	\$ 100,300	\$ 108,835	\$ 8,535
TOTAL RECEIPTS	100,300	100,300	108,835	8,535
 DISBURSEMENTS	 1,104,031	 1,104,031	 -	 1,104,031
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (1,003,731)	 (1,003,731)	 108,835	 1,112,566
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(680,000)	(680,000)	-	680,000
TOTAL OTHER FINANCING SOURCES (USES)	(680,000)	(680,000)	-	680,000
 Net Change in Fund Balance	 (1,683,731)	 (1,683,731)	 108,835	 1,792,566
FUND BALANCE - BEGINNING	1,683,731	1,683,731	1,683,731	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,792,566	\$ 1,792,566

**KIMBALL 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)
<b>ROAD SINKING FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 88,590	\$ 88,590	\$ 87,391	\$ (1,199)
<b>TOTAL RECEIPTS</b>	<b>88,590</b>	<b>88,590</b>	<b>87,391</b>	<b>(1,199)</b>
 <b>DISBURSEMENTS</b>	 <b>1,150,689</b>	 <b>1,150,689</b>	 <b>11,692</b>	 <b>1,138,997</b>
 <b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	 <b>(1,062,099)</b>	 <b>(1,062,099)</b>	 <b>75,699</b>	 <b>1,137,798</b>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
 Net Change in Fund Balance	 (962,099)	 (962,099)	 175,699	 1,137,798
<b>FUND BALANCE - BEGINNING</b>	<b>962,099</b>	<b>962,099</b>	<b>962,099</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,137,798</b>	<b>\$ 1,137,798</b>

**COVID AMERICAN RESCUE PLAN FUND**

<b>RECEIPTS</b>				
Investment Income	\$ -	\$ -	\$ 356	\$ 356
Intergovernmental	353,000	353,000	352,737	(263)
<b>TOTAL RECEIPTS</b>	<b>353,000</b>	<b>353,000</b>	<b>353,093</b>	<b>93</b>
 <b>DISBURSEMENTS</b>	 <b>705,740</b>	 <b>705,740</b>	 <b>-</b>	 <b>705,740</b>
 Net Change in Fund Balance	 (352,740)	 (352,740)	 353,093	 705,833
<b>FUND BALANCE - BEGINNING</b>	<b>352,740</b>	<b>352,740</b>	<b>352,740</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 705,833</b>	<b>\$ 705,833</b>

(Continued)



**KIMBALL 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)
<b>TRANSIT SERVICE FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,021,760	\$ 1,021,760	\$ 902,152	\$ (119,608)
Charges for Services	177,050	177,050	169,171	(7,879)
Miscellaneous	10,408	10,408	7,759	(2,649)
TOTAL RECEIPTS	1,209,218	1,209,218	1,079,082	(130,136)
 DISBURSEMENTS	 1,353,832	 1,353,832	 1,205,900	 147,932
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (144,614)	 (144,614)	 (126,818)	 17,796
 OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	95,000	55,000
Transfers out	(26,000)	(26,000)	(18,257)	7,743
TOTAL OTHER FINANCING SOURCES (USES)	14,000	14,000	76,743	62,743
 Net Change in Fund Balance	 (130,614)	 (130,614)	 (50,075)	 80,539
FUND BALANCE - BEGINNING	130,614	130,614	130,614	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 80,539	\$ 80,539
 <b>CAPITAL PROJECTS FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 42,989	\$ 26,989
TOTAL RECEIPTS	16,000	16,000	42,989	26,989
 DISBURSEMENTS	 800,436	 800,436	 54,492	 745,944
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 (784,436)	 (784,436)	 (11,503)	 772,933
 OTHER FINANCING SOURCES (USES)				
Transfers in	176,000	176,000	168,257	(7,743)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	176,000	176,000	168,257	(7,743)
 Net Change in Fund Balance	 (608,436)	 (608,436)	 156,754	 765,190
FUND BALANCE - BEGINNING	608,436	608,436	608,436	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 765,190	\$ 765,190

KIMBALL 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)
<b>CHILD SUPPORT - DISTRICT COURT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20,978)	(20,978)	(20,816)	162
Transfers in	18,138	18,138	18,138	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(2,840)	(2,840)	(2,678)	162
Fund Balance - Beginning	2,840	2,840	2,840	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 162</u>
<b>CHILD SUPPORT - COUNTY ATTORNEY FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(30,339)	(30,339)	(29,850)	489
Transfers in	28,407	28,407	28,407	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(1,932)	(1,932)	(1,443)	489
Fund Balance - Beginning	1,932	1,932	1,932	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489</u>	<u>\$ 489</u>
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 73,500	\$ 73,500	\$ 74,581	\$ 1,081
Disbursements	(91,000)	(91,000)	(87,496)	3,504
Transfers in	35,500	35,500	-	(35,500)
Transfers out	(35,500)	(35,500)	-	35,500
Net Change in Fund Balance	(17,500)	(17,500)	(12,915)	4,585
Fund Balance - Beginning	17,500	17,500	17,500	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,585</u>	<u>\$ 4,585</u>
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 74,000	\$ 74,000	\$ 78,695	\$ 4,695
Disbursements	(57,842)	(57,842)	(43,832)	14,010
Transfers in	55,000	55,000	5,000	(50,000)
Transfers out	(77,000)	(77,000)	(21,495)	55,505
Net Change in Fund Balance	(5,842)	(5,842)	18,368	24,210
Fund Balance - Beginning	5,842	5,842	5,842	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,210</u>	<u>\$ 24,210</u>

(Continued)

KIMBALL 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)
<b>PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 5,030	\$ 5,030	\$ 4,563	\$ (467)
Disbursements	(29,842)	(29,842)	(249)	29,593
Net Change in Fund Balance	(24,812)	(24,812)	4,314	29,126
Fund Balance - Beginning	24,812	24,812	24,812	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,126</u>	<u>\$ 29,126</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ 2	\$ 2
Disbursements	(3,646)	(3,646)	(300)	3,346
Net Change in Fund Balance	(3,646)	(3,646)	(298)	3,348
Fund Balance - Beginning	3,996	3,996	3,996	-
Fund Balance - Ending	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ 3,698</u>	<u>\$ 3,348</u>
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 1,080	\$ (3,920)
Disbursements	(28,390)	(28,390)	-	28,390
Net Change in Fund Balance	(23,390)	(23,390)	1,080	24,470
Fund Balance - Beginning	23,390	23,390	23,390	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,470</u>	<u>\$ 24,470</u>
<b>DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	(54,547)	(54,547)	-	54,547
Net Change in Fund Balance	(4,547)	(4,547)	-	4,547
Fund Balance - Beginning	4,547	4,547	4,547	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,547</u>	<u>\$ 4,547</u>
<b>911 EMERGENCY SERVICES FUND</b>				
Receipts	\$ 13,540	\$ 13,540	\$ 12,632	\$ (908)
Disbursements	(53,716)	(53,716)	(15,338)	38,378
Net Change in Fund Balance	(40,176)	(40,176)	(2,706)	37,470
Fund Balance - Beginning	40,176	40,176	40,176	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,470</u>	<u>\$ 37,470</u>

(Continued)

KIMBALL 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)
<b>911 WIRELESS SERVICE FUND</b>				
Receipts	\$ 47,000	\$ 47,000	\$ 45,009	\$ (1,991)
Disbursements	(79,859)	(79,859)	(60,861)	18,998
Net Change in Fund Balance	(32,859)	(32,859)	(15,852)	17,007
Fund Balance - Beginning	32,859	32,859	32,859	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,007</u>	<u>\$ 17,007</u>
<b>MANOR BOND FUND</b>				
Receipts	\$ -	\$ -	\$ 102,815	\$ 102,815
Disbursements	(103,415)	(103,415)	(102,815)	600
Transfers in	103,415	103,415	-	(103,415)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LANDFILL FUND</b>				
Receipts	\$ 80,000	\$ 80,000	\$ 82,476	\$ 2,476
Disbursements	(110,215)	(110,215)	(79,317)	30,898
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	(2,782)	7,218
Net Change in Fund Balance	(40,215)	(40,215)	377	40,592
Fund Balance - Beginning	40,215	40,215	40,215	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,592</u>	<u>\$ 40,592</u>
<b>WELCOME CENTER BOND FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(72,000)	(72,000)	(21,495)	50,505
Transfers in	72,000	72,000	21,495	(50,505)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FEDERAL DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Disbursements	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				(Concluded)

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

	Child Support - District Court Fund	Child Support - County Attorney Fund	Visitors Promotion Fund	Visitors Improvement Fund	Preservation & Modernization Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ 30,603	\$ 30,603	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	20,250	41,745	-
Charges for Services	-	-	18,813	2,675	4,563
Miscellaneous	-	-	4,915	3,672	-
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>74,581</b>	<b>78,695</b>	<b>4,563</b>
<b>DISBURSEMENTS</b>					
General Government	20,816	-	-	-	249
Public Safety	-	29,850	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	87,496	43,832	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>20,816</b>	<b>29,850</b>	<b>87,496</b>	<b>43,832</b>	<b>249</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(20,816)</b>	<b>(29,850)</b>	<b>(12,915)</b>	<b>34,863</b>	<b>4,314</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	18,138	28,407	-	5,000	-
Transfers out	-	-	-	(21,495)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>18,138</b>	<b>28,407</b>	<b>-</b>	<b>(16,495)</b>	<b>-</b>
Net Change in Fund Balances	(2,678)	(1,443)	(12,915)	18,368	4,314
<b>FUND BALANCES - BEGINNING</b>	<b>2,840</b>	<b>1,932</b>	<b>17,500</b>	<b>5,842</b>	<b>24,812</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 162</b>	<b>\$ 489</b>	<b>\$ 4,585</b>	<b>\$ 24,210</b>	<b>\$ 29,126</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	4,585	24,210	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Preservation of Records	-	-	-	-	29,126
Child Support Enforcement	162	489	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Landfill	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 162</b>	<b>\$ 489</b>	<b>\$ 4,585</b>	<b>\$ 24,210</b>	<b>\$ 29,126</b>

(Continued)

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

	Veterans' Aid Fund	STOP Program Fund	Drug Law Enforcement & Education Fund	911 Emergency Services Fund	911 Wireless Service Fund
<b>RECEIPTS</b>					
Taxes	\$ 2	\$ -	\$ -	\$ 12,610	\$ 45,009
Investment Income	-	-	-	22	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	1,080	-	-	-
Miscellaneous	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>2</b>	<b>1,080</b>	<b>-</b>	<b>12,632</b>	<b>45,009</b>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	15,338	60,861
Public Works	-	-	-	-	-
Public Assistance	300	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>15,338</b>	<b>60,861</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(298)</b>	<b>1,080</b>	<b>-</b>	<b>(2,706)</b>	<b>(15,852)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(298)	1,080	-	(2,706)	(15,852)
<b>FUND BALANCES - BEGINNING</b>	<b>3,996</b>	<b>23,390</b>	<b>4,547</b>	<b>40,176</b>	<b>32,859</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,698</b>	<b>\$ 24,470</b>	<b>\$ 4,547</b>	<b>\$ 37,470</b>	<b>\$ 17,007</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	37,470	17,007
Drug Education	-	-	4,547	-	-
Preservation of Records	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-
Aid and Assistance	3,698	-	-	-	-
Committed to:					
Law Enforcement	-	24,470	-	-	-
Landfill	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,698</b>	<b>\$ 24,470</b>	<b>\$ 4,547</b>	<b>\$ 37,470</b>	<b>\$ 17,007</b>

(Continued)

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

	Manor Bond Fund	Landfill Fund	Welcome Center Bond Fund	Total Nonmajor Funds
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ -	\$ 118,827
Investment Income	-	-	-	22
Intergovernmental	102,815	-	-	164,810
Charges for Services	-	82,476	-	109,607
Miscellaneous	-	-	-	8,587
<b>TOTAL RECEIPTS</b>	<b>102,815</b>	<b>82,476</b>	<b>-</b>	<b>401,853</b>
<b>DISBURSEMENTS</b>				
General Government	-	-	-	21,065
Public Safety	-	-	-	106,049
Public Works	-	79,317	-	79,317
Public Assistance	-	-	-	300
Culture and Recreation	-	-	-	131,328
Debt Service:				
Principal Payments	75,000	-	20,000	95,000
Interest and Fiscal Charges	27,815	-	1,495	29,310
<b>TOTAL DISBURSEMENTS</b>	<b>102,815</b>	<b>79,317</b>	<b>21,495</b>	<b>462,369</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>-</b>	<b>3,159</b>	<b>(21,495)</b>	<b>(60,516)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	21,495	73,040
Transfers out	-	(2,782)	-	(24,277)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(2,782)</b>	<b>21,495</b>	<b>48,763</b>
Net Change in Fund Balances	-	377	-	(11,753)
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>40,215</b>	<b>-</b>	<b>198,109</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ 40,592</b>	<b>\$ -</b>	<b>\$ 186,356</b>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	-	28,795
911 Emergency Services	-	-	-	54,477
Drug Education	-	-	-	4,547
Preservation of Records	-	-	-	29,126
Child Support Enforcement	-	-	-	651
Aid and Assistance	-	-	-	3,698
Committed to:				
Law Enforcement	-	-	-	24,470
Landfill	-	40,592	-	40,592
<b>TOTAL FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 40,592</b>	<b>\$ -</b>	<b>\$ 186,356</b>

(Concluded)

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

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Visitor's Center	County Transit	Payroll Imprest Account	Total
BALANCES JULY 1, 2021	\$ 11,481	\$ 22,357	\$ 3,278	\$ 1	\$ 350	\$ 3,478	\$ 775	\$ 100	\$ 41,820
RECEIPTS									
Licenses and Permits	750	-	-	-	-	-	-	-	750
Intergovernmental	-	-	-	-	-	-	981,313	-	981,313
Charges for Services	58,110	12,399	13,180	-	3,455	20,461	106,937	-	214,542
Miscellaneous	271	-	667	-	1,806	8,513	100	-	11,357
State Fees	57,401	6,228	-	-	-	900	-	-	64,529
Other Liabilities	43	97,295	34,289	-	-	366	251	-	132,244
TOTAL RECEIPTS	116,575	115,922	48,136	-	5,261	30,240	1,088,601	-	1,404,735
DISBURSEMENTS									
Payments to County Treasurer	60,549	11,536	13,212	1	5,461	30,074	1,088,707	-	1,209,540
Payments to State Treasurer	56,922	5,755	-	-	-	971	-	-	63,648
Petty Cash & Other Payments	271	-	667	-	-	91	-	-	1,029
Other Liabilities	51	86,645	34,288	-	-	366	251	-	121,601
TOTAL DISBURSEMENTS	117,793	103,936	48,167	1	5,461	31,502	1,088,958	-	1,395,818
BALANCES JUNE 30, 2022	\$ 10,263	\$ 34,343	\$ 3,247	\$ -	\$ 150	\$ 2,216	\$ 418	\$ 100	\$ 50,737
BALANCES CONSIST OF:									
Due to County Treasurer	\$ 3,663	\$ 1,178	\$ 1,646	\$ -	\$ 150	\$ 2,007	\$ 118	\$ -	\$ 8,762
Petty Cash	2,540	100	1,600	-	-	100	300	100	4,740
Due to State Treasurer	4,060	932	-	-	-	109	-	-	5,101
Due to Others	-	32,133	1	-	-	-	-	-	32,134
BALANCES JUNE 30, 2022	\$ 10,263	\$ 34,343	\$ 3,247	\$ -	\$ 150	\$ 2,216	\$ 418	\$ 100	\$ 50,737



**KIMBALL 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	\$ 8,239,684	\$ 8,177,497	\$ 8,452,639	\$ 8,286,417	\$ 8,321,900
Personal and Specials	2,968,900	3,086,093	3,060,197	3,050,531	3,214,477
Total	<u>11,208,584</u>	<u>11,263,590</u>	<u>11,512,836</u>	<u>11,336,948</u>	<u>11,536,377</u>
Corrections					
Additions	3,840	2,781	8,292	938	748
Deductions	<u>(8,392)</u>	<u>(54,169)</u>	<u>(3,844)</u>	<u>(1,883)</u>	<u>(373)</u>
Net Additions/ (Deductions)	<u>(4,552)</u>	<u>(51,388)</u>	<u>4,448</u>	<u>(945)</u>	<u>375</u>
Corrected Certified Tax	<u>11,204,032</u>	<u>11,212,202</u>	<u>11,517,284</u>	<u>11,336,003</u>	<u>11,536,752</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	6,622,065	-	-	-	-
June 30, 2019	4,554,022	6,450,922	-	-	-
June 30, 2020	15,701	4,729,317	7,746,375	-	-
June 30, 2021	8,102	20,197	3,749,063	6,721,502	-
June 30, 2022	<u>1,449</u>	<u>7,646</u>	<u>14,290</u>	<u>4,602,737</u>	<u>6,860,280</u>
Total Net Collections	<u>11,201,339</u>	<u>11,208,082</u>	<u>11,509,728</u>	<u>11,324,239</u>	<u>6,860,280</u>
Total Uncollected Tax	<u>\$ 2,693</u>	<u>\$ 4,120</u>	<u>\$ 7,556</u>	<u>\$ 11,764</u>	<u>\$ 4,676,472</u>
Percentage Uncollected Tax	<u>0.02%</u>	<u>0.04%</u>	<u>0.07%</u>	<u>0.10%</u>	<u>40.54%</u>

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

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	105-99105-00	\$ 6,551
Total U.S. Department of Homeland Security			<u>6,551</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
		51327 Y3	
Child Support Enforcement	93.563	51445 Y3	54,200
Total U.S. Department of Health and Human Services			<u>54,200</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed through Nebraska Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	51483L	57,675
		51421N	
Formula Grants for Rural Areas	20.509	51421T	718,317
		00547Z	
COVID-19 - Formula Grants for Rural Areas	20.509	00547B	55,464
Total - Formula Grants for Rural Areas			* <u>773,781</u>
Total U.S. Department of Transportation			<u>831,456</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 892,207</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

## KIMBALL COUNTY

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Kimball County (County) under programs of the Federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kimball 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. Kimball County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

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KIMBALL 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  
Kimball 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 Kimball 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 March 27, 2023. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Kimball County Hospital or Kimball County Manor, component units of Kimball County.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

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

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

As part of obtaining reasonable assurance about whether Kimball 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 Kimball County in a separate letter dated March 27, 2023.

### **Kimball 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.



Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

March 27, 2023



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

#### Independent Auditor's Report

Board of Commissioners  
Kimball County, Nebraska

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

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

We have audited Kimball 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 Kimball County's major Federal programs for the year ended June 30, 2022. Kimball County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Kimball County's basic financial statements do not include the financial data of the Kimball County Hospital or Nursing Home, component units of Kimball County.

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

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

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

We are required to be independent of Kimball 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 Kimball 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 Kimball 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 Kimball 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 Kimball 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 Kimball 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 Kimball County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kimball 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 Finding #2022-002. 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 Kimball County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Kimball 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.

Kimball County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Kimball 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 a 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 2022-002 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 Kimball County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Kimball 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.

Kimball County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Kimball 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.



Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

March 27, 2023



KIMBALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

**Financial Statements**

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

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ None Reported

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ None Reported

Significant deficiencies identified? ☒ 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)?

☒ Yes ☐ No

Major programs: **Formula Grants for Rural Areas: AL #20.509**

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

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

## KIMBALL COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

#### Section II – Financial Statement Findings

##### **Finding # 2022-001**

<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
<u>Context</u> -	Various County offices collect money; most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
<u>Effect</u> -	This lack of segregation of duties results in an inadequate overall internal control structure design.
<u>Cause</u> -	The County does not employ sufficient office personnel to 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 # 2022-002**

<u>Program</u> -	Various, including AL 20.509 – Formula Grants for Rural Areas – Reporting
<u>Grant Number &amp; Year</u> -	Various
<u>Federal Grantor Agency</u> -	Various, including U.S. Department of Transportation
<u>Pass-Through Entity</u> -	Various, including Nebraska Department of Transportation
<u>Criteria</u> -	<p>Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.510(b) (January 1, 2022) states, in part, the following:</p> <p><i>The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502.</i></p> <p>Title 2 CFR § 200.302(b) (January 1, 2022) states, in relevant part, the following:</p> <p><i>The financial management system of each non-Federal entity must provide for the following . . . (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.</i></p>

KIMBALL COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

On January 18, 2020, the Office of Management and Budget (OMB) issued Memorandum M-20-26, which included the following requirement to identify separately COVID-19 Emergency Acts expenditures on the Schedule of Expenditures of Federal Awards.

*Additionally, in order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs, recipients and subrecipients must separately identify COVID-19 Emergency Acts expenditures on the Schedule of Federal Awards and audit report findings.*

Title 2 CFR § 200.303 (January 1, 2022) 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).*

A good internal control plan requires adequate procedures to ensure the Schedule of Expenditures Federal Awards (SEFA) is properly presented and includes all Federal expenditures made by the County during the fiscal year, including properly identifying COVID-19 expenditures. Furthermore, such internal control plan should also include procedures to ensure Federal reimbursements are properly recorded using a Federal revenue code in the County’s accounting system.

Condition -

Kimball County does not have adequate procedures in place to ensure the Schedule of Expenditures of Federal Awards (SEFA) is completed accurately and includes all Federal expenditures paid by the County.

Specifically, we noted the following errors during our audit:

- Expenditures of \$32,031 for Assistance Listing 20.509 were omitted from the County’s fiscal year ending June 30, 2021, SEFA. This was not considered a material error, and it would not have impacted major program determination for the fiscal year 2021 audit.
- Expenditures for fiscal year 2022, originally reported by Kimball County for Assistance Listing 20.509, did not include expenditures of \$5,310 actually incurred during the fiscal year.
- Expenditures originally reported by Kimball County for Assistance Listing 20.509 did not identify \$55,464 of COVID-19 expenditures separately.
- Federal reimbursements, totaling \$23,719, were not recorded to a Federal revenue code in the County’s accounting system. Instead, this funding was recorded to a miscellaneous revenue code.

Repeat Finding -

No

Questioned Costs -

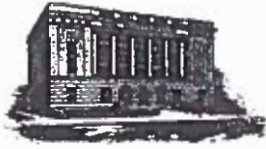
None

KIMBALL COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Concluded)

<u>Statistical Sample</u> -	No
<u>Cause</u> -	Administration of Federal awards is decentralized, with each County office operating independently without any centralized reporting procedures in place to ensure all Federal expenditures of the County are accurately reported on the SEFA. Additionally, there is an overall lack of knowledge by County personnel related to Federal reporting and compliance requirements.
<u>Effect</u> -	Increased risk for the SEFA to be inaccurate, which could lead to Federal sanctions or failure to audit programs that should be audited.
<u>Recommendation</u> -	We recommend the County establish written procedures to ensure the SEFA is complete and accurate. Such procedures may include, among other things, a requirement that all offices in the County responsible for administering Federal grants report their grant expenditures, as well as related information, to a single individual in the County with overall responsibility for Federal reporting requirements. That individual should be knowledgeable of all Federal reporting and compliance requirements, and review expenditures provided by each office to ensure all amounts are accurate and include all Federal expenditures of the County.
<u>View of Officials</u> -	Moving forward the transit office will implement a policy and get training to ensure compliance.



## Kimball County

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Kimball, Nebraska 69145

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### **SCHEDULE OF PRIOR AUDIT FINDINGS** For the Year Ended June 30, 2022

#### **Finding 2021-1 (Since 2020) Segregation of Duties**

**Status:** On-going

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

  
\_\_\_\_\_  
Rich Flores, County Board Chairperson

2/27/2023



**SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Year Ended June 30, 2022

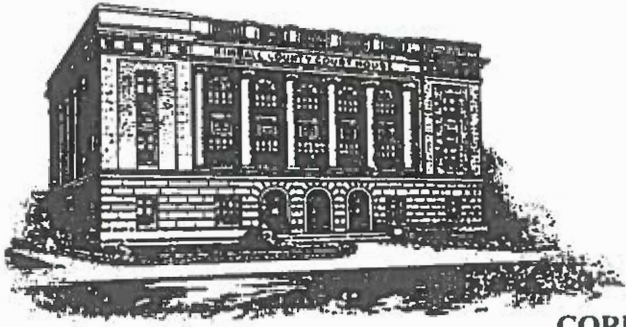
**Finding 2021-2 (Since 2021) Formula Grants for Rural Areas - Allowability**

**Status:** Complete

**Finding 2021-3 (Since 2021) Formula Grants for Rural Areas – Suspension & Debarment**

**Status:** Complete

  
Christy Warner, Transit Administrator



# Kimball County Commissioners

114 East Third Street Ste 6  
Kimball, Nebraska 69145

Phone: 308-235-4056

## CORRECTIVE ACTION PLAN

Year Ended June 30, 2022

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

### Finding 2022-001: 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: Rich Flores, Chairman, County Board

*Rich Flores*



## CORRECTIVE ACTION PLAN

Year Ended June 30, 2022

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

### **Finding 2022-002: SEFA Preparation**

Corrective Action Planned: The transit will implement a standard operating procedure and do training on how to properly calculate the SEFA amounts for future audits.

Anticipated Completion Date: The SOP and training will happen by end of current fiscal year ending June 30, 2023 to provide proper amounts for the next audit.

Responsible Party: Christy Warner, Transit Administrator

A handwritten signature in black ink that reads 'Christy Warner'.





## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 27, 2023

Board of Commissioners  
Kimball County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Kimball County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 27, 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**

#### **Publishing of Meeting Minutes**

Neb. Rev. Stat. § 23-122 (Reissue 2022) requires the County Board (Board) to publish, within 10 working days after the close of each meeting, "a brief statement of the proceedings thereof." Such statement must include "the amount of each claim allowed, the purpose of the claim, and the name of the claimant."

During the audit, we tested seven County Board meeting minute publications and noted that none were published within the required 10 working days, as shown in the table below:

Meeting Date	Published Date	# of Days
7/6/2021	7/29/2021	17
8/17/2021	9/16/2021	21
10/5/2021	10/21/2021	11
12/7/2021	12/30/2021	16
2/15/2022	3/10/2022	16
4/19/2022	5/19/2022	22
6/7/2022	6/30/2022	17

Good internal controls require procedures to ensure that the Board publishes the required information within 10 working days of its meetings, as mandated by State law.

Without such procedures, there is an increased risk of not only the Board failing to comply with § 23-122 but also important public information being withheld from the County's residents.

A similar issue has been noted since the fiscal year 2020 audit.

We recommend the County Board implement procedures to ensure publication of a brief statement of its proceedings within 10 working days after the close of a meeting.

### **Gift Certificates**

During the fiscal year ending June 30, 2022, we noted that Kimball County expended \$2,000 to purchase 80 gift certificates, worth \$25 apiece, from Main Street Market. Seventy-six of these gift certificates were provided to County employees. Three of the remaining four were given to local pastors, and one was offered to a contracted attorney who provides services to the County Board.

The County Board did not establish a "uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value" given, as required by Neb. Rev. Stat. § 13-2203(3) (Reissue 2022), prior to making this expenditure of public funds. Additionally, the County did not include the value of these gift certificates as taxable wages for County employees.

Neb. Rev. Stat. § 13-2203 (Reissue 2022) provides, as is relevant, the following:

*In addition to other expenditures authorized by law, each governing body may approve:*

\* \* \* \*

*(3) The expenditure of public funds for plaques, certificates of achievement, or items of value awarded to elected or appointed officials, employees, or volunteers, including persons serving on local government boards or commissions. Before making any such expenditure, the governing body shall, by official action after a public hearing, establish a uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value to be awarded. Such policy, following its initial adoption, shall not be amended or altered more than once in any twelve-month period.*

(Emphasis added). The "De Minimis (Minimal) Benefits" section of Internal Revenue Service (IRS) Publication 15-B (2023), "Employer's Tax Guide to Fringe Benefits," says, "Cash and cash equivalent fringe benefits (for example, gift certificates, gift cards, and the use of a charge card or credit card), no matter how little, are never excludable as a de minimis benefit."

Good internal controls and sound business practice require procedures to ensure that all statutory requirements are met prior to making expenditures of public funds for appreciation gifts, and such gifts are appropriately included as taxable income to County employees.

Without such procedures, there is an increased risk for not only noncompliance with State statute, as well as unintended tax consequences, but also loss or misuse of public funds.

A similar comment was included in the prior year's report.

We recommend the County Board implement a formal policy, as required by § 13-2203(3), prior to making any future expenditures of public funds for appreciation gifts, and any gift certificates provided to County employees are included as taxable income.

## **Claims Documentation**

Claim #3220184 was issued to US Bank to pay off the balances on County credit cards; however, no documentation was provided for seven transactions, totaling \$245, incurred by the County Sheriff's office. Of this amount, \$22 was a charge made at Arby's in Grand Island, NE, and the remaining \$223 was for fuel purchases at various vendors.

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) states the following:

*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, good internal controls require procedures to ensure that appropriate supporting documentation (i.e., an itemized receipt) is provided for all purchases made with a County credit card.

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

We recommend the County Board implement procedures to ensure appropriate supporting documentation is provided for all purchases made using a County credit card.

## **Duplicate Payment**

We noted that claim #10210138 paid \$453 to Don's Pioneer Uniforms on October 21, 2021, for invoice 66256. Then, on December 9, 2021, the County issued a duplicate claim to Don's Pioneer Uniforms to pay the same invoice. Both claims were submitted by the County Sheriff.

The County was unable to provide documentation that it had received a credit or refund for this duplicate payment.

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

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

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

## **Use of County Vehicle**

We noted that the County Highway and Weed Superintendents used a County vehicle for commuting purposes; however, this fringe benefit was not included as part of his taxable wages.

Internal Revenue Service (IRS) Publication 15-B (2023), "Employer's Guide to Fringe Benefits," says, "[Y]ou determine the value of a vehicle you provide to an employee for commuting use by multiplying each one-way commute (that is, from home to work or from work to home) by \$1.50."

Good internal controls and sound business practices require procedures to ensure that the proper value of using a County vehicle for commuting is included with the employee's wages as a taxable fringe benefit.

Without such procedures, there is an increased risk of the County failing to report proper employee wage amounts to the IRS.

A similar comment was included in the prior year's report.

We recommend the County Board implement procedures to ensure the proper value of using a County vehicle for commuting is included with the employee's wages as a taxable fringe benefit.

### **Delinquent Personal Property Tax Review**

A listing of delinquent personal property taxes was not reviewed for inclusion of vendors prior to the payment of their claims.

Neb. Rev. Stat. § 23-143 (Reissue 2022) states the following:

*The county board of any county, whenever the account or claim of any person, firm or corporation against the county is presented to them for allowance, shall procure from the county treasurer a certificate of the amount of delinquent personal taxes assessed against the person, firm or corporation in whose favor the account or claim is presented, and shall deduct from any amount found due upon such account or claim the amount of such tax, and shall forthwith issue a warrant for the balance remaining, if any.*

When vendors with claims are not reviewed for delinquent personal property taxes, the County is neither compliant with State statute nor utilizing all options available for the collection of delinquent taxes.

We recommend the County Board implement procedures for reviewing delinquent personal property taxes of vendors before approving their claims.

### **COUNTY CLERK**

### **Imprest Account Pledged Collateral**

During the audit, we noted that the County Clerk was not monitoring the balances in the vendor and payroll imprest bank accounts to ensure that those balances were adequately collateralized.

Neb. Rev. Stat. § 77-2395(1) (Cum. Supp. 2022) states, in relevant part, the following:

*[T]he custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation [FDIC], unless and until the depository has provided a deposit guaranty bond or furnished securities, or any combination thereof, to the custodial official, and the total value of such deposit guaranty bond and the market value of such securities are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.*

Good internal controls require procedures to ensure that, in accordance with statutory requirements, public funds deposited in banks are protected fully by FDIC coverage or otherwise collateralized adequately.

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

A similar comment was included in the prior year's report.

We recommend the County Clerk implement procedures for monitoring bank balances closely to ensure that all deposits are adequately collateralized, as required by State statute.

### **Petty Cash Approval**

We noted that the County Clerk maintained \$100 as a "cash long/short" in her Clerk Fee bank account. That amount was neither formally approved as a petty cash fund nor reflected in the fiscal policy message of the County Board budget message.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) 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. § 23-106(2) (Reissue 2022) provides 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 county board budget message.*

(Emphasis added.) Unless the County Board designates the \$100 balance maintained as a “petty cash fund” under § 23-106(2), there is no authority for that money to be held by the County Clerk rather than the County Treasurer. Likewise, per that same statute, any duly authorized petty cash fund must be reflected in the fiscal policy message of the County Board budget message.

Additionally, good internal controls require procedures to ensure that all petty cash funds held by County officials are authorized by the County Board and reflected in the fiscal policy message of the County Board budget message.

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

We recommend the County Board approve all petty cash funds held, and such amounts are reflected in the fiscal policy message of the County Board budget message.

## **VISITOR CENTER**

### **Office Procedures**

We noted the following during our review of the County’s Visitor Center:

- The Visitor Center did not maintain adequate documentation to support the daily amount of cash on hand. Based on the receipts and disbursements of the Visitor Center, a cash total of \$1,026 appears to have been on hand there as of June 30, 2022; however, we were unable to verify this amount due to insufficient documentation.
- Advertising Fees charged by the Visitor Center were not approved by the County Board. A total of \$5,350 in advertising fees were collected during the fiscal year.
- Monthly bank reconciliations were not performed, resulting in an unknown variance of \$13 between the book and bank balances as of June 30, 2022. The reconciled bank balance was \$1,190; however, the book balance was \$1,177.

Good internal controls and sound accounting practices require procedures to ensure the following for all County operations, including the Visitor Center: 1) daily amounts of cash on hand are adequately documented; 2) all fees charged are approved by the County Board, unless otherwise set by State statute; and 3) bank balances are reconciled to book balances monthly, and any variances noted are resolved in a timely manner.

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

We recommend the County implement procedures to ensure the following for all County operations, including the Visitor Center: 1) daily amounts of cash on hand are adequately documented; 2) all fees charged are approved by the County Board, unless otherwise set by State statute; and 3) bank balances are reconciled to book balances monthly, and any variances noted are resolved in a timely manner.

## COUNTY OVERALL

### Segregation of Duties

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

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

This was also noted in prior audits.

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

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

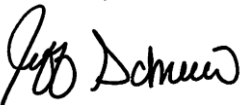
\* \* \* \* \*

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 its management with an opportunity to review the report and to respond to the comments and recommendations included herein. 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,



Jeff Schreier, CPA  
Audit Manager