

**AUDIT REPORT  
OF  
MERRICK COUNTY**

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

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**Issued on May 12, 2023**

MERRICK COUNTY

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MERRICK COUNTY  
1510 18<sup>th</sup> Street  
Central City, NE 68826

**LIST OF COUNTY OFFICIALS**  
At June 30, 2022

| <u>Title</u>  | <u>Name</u>        | <u>Term Expires</u>    |
|---|--------------------|------------------------|
| Board of Supervisors                                | Edward Dexter      | Jan. 2023              |
|   | Russell Kreachbaum | Jan. 2025              |
|   | Carolyn Kucera     | Jan. 2025              |
|   | Jan Placke         | Jan. 2023              |
|   | Tom Weller         | Jan. 2023              |
|   | Roger Wiegert      | Jan. 2025              |
|   | Clifford Yrkoski   | Jan. 2023              |
| Assessor  | Jennifer Myers     | Jan. 2023              |
| Attorney  | Dale Shotkoski     | Jan. 2023              |
| Clerk<br>Election Commissioner<br>Register of Deeds | Trish Fate-Strobel | Jan. 2023              |
| Clerk of the District Court                         | Theresa Good       | Jan. 2023              |
| Sheriff   | John Westman       | Jan. 2023              |
| Treasurer   | Sharon Gilg        | Jan. 2023              |
| Surveyor<br>Highway Superintendent                  | Michael Meyer      | Jan. 2023<br>Appointed |
| Veterans' Service Officer                           | Tom Reimers        | Appointed              |
| Weed Superintendent                                 | Kevin Koziol       | Appointed              |
| Planning & Zoning                                   | Kay Lyons          | Appointed              |
| Emergency Manager                                   | Jenna Clark        | Appointed              |



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

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MERRICK COUNTY

## INDEPENDENT AUDITOR'S REPORT

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

#### *Summary of Opinions*

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

#### *Adverse Opinion on Discretely Presented Component Unit*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Merrick 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 Merrick County, as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19 - 33, 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 May 9, 2023, on our consideration of Merrick 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 Merrick County’s internal control over financial reporting and compliance.



Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

May 9, 2023

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

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Cash and Cash Equivalents (Note 1.D) | \$ 6,386,021               |
| Investments (Note 1.D)               | 500,203                    |
| <b>TOTAL ASSETS</b>                  | <b>\$ 6,886,224</b>        |
| <br>                                 |                            |
| <b>NET POSITION</b>                  |                            |
| Restricted for:                      |                            |
| Visitor Promotion                    | \$ 10,116                  |
| 911 Emergency Services               | 30,028                     |
| Drug Education                       | 9,853                      |
| Law Enforcement                      | 5,508                      |
| Preservation of Records              | 31,604                     |
| Debt Service                         | 300,465                    |
| Drug Court                           | 6,797                      |
| Street and Bridge Projects           | 1,143,047                  |
| Federal Relief                       | 721,338                    |
| Unrestricted                         | 4,627,468                  |
| <b>TOTAL NET POSITION</b>            | <b>\$ 6,886,224</b>        |

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

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

| <b>Functions:</b>                    | Cash<br>Disbursements | Program Cash Receipts                       |  | Net (Disbursement)<br>Receipts and<br>Changes in<br>Net Position |
|--------------------------------------|-----------------------|---|--|--|
|                                      |                       | Fees, Fines,<br>and Charges<br>for Services | Operating<br>Grants and<br>Contributions |  |
| <b>Governmental Activities:</b>      |                       |   |  |  |
| General Government                   | \$ (2,606,727)        | \$ 384,370                                  | \$ 37,316                                | \$ (2,185,041)   |
| Public Safety                        | (1,731,443)           | 48,794                                      | 84,942                                   | (1,597,707)  |
| Public Works                         | (3,180,805)           | 3,838                                       | 2,047,363                                | (1,129,604)  |
| Public Assistance                    | (30,362)              | -   | -  | (30,362)   |
| Culture and Recreation               | (5,854)               | -   | -  | (5,854)  |
| Debt Payments                        | (285,131)             | -   | -  | (285,131)  |
| <b>Total Governmental Activities</b> | <b>\$ (7,840,322)</b> | <b>\$ 437,002</b>                           | <b>\$ 2,169,621</b>                      | <b>(5,233,699)</b>   |

General Receipts:

|   |                     |
|---|---------------------|
| Taxes   | 5,060,411           |
| Grants and Contributions Not Restricted to<br>Specific Programs | 694,941             |
| Investment Income   | 30,222              |
| Licenses and Permits  | 52,372              |
| Miscellaneous   | 92,392              |
| <b>Total General Receipts</b>                                   | <b>5,930,338</b>    |
| <br>Change in Net Position                                      | <br>696,639         |
| Net Position - Beginning of year                                | 6,189,585           |
| <b>Net Position - End of year</b>                               | <b>\$ 6,886,224</b> |

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



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

|                                       | <u>General Fund</u> | <u>Road Fund</u>  | <u>Inheritance Fund</u> | <u>Street Bridge Buyback Fund</u> | <u>American Rescue Plan Act Fund</u> | <u>Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|---------------------|-------------------|-------------------------|-----------------------------------|--------------------------------------|-----------------------|---------------------------------|
| <b>ASSETS</b>                         |                     |                   |                         |                                   |                                      |                       |                                 |
| Cash and Cash Equivalents (Note 1.D)  | \$ 922,735          | \$ 224,718        | \$ 2,504,885            | \$ 1,143,047                      | \$ 721,338                           | \$ 869,298            | \$ 6,386,021                    |
| Investments (Note 1.D)                | -                   | -                 | 500,203                 | -                                 | -                                    | -                     | 500,203                         |
| <b>TOTAL ASSETS</b>                   | <u>\$ 922,735</u>   | <u>\$ 224,718</u> | <u>\$ 3,005,088</u>     | <u>\$ 1,143,047</u>               | <u>\$ 721,338</u>                    | <u>\$ 869,298</u>     | <u>\$ 6,886,224</u>             |
| <b>FUND BALANCES</b>                  |                     |                   |                         |                                   |                                      |                       |                                 |
| Restricted for:                       |                     |                   |                         |                                   |                                      |                       |                                 |
| Visitor Promotion                     | -                   | -                 | -                       | -                                 | -                                    | 10,116                | 10,116                          |
| 911 Emergency Services                | -                   | -                 | -                       | -                                 | -                                    | 30,028                | 30,028                          |
| Drug Education                        | -                   | -                 | -                       | -                                 | -                                    | 9,853                 | 9,853                           |
| Law Enforcement                       | -                   | -                 | -                       | -                                 | -                                    | 5,508                 | 5,508                           |
| Preservation of Records               | -                   | -                 | -                       | -                                 | -                                    | 31,604                | 31,604                          |
| Debt Service                          | -                   | -                 | -                       | -                                 | -                                    | 300,465               | 300,465                         |
| Drug Court                            | -                   | -                 | -                       | -                                 | -                                    | 6,797                 | 6,797                           |
| Street and Bridge Projects            | -                   | -                 | -                       | 1,143,047                         | -                                    | -                     | 1,143,047                       |
| Federal Relief                        | -                   | -                 | -                       | -                                 | 721,338                              | -                     | 721,338                         |
| Committed to:                         |                     |                   |                         |                                   |                                      |                       |                                 |
| Law Enforcement                       | -                   | -                 | -                       | -                                 | -                                    | 132,463               | 132,463                         |
| Road Maintenance                      | -                   | 224,718           | -                       | -                                 | -                                    | -                     | 224,718                         |
| Aid and Assistance                    | -                   | -                 | -                       | -                                 | -                                    | 7,023                 | 7,023                           |
| County Buildings                      | -                   | -                 | -                       | -                                 | -                                    | 295,342               | 295,342                         |
| County Equipment                      | -                   | -                 | -                       | -                                 | -                                    | 40,099                | 40,099                          |
| Assigned to:                          |                     |                   |                         |                                   |                                      |                       |                                 |
| Other Purposes                        | -                   | -                 | 3,005,088               | -                                 | -                                    | -                     | 3,005,088                       |
| Unassigned                            | 922,735             | -                 | -                       | -                                 | -                                    | -                     | 922,735                         |
| <b>TOTAL CASH BASIS FUND BALANCES</b> | <u>\$ 922,735</u>   | <u>\$ 224,718</u> | <u>\$ 3,005,088</u>     | <u>\$ 1,143,047</u>               | <u>\$ 721,338</u>                    | <u>\$ 869,298</u>     | <u>\$ 6,886,224</u>             |

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

MERRICK 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    | Street Bridge Buyback Fund | American Rescue Plan Act Fund | Nonmajor Funds    | Total Governmental Funds |
|---|-------------------|--------------------|---------------------|----------------------------|-------------------------------|-------------------|--------------------------|
| <b>RECEIPTS</b>   |                   |                    |                     |                            |                               |                   |                          |
| Taxes   | \$4,066,337       | \$ -               | \$ 614,346          | \$ -                       | \$ -                          | \$ 379,728        | \$ 5,060,411             |
| Licenses and Permits  | 52,372            | -                  | -                   | -                          | -                             | -                 | 52,372                   |
| Investment Income   | 26,632            | -                  | -                   | -                          | 3,540                         | 50                | 30,222                   |
| Intergovernmental   | 524,270           | 1,912,595          | -                   | 285,910                    | -                             | 141,787           | 2,864,562                |
| Charges for Services  | 369,891           | 3,838              | -                   | -                          | -                             | 63,273            | 437,002                  |
| Miscellaneous   | 23,327            | 29,848             | 1,080               | -                          | -                             | 38,137            | 92,392                   |
| <b>TOTAL RECEIPTS</b>   | <b>5,062,829</b>  | <b>1,946,281</b>   | <b>615,426</b>      | <b>285,910</b>             | <b>3,540</b>                  | <b>622,975</b>    | <b>8,536,961</b>         |
| <b>DISBURSEMENTS</b>  |                   |                    |                     |                            |                               |                   |                          |
| General Government  | 2,497,090         | -                  | 8,524               | -                          | 35,361                        | 65,752            | 2,606,727                |
| Public Safety   | 1,618,422         | -                  | -                   | -                          | -                             | 113,021           | 1,731,443                |
| Public Works  | 55,635            | 3,035,107          | -                   | 90,063                     | -                             | -                 | 3,180,805                |
| Public Assistance   | 29,862            | -                  | -                   | -                          | -                             | 500               | 30,362                   |
| Culture and Recreation  | -                 | -                  | -                   | -                          | -                             | 5,854             | 5,854                    |
| Debt Service:   |                   |                    |                     |                            |                               |                   |                          |
| Principal Payments  | -                 | -                  | 32,000              | -                          | -                             | 238,000           | 270,000                  |
| Interest and Fiscal Charges                                   | -                 | -                  | -                   | -                          | -                             | 15,131            | 15,131                   |
| <b>TOTAL DISBURSEMENTS</b>                                    | <b>4,201,009</b>  | <b>3,035,107</b>   | <b>40,524</b>       | <b>90,063</b>              | <b>35,361</b>                 | <b>438,258</b>    | <b>7,840,322</b>         |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <b>861,820</b>    | <b>(1,088,826)</b> | <b>574,902</b>      | <b>195,847</b>             | <b>(31,821)</b>               | <b>184,717</b>    | <b>696,639</b>           |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                     |                   |                    |                     |                            |                               |                   |                          |
| Transfers in  | -                 | 1,019,716          | 32,000              | 436,247                    | -                             | -                 | 1,487,963                |
| Transfers out   | (849,186)         | (436,247)          | -                   | (170,530)                  | -                             | (32,000)          | (1,487,963)              |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <b>(849,186)</b>  | <b>583,469</b>     | <b>32,000</b>       | <b>265,717</b>             | <b>-</b>                      | <b>(32,000)</b>   | <b>-</b>                 |
| Net Change in Fund Balances                                   | 12,634            | (505,357)          | 606,902             | 461,564                    | (31,821)                      | 152,717           | 696,639                  |
| <b>CASH BASIS FUND<br/>BALANCES - BEGINNING</b>               | <b>910,101</b>    | <b>730,075</b>     | <b>2,398,186</b>    | <b>681,483</b>             | <b>753,159</b>                | <b>716,581</b>    | <b>6,189,585</b>         |
| <b>CASH BASIS FUND<br/>BALANCES - ENDING</b>                  | <b>\$ 922,735</b> | <b>\$ 224,718</b>  | <b>\$ 3,005,088</b> | <b>\$ 1,143,047</b>        | <b>\$ 721,338</b>             | <b>\$ 869,298</b> | <b>\$ 6,886,224</b>      |

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

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

|  | <u>Custodial<br/>Fund Balances<br/>July 1, 2021</u> | <u>Receipts</u>   | <u>Disbursements</u> | <u>Custodial<br/>Fund Balances<br/>June 30, 2022</u> |
|--|---|-------------------|----------------------|--|
| <b>ASSETS</b>                          |   |                   |                      |  |
| Cash and Cash Equivalents              | \$ 935,788  | \$ 24,984,380     | \$ 25,291,623        | \$ 628,545   |
| <br>                                   |   |                   |                      |  |
| <b>LIABILITIES</b>                     |   |                   |                      |  |
| Due to other governments               |   |                   |                      |  |
| State - Collected by County Treasurer  | 188,260   | 2,365,797         | 2,331,671            | 222,386  |
| State - Collected by Other Offices     | 9,178   | 129,040           | 129,150              | 9,068  |
| Schools                                | 229,528   | 17,119,384        | 17,120,798           | 228,114  |
| Educational Service Units              | 2,403   | 270,183           | 270,096              | 2,490  |
| Technical College                      | 14,741  | 1,656,277         | 1,655,749            | 15,269   |
| Natural Resource Districts             | 3,767   | 411,890           | 411,868              | 3,789  |
| Fire Districts                         | 4,451   | 585,712           | 586,004              | 4,159  |
| Municipalities                         | 37,010  | 1,631,985         | 1,641,006            | 27,989   |
| Agricultural Society                   | 581   | 95,672            | 95,228               | 1,025  |
| Drainage Districts                     | 3,706   | 921               | 4,339                | 288  |
| Townships                              | 192,843   | 168,265           | 359,760              | 1,348  |
| Others - Collected by County Treasurer | 169,159   | 101,786           | 236,529              | 34,416   |
| Others - Collected by Other Offices    | 80,161  | 447,468           | 449,425              | 78,204   |
| <b>TOTAL LIABILITIES</b>               | <u>935,788</u>                                      | <u>24,984,380</u> | <u>25,291,623</u>    | <u>628,545</u>                                       |
| <br>                                   |   |                   |                      |  |
| <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.

MERRICK 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 Merrick County.

**A. Reporting Entity**

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

**Component Unit.** These financial statements present the County (the primary government). The Litzenberg Memorial Long-Term Care Facility (Nursing Home) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Nursing Home necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Nursing Home can be obtained from the Nursing Home's administrative office.

**Joint Organization.**

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$20,457 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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The Department’s governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$28,521 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 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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The County reports the following major governmental funds:

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

**Road 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.

**Street Bridge Buyback Fund.** This fund is used to account for costs associated with the construction, maintenance, and repair of public roads and public bridges, and is primarily funded by State receipts.

**American Rescue Plan Act Fund.** This fund is used to account for aid received from the American Rescue Plan Act and is used for aid and assistance in accordance with Federal guidelines.

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.

**Capital Project Funds.** The Courthouse Building Fund and the 4-H Building Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Fund.** The Courthouse Bond Fund and the 4-H Building Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

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

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

D. **Assets and Net Position**

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

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

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

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

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,258,756 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.

**Excess of Disbursements Over Appropriations.** For the year ended June 30, 2022, disbursements exceeded budgeted appropriations in the Street Bridge Buyback Fund by \$2,528. These over-expenditures were funded by greater than anticipated receipts in the case of the Street Bridge Buyback Fund.

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$6,386,021 for County funds and \$628,545 for Fiduciary funds. The bank balances for all funds totaled \$7,132,452. 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.



MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$499,688 in U.S. Government Securities and of \$515 deposited in the Nebraska Public Agency Investment Trust (NPAIT). The U.S. Government Securities were held by the County or its agent in the name of the County. NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **Taxes**

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

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

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.248661/\$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 \$.245902/\$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.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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

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

For the year ended June 30, 2022, 74 employees contributed \$124,805, and the County contributed \$184,502. Contributions included \$5,412 in cash contributions towards the supplemental law enforcement plan for nine law enforcement employees. Lastly, the County paid \$984 directly to seven retired employees for prior service benefits.

5. **Risk Management**

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

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

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

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

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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

6. **Interfund Transfers**

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

| <b>Transfers to</b>        | <b>Transfers from</b> |                   |                                   |                       | <b>Total</b>        |
|----------------------------|-----------------------|-------------------|-----------------------------------|-----------------------|---------------------|
|                            | <b>General Fund</b>   | <b>Road Fund</b>  | <b>Street Bridge Buyback Fund</b> | <b>Nonmajor Funds</b> |                     |
| Road Fund                  | \$ 849,186            | \$ -              | \$ 170,530                        | \$ -                  | \$ 1,019,716        |
| Street Bridge Buyback Fund | -                     | 436,247           | -                                 | -                     | 436,247             |
| Inheritance Fund           | -                     | -                 | -                                 | 32,000                | 32,000              |
| <b>Total</b>               | <b>\$ 849,186</b>     | <b>\$ 436,247</b> | <b>\$ 170,530</b>                 | <b>\$ 32,000</b>      | <b>\$ 1,487,963</b> |

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

In the year ended June 30, 2022, the County made a one-time transfer of \$32,000 from the Courthouse Bond Fund to the Inheritance Fund to reimburse the Inheritance Fund for part of the annual bond payment paid out of the Inheritance Fund.

7. **Long-Term Obligations**

**Lease-Purchase Agreements**

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

|                              | <b>Radio Equipment</b> |
|------------------------------|------------------------|
| Balance July 1, 2021         | \$ 23,193              |
| Purchases                    | -                      |
| Payments                     | 23,193                 |
| <b>Balance June 30, 2022</b> | <b>\$ -</b>            |

**Bonds**

**Courthouse Bonds.** The County issued bonds on May 6, 2021, in the amount of \$630,000 for the purpose of refunding Series 2016 Bonds issued to refinance the costs of constructing and equipping an addition to the Courthouse. The bond payable balance, as of June 30, 2022, was \$500,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

MERRICK COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

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

| Future Payments: |                   |                 |                   |
|------------------|-------------------|-----------------|-------------------|
| Year             | Principal         | Interest        | Total             |
| 2023             | \$ 130,000        | \$ 2,460        | \$ 132,460        |
| 2024             | 130,000           | 1,875           | 131,875           |
| 2025             | 130,000           | 1,160           | 131,160           |
| 2026             | 110,000           | 385             | 110,385           |
| Total Payments   | <u>\$ 500,000</u> | <u>\$ 5,880</u> | <u>\$ 505,880</u> |

**4-H Building Bonds.** The County issued bonds on December 1, 2020, in the amount of \$1,430,000 for the purpose of refunding Series 2015 Bonds issued to pay the costs of constructing, equipping, and making site preparations for a County building to be used as a 4-H Center. The bond payable balance, as of June 30, 2022, was \$1,290,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

| Future Payments: |                     |                  |                     |
|------------------|---------------------|------------------|---------------------|
| Year             | Principal           | Interest         | Total               |
| 2023             | \$ 140,000          | \$ 11,297        | \$ 151,297          |
| 2024             | 140,000             | 10,563           | 150,563             |
| 2025             | 140,000             | 9,757            | 149,757             |
| 2026             | 140,000             | 8,847            | 148,847             |
| 2027             | 140,000             | 7,763            | 147,763             |
| 2028-2031        | 590,000             | 15,451           | 605,451             |
| Total Payments   | <u>\$ 1,290,000</u> | <u>\$ 63,678</u> | <u>\$ 1,353,678</u> |

**Conduit Debt.** In September 2020, the County Board approved the issuance of Series 2020 Revenue Bonds to finance a portion of the cost of constructing a new medical center for the Merrick Medical Center not to exceed \$10,000,000. On November 19, 2020, the County issued revenue bonds in the amount of \$9,975,000 maturing on November 19, 2030. These bonds are special limited obligations of the County payable solely from and secured by loan payments to be received from the Hospital. The bonds do not constitute a debt or pledge of faith of the County and, accordingly, have not been reported in the accompanying financial statements.

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.

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

For the Year Ended June 30, 2022

|   | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|------------------|------------------|---|
| <b>RECEIPTS</b>   |                    |                  |                  |   |
| Taxes   | \$ 4,190,000       | \$ 4,190,000     | \$ 4,066,337     | \$ (123,663)  |
| Licenses and Permits  | 30,020             | 30,020           | 52,372           | 22,352  |
| Investment Income   | 14,000             | 14,000           | 26,632           | 12,632  |
| Intergovernmental   | 99,030             | 99,030           | 524,270          | 425,240   |
| Charges for Services  | 302,955            | 302,955          | 369,891          | 66,936  |
| Miscellaneous   | 7,600              | 7,600            | 23,327           | 15,727  |
| <b>TOTAL RECEIPTS</b>   | <u>4,643,605</u>   | <u>4,643,605</u> | <u>5,062,829</u> | <u>419,224</u>  |
| <b>DISBURSEMENTS</b>  |                    |                  |                  |   |
| General Government:   |                    |                  |                  |   |
| County Board  | 114,679            | 114,679          | 113,912          | 767   |
| County Clerk  | 186,413            | 186,413          | 162,006          | 24,407  |
| County Treasurer  | 180,318            | 180,318          | 169,091          | 11,227  |
| County Assessor   | 161,554            | 161,554          | 146,197          | 15,357  |
| Election Commissioner   | 29,840             | 29,840           | 27,715           | 2,125   |
| Building and Zoning   | 29,000             | 29,000           | 29,000           | -   |
| Clerk of the District Court                                   | 107,147            | 107,147          | 102,494          | 4,653   |
| County Court System   | 9,180              | 9,180            | 9,119            | 61  |
| Building and Grounds  | 181,974            | 181,974          | 128,053          | 53,921  |
| Reappraisal   | 42,000             | 42,000           | 36,270           | 5,730   |
| Agricultural Extension Agent                                  | 125,010            | 125,010          | 124,297          | 713   |
| Miscellaneous   | 1,901,381          | 1,901,381        | 1,448,936        | 452,445   |
| Public Safety   |                    |                  |                  |   |
| County Sheriff  | 831,975            | 831,975          | 799,802          | 32,173  |
| County Attorney   | 252,961            | 252,961          | 223,457          | 29,504  |
| Communication Center  | 243,393            | 243,393          | 227,796          | 15,597  |
| County Jail   | 478,425            | 478,425          | 347,724          | 130,701   |
| Emergency Management  | 32,800             | 32,800           | 6,091            | 26,709  |
| Child Support   | 25,360             | 25,360           | 13,552           | 11,808  |
| Public Works  |                    |                  |                  |   |
| County Surveyor   | 63,096             | 63,096           | 55,635           | 7,461   |
| Public Assistance   |                    |                  |                  |   |
| Veterans' Service Officer                                     | 36,188             | 36,188           | 29,862           | 6,326   |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>5,032,694</u>   | <u>5,032,694</u> | <u>4,201,009</u> | <u>831,685</u>  |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> |                    |                  |                  |   |
|   | <u>(389,089)</u>   | <u>(389,089)</u> | <u>861,820</u>   | <u>1,250,909</u>  |

(Continued)

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

For the Year Ended June 30, 2022

|   | Original<br>Budget  | Final<br>Budget     | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|-------------------|---|
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                     |                   |   |
| Transfers in                                    | 1,853,668           | 1,853,668           | -                 | (1,853,668)   |
| Transfers out                                   | (1,202,261)         | (1,202,261)         | (849,186)         | 353,075   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | <u>651,407</u>      | <u>651,407</u>      | <u>(849,186)</u>  | <u>(1,500,593)</u>                                      |
| Net Change in Fund Balance                      | 262,318             | 262,318             | 12,634            | (249,684)   |
| <b>FUND BALANCE - BEGINNING</b>                 | 918,017             | 918,017             | 910,101           | (7,916)   |
| <b>FUND BALANCE - ENDING</b>                    | <u>\$ 1,180,335</u> | <u>\$ 1,180,335</u> | <u>\$ 922,735</u> | <u>\$ (257,600)</u>                                     |
|   |                     |                     |                   | (Concluded)   |

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

For the Year Ended June 30, 2022

|   | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
| <b>ROAD FUND</b>  |                    |                    |                    |   |
| <b>RECEIPTS</b>   |                    |                    |                    |   |
| Intergovernmental   | 2,046,788          | 2,046,788          | 1,912,595          | (134,193)   |
| Charges for Services  | 3,000              | 3,000              | 3,838              | 838   |
| Miscellaneous   | 26,000             | 26,000             | 29,848             | 3,848   |
| <b>TOTAL RECEIPTS</b>   | <u>2,075,788</u>   | <u>2,075,788</u>   | <u>1,946,281</u>   | <u>(129,507)</u>  |
| <b>DISBURSEMENTS</b>  | <u>3,655,049</u>   | <u>3,655,049</u>   | <u>3,035,107</u>   | <u>619,942</u>  |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>(1,579,261)</u> | <u>(1,579,261)</u> | <u>(1,088,826)</u> | <u>490,435</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                    |                    |                    |   |
| Transfers in  | 849,186            | 849,186            | 1,019,716          | 170,530   |
| Transfers out   | -                  | -                  | (436,247)          | (436,247)   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>849,186</u>     | <u>849,186</u>     | <u>583,469</u>     | <u>(265,717)</u>  |
| Net Change in Fund Balance                                    | (730,075)          | (730,075)          | (505,357)          | 224,718   |
| FUND BALANCE - BEGINNING                                      | 730,075            | 730,075            | 730,075            | -   |
| FUND BALANCE - ENDING   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 224,718</u>  | <u>\$ 224,718</u>                                       |
| <b>INHERITANCE FUND</b>                                       |                    |                    |                    |   |
| <b>RECEIPTS</b>   |                    |                    |                    |   |
| Taxes   | \$ -               | \$ -               | \$ 614,346         | \$ 614,346  |
| Miscellaneous   | -                  | -                  | 1,080              | 1,080   |
| <b>TOTAL RECEIPTS</b>   | <u>-</u>           | <u>-</u>           | <u>615,426</u>     | <u>615,426</u>  |
| <b>DISBURSEMENTS</b>  | <u>101,112</u>     | <u>101,112</u>     | <u>40,524</u>      | <u>60,588</u>   |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>(101,112)</u>   | <u>(101,112)</u>   | <u>574,902</u>     | <u>676,014</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                    |                    |                    |   |
| Transfers in  | -                  | -                  | 32,000             | 32,000  |
| Transfers out   | (2,253,668)        | (2,253,668)        | -                  | 2,253,668   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>(2,253,668)</u> | <u>(2,253,668)</u> | <u>32,000</u>      | <u>2,285,668</u>  |
| Net Change in Fund Balance                                    | (2,354,780)        | (2,354,780)        | 606,902            | 2,961,682   |
| FUND BALANCE - BEGINNING                                      | 2,354,780          | 2,354,780          | 2,398,186          | 43,406  |
| FUND BALANCE - ENDING   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$3,005,088</u> | <u>\$ 3,005,088</u>                                     |

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

For the Year Ended June 30, 2022

|   | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-----------------|--------------|---|
| <b><u>STREET BRIDGE BUYBACK FUND</u></b>              |                    |                 |              |   |
| RECEIPTS  |                    |                 |              |   |
| Intergovernmental                                     | -                  | -               | 285,910      | 285,910   |
| TOTAL RECEIPTS  | -                  | -               | 285,910      | 285,910   |
| DISBURSEMENTS   | 258,065            | 258,065         | 90,063       | 168,002   |
| EXCESS (DEFICIENCY) OF RECEIPTS<br>OVER DISBURSEMENTS | (258,065)          | (258,065)       | 195,847      | 453,912   |
| OTHER FINANCING SOURCES (USES)                        |                    |                 |              |   |
| Transfers in  | -                  | -               | 436,247      | 436,247   |
| Transfers out   | -                  | -               | (170,530)    | (170,530)   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)               | -                  | -               | 265,717      | 265,717   |
| Net Change in Fund Balance                            | (258,065)          | (258,065)       | 461,564      | 719,629   |
| FUND BALANCE - BEGINNING                              | 681,483            | 681,483         | 681,483      | -   |
| FUND BALANCE - ENDING                                 | \$ 423,418         | \$ 423,418      | \$ 1,143,047 | \$ 719,629  |
| <b><u>AMERICAN RESCUE PLAN ACT FUND</u></b>           |                    |                 |              |   |
| RECEIPTS  |                    |                 |              |   |
| Investment Income                                     | -                  | -               | 3,540        | 3,540   |
| Intergovernmental                                     | 753,159            | 753,159         | -            | (753,159)   |
| TOTAL RECEIPTS  | 753,159            | 753,159         | 3,540        | (749,619)   |
| DISBURSEMENTS   | 1,506,318          | 1,506,318       | 35,361       | 1,470,957   |
| EXCESS (DEFICIENCY) OF RECEIPTS<br>OVER DISBURSEMENTS | (753,159)          | (753,159)       | (31,821)     | 721,338   |
| Net Change in Fund Balance                            | (753,159)          | (753,159)       | (31,821)     | 721,338   |
| FUND BALANCE - BEGINNING                              | 753,159            | 753,159         | 753,159      | -   |
| FUND BALANCE - ENDING                                 | \$ -               | \$ -            | \$ 721,338   | \$ 721,338  |

(Concluded)



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

For the Year Ended June 30, 2022

|  | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|------------------|---|
| <b>VISITORS' PROMOTION FUND</b>                |                    |                 |                  |   |
| Receipts                                       | \$ 4,000           | \$ 4,000        | \$ 7,289         | \$ 3,289  |
| Disbursements                                  | (8,681)            | (8,681)         | (5,854)          | 2,827   |
| Net Change in Fund Balance                     | (4,681)            | (4,681)         | 1,435            | 6,116   |
| Fund Balance - Beginning                       | 8,681              | 8,681           | 8,681            | -   |
| Fund Balance - Ending                          | <u>\$ 4,000</u>    | <u>\$ 4,000</u> | <u>\$ 10,116</u> | <u>\$ 6,116</u>   |
| <b>PRESERVATION AND MODERNIZATION<br/>FUND</b> |                    |                 |                  |   |
| Receipts                                       | \$ 6,000           | \$ 6,000        | \$ 7,845         | \$ 1,845  |
| Disbursements                                  | (27,000)           | (27,000)        | (2,900)          | 24,100  |
| Net Change in Fund Balance                     | (21,000)           | (21,000)        | 4,945            | 25,945  |
| Fund Balance - Beginning                       | 26,659             | 26,659          | 26,659           | -   |
| Fund Balance - Ending                          | <u>\$ 5,659</u>    | <u>\$ 5,659</u> | <u>\$ 31,604</u> | <u>\$ 25,945</u>  |
| <b>VETERANS' AID FUND</b>                      |                    |                 |                  |   |
| Receipts                                       | \$ -               | \$ -            | \$ -             | \$ -  |
| Disbursements                                  | (7,523)            | (7,523)         | (500)            | 7,023   |
| Net Change in Fund Balance                     | (7,523)            | (7,523)         | (500)            | 7,023   |
| Fund Balance - Beginning                       | 7,523              | 7,523           | 7,523            | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 7,023</u>  | <u>\$ 7,023</u>   |
| <b>JUVENILE DIVERSION FUND</b>                 |                    |                 |                  |   |
| Receipts                                       | \$ 149,103         | \$ 149,103      | \$ 93,278        | \$ (55,825)   |
| Disbursements                                  | (219,432)          | (219,432)       | (95,873)         | 123,559   |
| Transfers in                                   | 3,075              | 3,075           | -                | (3,075)   |
| Transfers out                                  | -                  | -               | -                | -   |
| Net Change in Fund Balance                     | (67,254)           | (67,254)        | (2,595)          | 64,659  |
| Fund Balance - Beginning                       | 67,254             | 67,254          | 67,254           | -   |
| Fund Balance - Ending                          | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 64,659</u> | <u>\$ 64,659</u>  |
| <b>STOP PROGRAM FUND</b>                       |                    |                 |                  |   |
| Receipts                                       | \$ 2,000           | \$ 2,000        | \$ 2,800         | \$ 800  |
| Disbursements                                  | (9,096)            | (9,096)         | -                | 9,096   |
| Net Change in Fund Balance                     | (7,096)            | (7,096)         | 2,800            | 9,896   |
| Fund Balance - Beginning                       | 9,096              | 9,096           | 9,096            | -   |
| Fund Balance - Ending                          | <u>\$ 2,000</u>    | <u>\$ 2,000</u> | <u>\$ 11,896</u> | <u>\$ 9,896</u>   |

(Continued)

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

For the Year Ended June 30, 2022

|   | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-----------------|------------------|---|
| <b>COUNTY DRUG LAW ENFORCEMENT<br/>AND EDUCATION FUND</b> |                    |                 |                  |   |
| Receipts  | \$ 500             | \$ 500          | \$ 7,375         | \$ 6,875  |
| Disbursements   | (2,788)            | (2,788)         | (310)            | 2,478   |
| Net Change in Fund Balance                                | (2,288)            | (2,288)         | 7,065            | 9,353   |
| Fund Balance - Beginning                                  | 2,788              | 2,788           | 2,788            | -   |
| Fund Balance - Ending                                     | <u>\$ 500</u>      | <u>\$ 500</u>   | <u>\$ 9,853</u>  | <u>\$ 9,353</u>   |
| <b>DRUG TESTING FUND</b>                                  |                    |                 |                  |   |
| Receipts  | \$ -               | \$ -            | \$ 120           | \$ 120  |
| Disbursements   | -                  | -               | -                | -   |
| Net Change in Fund Balance                                | -                  | -               | 120              | 120   |
| Fund Balance - Beginning                                  | 640                | 640             | 640              | -   |
| Fund Balance - Ending                                     | <u>\$ 640</u>      | <u>\$ 640</u>   | <u>\$ 760</u>    | <u>\$ 120</u>   |
| <b>ADULT DRUG COURT FUND</b>                              |                    |                 |                  |   |
| Receipts  | \$ 1,000           | \$ 1,000        | \$ 1,491         | \$ 491  |
| Disbursements   | (5,934)            | (5,934)         | (628)            | 5,306   |
| Net Change in Fund Balance                                | (4,934)            | (4,934)         | 863              | 5,797   |
| Fund Balance - Beginning                                  | 5,934              | 5,934           | 5,934            | -   |
| Fund Balance - Ending                                     | <u>\$ 1,000</u>    | <u>\$ 1,000</u> | <u>\$ 6,797</u>  | <u>\$ 5,797</u>   |
| <b>DARE FUND</b>  |                    |                 |                  |   |
| Receipts  | \$ -               | \$ -            | \$ -             | \$ -  |
| Disbursements   | (295)              | (295)           | (175)            | 120   |
| Net Change in Fund Balance                                | (295)              | (295)           | (175)            | 120   |
| Fund Balance - Beginning                                  | 295                | 295             | 295              | -   |
| Fund Balance - Ending                                     | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 120</u>    | <u>\$ 120</u>   |
| <b>CANINE FUND</b>  |                    |                 |                  |   |
| Receipts  | \$ 4,000           | \$ 4,000        | \$ 4,573         | \$ 573  |
| Disbursements   | (21,627)           | (21,627)        | (5,534)          | 16,093  |
| Net Change in Fund Balance                                | (17,627)           | (17,627)        | (961)            | 16,666  |
| Fund Balance - Beginning                                  | 21,627             | 21,627          | 21,627           | -   |
| Fund Balance - Ending                                     | <u>\$ 4,000</u>    | <u>\$ 4,000</u> | <u>\$ 20,666</u> | <u>\$ 16,666</u>  |

(Continued)

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

For the Year Ended June 30, 2022

|                                      | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|------------------|------------------|---|
| <b>JUVENILE SERVICES GRANT FUND</b>  |                    |                  |                  |   |
| Receipts                             | \$ -               | \$ -             | \$ -             | \$ -  |
| Disbursements                        | (5,508)            | (5,508)          | -                | 5,508   |
| Net Change in Fund Balance           | (5,508)            | (5,508)          | -                | 5,508   |
| Fund Balance - Beginning             | 5,508              | 5,508            | 5,508            | -   |
| Fund Balance - Ending                | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 5,508</u>  | <u>\$ 5,508</u>   |
| <b>ECONOMIC DEVELOPMENT FUND</b>     |                    |                  |                  |   |
| Receipts                             | \$ 5,000           | \$ 5,000         | \$ -             | \$ (5,000)  |
| Disbursements                        | -                  | -                | -                | -   |
| Net Change in Fund Balance           | 5,000              | 5,000            | -                | (5,000)   |
| Fund Balance - Beginning             | -                  | -                | -                | -   |
| Fund Balance - Ending                | <u>\$ 5,000</u>    | <u>\$ 5,000</u>  | <u>\$ -</u>      | <u>\$ (5,000)</u>                                       |
| <b>911 EMERGENCY MANAGEMENT FUND</b> |                    |                  |                  |   |
| Receipts                             | \$ 13,970          | \$ 13,970        | \$ 17,947        | \$ 3,977  |
| Disbursements                        | (14,771)           | (14,771)         | (2,690)          | 12,081  |
| Net Change in Fund Balance           | (801)              | (801)            | 15,257           | 16,058  |
| Fund Balance - Beginning             | 14,771             | 14,771           | 14,771           | -   |
| Fund Balance - Ending                | <u>\$ 13,970</u>   | <u>\$ 13,970</u> | <u>\$ 30,028</u> | <u>\$ 16,058</u>  |
| <b>LAW ENFORCEMENT FUND</b>          |                    |                  |                  |   |
| Receipts                             | \$ 9,900           | \$ 9,900         | \$ -             | \$ (9,900)  |
| Disbursements                        | (5,000)            | (5,000)          | -                | 5,000   |
| Net Change in Fund Balance           | 4,900              | 4,900            | -                | (4,900)   |
| Fund Balance - Beginning             | 100                | 100              | 100              | -   |
| Fund Balance - Ending                | <u>\$ 5,000</u>    | <u>\$ 5,000</u>  | <u>\$ 100</u>    | <u>\$ (4,900)</u>                                       |
| <b>COMMISSARY FUND</b>               |                    |                  |                  |   |
| Receipts                             | \$ 3,000           | \$ 3,000         | \$ 14,438        | \$ 11,438   |
| Disbursements                        | (27,635)           | (27,635)         | (7,811)          | 19,824  |
| Net Change in Fund Balance           | (24,635)           | (24,635)         | 6,627            | 31,262  |
| Fund Balance - Beginning             | 27,635             | 27,635           | 27,635           | -   |
| Fund Balance - Ending                | <u>\$ 3,000</u>    | <u>\$ 3,000</u>  | <u>\$ 34,262</u> | <u>\$ 31,262</u>  |

(Continued)

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

For the Year Ended June 30, 2022

|                                 | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|--------------------|-------------------|-------------------|---|
| <b>COURTHOUSE BOND FUND</b>     |                    |                   |                   |   |
| Receipts                        | \$ 285,850         | \$ 285,850        | \$ 243,370        | \$ (42,480)   |
| Disbursements                   | (290,000)          | (290,000)         | (101,168)         | 188,832   |
| Transfers in                    | -                  | -                 | -                 | -   |
| Transfers out                   | -                  | -                 | (32,000)          | (32,000)  |
| Net Change in Fund Balance      | (4,150)            | (4,150)           | 110,202           | 114,352   |
| Fund Balance - Beginning        | 54,625             | 54,625            | 54,625            | -   |
| Fund Balance - Ending           | <u>\$ 50,475</u>   | <u>\$ 50,475</u>  | <u>\$ 164,827</u> | <u>\$ 114,352</u>                                       |
| <b>4-H BUILDING BOND FUND</b>   |                    |                   |                   |   |
| Receipts                        | \$ 151,650         | \$ 151,650        | \$ 159,746        | \$ 8,096  |
| Disbursements                   | (151,963)          | (151,963)         | (151,963)         | -   |
| Net Change in Fund Balance      | (313)              | (313)             | 7,783             | 8,096   |
| Fund Balance - Beginning        | 127,855            | 127,855           | 127,855           | -   |
| Fund Balance - Ending           | <u>\$ 127,542</u>  | <u>\$ 127,542</u> | <u>\$ 135,638</u> | <u>\$ 8,096</u>   |
| <b>COURTHOUSE BUILDING FUND</b> |                    |                   |                   |   |
| Receipts                        | \$ -               | \$ -              | \$ -              | \$ -  |
| Disbursements                   | (212,776)          | (212,776)         | (31,179)          | 181,597   |
| Net Change in Fund Balance      | (212,776)          | (212,776)         | (31,179)          | 181,597   |
| Fund Balance - Beginning        | 212,776            | 212,776           | 212,776           | -   |
| Fund Balance - Ending           | <u>\$ -</u>        | <u>\$ -</u>       | <u>\$ 181,597</u> | <u>\$ 181,597</u>                                       |
| <b>4-H BUILDING FUND</b>        |                    |                   |                   |   |
| Receipts                        | \$ 151,000         | \$ 151,000        | \$ 62,700         | \$ (88,300)   |
| Disbursements                   | (100,000)          | (100,000)         | (31,673)          | 68,327  |
| Net Change in Fund Balance      | 51,000             | 51,000            | 31,027            | (19,973)  |
| Fund Balance - Beginning        | 82,718             | 82,718            | 82,718            | -   |
| Fund Balance - Ending           | <u>\$ 133,718</u>  | <u>\$ 133,718</u> | <u>\$ 113,745</u> | <u>\$ (19,973)</u>                                      |
| <b>COUNTY SINKING FUND</b>      |                    |                   |                   |   |
| Receipts                        | \$ -               | \$ -              | \$ 3              | \$ 3  |
| Disbursements                   | (40,096)           | (40,096)          | -                 | 40,096  |
| Net Change in Fund Balance      | (40,096)           | (40,096)          | 3                 | 40,099  |
| Fund Balance - Beginning        | 40,096             | 40,096            | 40,096            | -   |
| Fund Balance - Ending           | <u>\$ -</u>        | <u>\$ -</u>       | <u>\$ 40,099</u>  | <u>\$ 40,099</u>  |

(Concluded)

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

For the Year Ended June 30, 2022

|   | Visitors'<br>Promotion<br>Fund | Preservation and<br>Modernization<br>Fund | Veterans'<br>Aid Fund | Juvenile<br>Diversion<br>Fund | STOP<br>Program<br>Fund |
|---|--------------------------------|---|-----------------------|-------------------------------|-------------------------|
| <b>RECEIPTS</b>   |                                |   |                       |                               |                         |
| Taxes   | \$ 7,139                       | \$ -                                      | \$ -                  | \$ -                          | \$ -                    |
| Investment Income   | -                              | -   | -                     | -                             | -                       |
| Intergovernmental   | -                              | -   | -                     | 93,278                        | -                       |
| Charges for Services  | -                              | 7,845                                     | -                     | -                             | 2,800                   |
| Miscellaneous   | 150                            | -   | -                     | -                             | -                       |
| <b>TOTAL RECEIPTS</b>   | <u>7,289</u>                   | <u>7,845</u>                              | <u>-</u>              | <u>93,278</u>                 | <u>2,800</u>            |
| <b>DISBURSEMENTS</b>  |                                |   |                       |                               |                         |
| General Government  | -                              | 2,900                                     | -                     | -                             | -                       |
| Public Safety   | -                              | -   | -                     | 95,873                        | -                       |
| Public Assistance   | -                              | -   | 500                   | -                             | -                       |
| Culture and Recreation  | 5,854                          | -   | -                     | -                             | -                       |
| Debt Service:   |                                |   |                       |                               |                         |
| Principal Payments  | -                              | -   | -                     | -                             | -                       |
| Interest and Fiscal Charges                                   | -                              | -   | -                     | -                             | -                       |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>5,854</u>                   | <u>2,900</u>                              | <u>500</u>            | <u>95,873</u>                 | <u>-</u>                |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>1,435</u>                   | <u>4,945</u>                              | <u>(500)</u>          | <u>(2,595)</u>                | <u>2,800</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                                |   |                       |                               |                         |
| Transfers in  | -                              | -   | -                     | -                             | -                       |
| Transfers out   | -                              | -   | -                     | -                             | -                       |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>                       | <u>-</u>                                  | <u>-</u>              | <u>-</u>                      | <u>-</u>                |
| Net Change in Fund Balances                                   | 1,435                          | 4,945                                     | (500)                 | (2,595)                       | 2,800                   |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>8,681</u>                   | <u>26,659</u>                             | <u>7,523</u>          | <u>67,254</u>                 | <u>9,096</u>            |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 10,116</u>               | <u>\$ 31,604</u>                          | <u>\$ 7,023</u>       | <u>\$ 64,659</u>              | <u>\$ 11,896</u>        |
| <b>FUND BALANCES:</b>   |                                |   |                       |                               |                         |
| Restricted for:   |                                |   |                       |                               |                         |
| Visitor Promotion   | 10,116                         | -   | -                     | -                             | -                       |
| 911 Emergency Services  | -                              | -   | -                     | -                             | -                       |
| Drug Education  | -                              | -   | -                     | -                             | -                       |
| Law Enforcement   | -                              | -   | -                     | -                             | -                       |
| Preservation of Records                                       | -                              | 31,604                                    | -                     | -                             | -                       |
| Debt Service  | -                              | -   | -                     | -                             | -                       |
| Drug Court  | -                              | -   | -                     | -                             | -                       |
| Committed to:   |                                |   |                       |                               |                         |
| Law Enforcement   | -                              | -   | -                     | 64,659                        | 11,896                  |
| Aid and Assistance  | -                              | -   | 7,023                 | -                             | -                       |
| County Buildings  | -                              | -   | -                     | -                             | -                       |
| County Equipment  | -                              | -   | -                     | -                             | -                       |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 10,116</u>               | <u>\$ 31,604</u>                          | <u>\$ 7,023</u>       | <u>\$ 64,659</u>              | <u>\$ 11,896</u>        |

(Continued)

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

For the Year Ended June 30, 2022

|   | County Drug Law<br>Enforcement and<br>Education Fund | Drug<br>Testing<br>Fund | Adult<br>Drug<br>Court<br>Fund | DARE<br>Fund  | Canine<br>Fund  |
|---|--|-------------------------|--------------------------------|---------------|-----------------|
| <b>RECEIPTS</b>   |  |                         |                                |               |                 |
| Taxes   | \$ -   | \$ -                    | \$ -                           | \$ -          | \$ -            |
| Investment Income   | -  | -                       | -                              | -             | -               |
| Intergovernmental   | -  | -                       | -                              | -             | -               |
| Charges for Services  | 7,375  | 120                     | 1,491                          | -             | -               |
| Miscellaneous   | -  | -                       | -                              | -             | 4,573           |
| <b>TOTAL RECEIPTS</b>   | <u>7,375</u>   | <u>120</u>              | <u>1,491</u>                   | <u>-</u>      | <u>4,573</u>    |
| <b>DISBURSEMENTS</b>  |  |                         |                                |               |                 |
| General Government  | -  | -                       | -                              | -             | -               |
| Public Safety   | 310  | -                       | 628                            | 175           | 5,534           |
| Public Assistance   | -  | -                       | -                              | -             | -               |
| Culture and Recreation  | -  | -                       | -                              | -             | -               |
| Debt Service:   |  |                         |                                |               |                 |
| Principal Payments  | -  | -                       | -                              | -             | -               |
| Interest and Fiscal Charges                                   | -  | -                       | -                              | -             | -               |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>310</u>   | <u>-</u>                | <u>628</u>                     | <u>175</u>    | <u>5,534</u>    |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>7,065</u>   | <u>120</u>              | <u>863</u>                     | <u>(175)</u>  | <u>(961)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |  |                         |                                |               |                 |
| Transfers in  | -  | -                       | -                              | -             | -               |
| Transfers out   | -  | -                       | -                              | -             | -               |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>   | <u>-</u>                | <u>-</u>                       | <u>-</u>      | <u>-</u>        |
| Net Change in Fund Balances                                   | 7,065  | 120                     | 863                            | (175)         | (961)           |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>2,788</u>   | <u>640</u>              | <u>5,934</u>                   | <u>295</u>    | <u>21,627</u>   |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 9,853</u>                                      | <u>\$ 760</u>           | <u>\$ 6,797</u>                | <u>\$ 120</u> | <u>\$20,666</u> |
| <b>FUND BALANCES:</b>   |  |                         |                                |               |                 |
| Restricted for:   |  |                         |                                |               |                 |
| Visitor Promotion   | -  | -                       | -                              | -             | -               |
| 911 Emergency Services  | -  | -                       | -                              | -             | -               |
| Drug Education  | 9,853  | -                       | -                              | -             | -               |
| Law Enforcement   | -  | -                       | -                              | -             | -               |
| Preservation of Records                                       | -  | -                       | -                              | -             | -               |
| Debt Service  | -  | -                       | -                              | -             | -               |
| Drug Court  | -  | -                       | 6,797                          | -             | -               |
| Committed to:   |  |                         |                                |               |                 |
| Law Enforcement   | -  | 760                     | -                              | 120           | 20,666          |
| Aid and Assistance  | -  | -                       | -                              | -             | -               |
| County Buildings  | -  | -                       | -                              | -             | -               |
| County Equipment  | -  | -                       | -                              | -             | -               |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 9,853</u>                                      | <u>\$ 760</u>           | <u>\$ 6,797</u>                | <u>\$ 120</u> | <u>\$20,666</u> |

(Continued)

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

|   | 911             |                  |               |                  |                   |
|---|-----------------|------------------|---------------|------------------|-------------------|
|   | Juvenile        | Emergency        | Law           |                  |                   |
|   | Services        | Management       | Enforcement   | Commissary       |                   |
|   | Grant Fund      | Fund             | Fund          | Fund             |                   |
|   |                 |                  |               | Courthouse       |                   |
|   |                 |                  |               | Bond Fund        |                   |
| <b>RECEIPTS</b>   |                 |                  |               |                  |                   |
| Taxes   | \$ -            | \$ 17,947        | \$ -          | \$ -             | \$ 211,840        |
| Investment Income   | -               | -                | -             | -                | -                 |
| Intergovernmental   | -               | -                | -             | -                | 31,530            |
| Charges for Services  | -               | -                | -             | 14,372           | -                 |
| Miscellaneous   | -               | -                | -             | 66               | -                 |
| <b>TOTAL RECEIPTS</b>   | <u>-</u>        | <u>17,947</u>    | <u>-</u>      | <u>14,438</u>    | <u>243,370</u>    |
| <b>DISBURSEMENTS</b>  |                 |                  |               |                  |                   |
| General Government  | -               | -                | -             | -                | -                 |
| Public Safety   | -               | 2,690            | -             | 7,811            | -                 |
| Public Assistance   | -               | -                | -             | -                | -                 |
| Culture and Recreation  | -               | -                | -             | -                | -                 |
| Debt Service:   |                 |                  |               |                  |                   |
| Principal Payments  | -               | -                | -             | -                | 98,000            |
| Interest and Fiscal Charges                                   | -               | -                | -             | -                | 3,168             |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>-</u>        | <u>2,690</u>     | <u>-</u>      | <u>7,811</u>     | <u>101,168</u>    |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>-</u>        | <u>15,257</u>    | <u>-</u>      | <u>6,627</u>     | <u>142,202</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                 |                  |               |                  |                   |
| Transfers in  | -               | -                | -             | -                | -                 |
| Transfers out   | -               | -                | -             | -                | (32,000)          |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>        | <u>-</u>         | <u>-</u>      | <u>-</u>         | <u>(32,000)</u>   |
| Net Change in Fund Balances                                   | -               | 15,257           | -             | 6,627            | 110,202           |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>5,508</u>    | <u>14,771</u>    | <u>100</u>    | <u>27,635</u>    | <u>54,625</u>     |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 5,508</u> | <u>\$ 30,028</u> | <u>\$ 100</u> | <u>\$ 34,262</u> | <u>\$ 164,827</u> |
| <b>FUND BALANCES:</b>   |                 |                  |               |                  |                   |
| Restricted for:   |                 |                  |               |                  |                   |
| Visitor Promotion   | -               | -                | -             | -                | -                 |
| 911 Emergency Services  | -               | 30,028           | -             | -                | -                 |
| Drug Education  | -               | -                | -             | -                | -                 |
| Law Enforcement   | 5,508           | -                | -             | -                | -                 |
| Preservation of Records                                       | -               | -                | -             | -                | -                 |
| Debt Service  | -               | -                | -             | -                | 164,827           |
| Drug Court  | -               | -                | -             | -                | -                 |
| Committed to:   |                 |                  |               |                  |                   |
| Law Enforcement   | -               | -                | 100           | 34,262           | -                 |
| Aid and Assistance  | -               | -                | -             | -                | -                 |
| County Buildings  | -               | -                | -             | -                | -                 |
| County Equipment  | -               | -                | -             | -                | -                 |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 5,508</u> | <u>\$ 30,028</u> | <u>\$ 100</u> | <u>\$ 34,262</u> | <u>\$ 164,827</u> |

(Continued)

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

For the Year Ended June 30, 2022

|   | 4-H Building<br>Bond Fund | Courthouse<br>Building<br>Fund | 4-H Building<br>Fund | County<br>Sinking<br>Fund | Total Nonmajor<br>Funds |
|---|---------------------------|--------------------------------|----------------------|---------------------------|-------------------------|
| <b>RECEIPTS</b>   |                           |                                |                      |                           |                         |
| Taxes   | \$ 142,767                | \$ -                           | \$ 32                | \$ 3                      | \$ 379,728              |
| Investment Income   | -                         | -                              | 50                   | -                         | 50                      |
| Intergovernmental   | 16,979                    | -                              | -                    | -                         | 141,787                 |
| Charges for Services  | -                         | -                              | 29,270               | -                         | 63,273                  |
| Miscellaneous   | -                         | -                              | 33,348               | -                         | 38,137                  |
| <b>TOTAL RECEIPTS</b>   | <u>159,746</u>            | <u>-</u>                       | <u>62,700</u>        | <u>3</u>                  | <u>622,975</u>          |
| <b>DISBURSEMENTS</b>  |                           |                                |                      |                           |                         |
| General Government  | -                         | 31,179                         | 31,673               | -                         | 65,752                  |
| Public Safety   | -                         | -                              | -                    | -                         | 113,021                 |
| Public Assistance   | -                         | -                              | -                    | -                         | 500                     |
| Culture and Recreation  | -                         | -                              | -                    | -                         | 5,854                   |
| Debt Service:   |                           |                                |                      |                           |                         |
| Principal Payments  | 140,000                   | -                              | -                    | -                         | 238,000                 |
| Interest and Fiscal Charges                                   | 11,963                    | -                              | -                    | -                         | 15,131                  |
| <b>TOTAL DISBURSEMENTS</b>                                    | <u>151,963</u>            | <u>31,179</u>                  | <u>31,673</u>        | <u>-</u>                  | <u>438,258</u>          |
| <b>EXCESS (DEFICIENCY) OF RECEIPTS<br/>OVER DISBURSEMENTS</b> | <u>7,783</u>              | <u>(31,179)</u>                | <u>31,027</u>        | <u>3</u>                  | <u>184,717</u>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                           |                                |                      |                           |                         |
| Transfers in  | -                         | -                              | -                    | -                         | -                       |
| Transfers out   | -                         | -                              | -                    | -                         | (32,000)                |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>               | <u>-</u>                  | <u>-</u>                       | <u>-</u>             | <u>-</u>                  | <u>(32,000)</u>         |
| Net Change in Fund Balances                                   | 7,783                     | (31,179)                       | 31,027               | 3                         | 152,717                 |
| <b>FUND BALANCES - BEGINNING</b>                              | <u>127,855</u>            | <u>212,776</u>                 | <u>82,718</u>        | <u>40,096</u>             | <u>716,581</u>          |
| <b>FUND BALANCES - ENDING</b>                                 | <u>\$ 135,638</u>         | <u>\$ 181,597</u>              | <u>\$ 113,745</u>    | <u>\$ 40,099</u>          | <u>\$ 869,298</u>       |
| <b>FUND BALANCES:</b>   |                           |                                |                      |                           |                         |
| Restricted for:   |                           |                                |                      |                           |                         |
| Visitor Promotion   | -                         | -                              | -                    | -                         | 10,116                  |
| 911 Emergency Services  | -                         | -                              | -                    | -                         | 30,028                  |
| Drug Education  | -                         | -                              | -                    | -                         | 9,853                   |
| Law Enforcement   | -                         | -                              | -                    | -                         | 5,508                   |
| Preservation of Records                                       | -                         | -                              | -                    | -                         | 31,604                  |
| Debt Service  | 135,638                   | -                              | -                    | -                         | 300,465                 |
| Drug Court  | -                         | -                              | -                    | -                         | 6,797                   |
| Committed to:   |                           |                                |                      |                           |                         |
| Law Enforcement   | -                         | -                              | -                    | -                         | 132,463                 |
| Aid and Assistance  | -                         | -                              | -                    | -                         | 7,023                   |
| County Buildings  | -                         | 181,597                        | 113,745              | -                         | 295,342                 |
| County Equipment  | -                         | -                              | -                    | 40,099                    | 40,099                  |
| <b>TOTAL FUND BALANCES</b>                                    | <u>\$ 135,638</u>         | <u>\$ 181,597</u>              | <u>\$ 113,745</u>    | <u>\$ 40,099</u>          | <u>\$ 869,298</u>       |

(Concluded)



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

|                              | County<br>Clerk  | Clerk of the<br>District<br>Court | County<br>Sheriff | County<br>Attorney | Highway<br>Superintendent | Veterans'<br>Service<br>Officer |
|------------------------------|------------------|-----------------------------------|-------------------|--------------------|---------------------------|---------------------------------|
| BALANCES JULY 1, 2021        | \$ 14,460        | \$ 77,870                         | \$ 14,931         | \$ -               | \$ 187,395                | \$ 746                          |
| <b>RECEIPTS</b>              |                  |                                   |                   |                    |                           |                                 |
| Licenses and Permits         | 1,225            | -                                 | 1,035             | -                  | -                         | -                               |
| Intergovernmental            | -                | -                                 | -                 | -                  | 74,825                    | -                               |
| Charges for Services         | 88,951           | 15,916                            | 31,342            | 4,650              | 13,861                    | -                               |
| Miscellaneous                | -                | -                                 | 3,402             | -                  | 1,399                     | 500                             |
| State Fees                   | 108,206          | 19,672                            | -                 | -                  | 1,162                     | -                               |
| Other Liabilities            | 216              | 297,492                           | 133,779           | 5,998              | -                         | -                               |
| <b>TOTAL RECEIPTS</b>        | <u>198,598</u>   | <u>333,080</u>                    | <u>169,558</u>    | <u>10,648</u>      | <u>91,247</u>             | <u>500</u>                      |
| <b>DISBURSEMENTS</b>         |                  |                                   |                   |                    |                           |                                 |
| Payments to County Treasurer | 90,002           | 16,419                            | 33,942            | 4,550              | 180,958                   | -                               |
| Payments to State Treasurer  | 107,952          | 20,415                            | -                 | -                  | 783                       | -                               |
| Petty Cash & Other Payments  | -                | -                                 | -                 | -                  | -                         | 221                             |
| Other Liabilities            | 216              | 295,062                           | 139,212           | 5,802              | -                         | -                               |
| <b>TOTAL DISBURSEMENTS</b>   | <u>198,170</u>   | <u>331,896</u>                    | <u>173,154</u>    | <u>10,352</u>      | <u>181,741</u>            | <u>221</u>                      |
| BALANCES JUNE 30, 2022       | <u>\$ 14,888</u> | <u>\$ 79,054</u>                  | <u>\$ 11,335</u>  | <u>\$ 296</u>      | <u>\$ 96,901</u>          | <u>\$ 1,025</u>                 |
| <b>BALANCES CONSIST OF:</b>  |                  |                                   |                   |                    |                           |                                 |
| Due to County Treasurer      | \$ 7,740         | \$ 1,282                          | \$ 10,758         | \$ 100             | \$ 96,522                 | \$ 1,025                        |
| Petty Cash                   | 200              | -                                 | -                 | -                  | -                         | -                               |
| Due to State Treasurer       | 6,948            | 1,741                             | -                 | -                  | 379                       | -                               |
| Due to Others                | -                | 76,031                            | 577               | 196                | -                         | -                               |
| BALANCES JUNE 30, 2022       | <u>\$ 14,888</u> | <u>\$ 79,054</u>                  | <u>\$ 11,335</u>  | <u>\$ 296</u>      | <u>\$ 96,901</u>          | <u>\$ 1,025</u>                 |

(Continued)

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

|                              | County<br>Surveyor | Extension<br>Office | County<br>Planning &<br>Zoning | County<br>Assessor | County<br>Treasurer | Total             |
|------------------------------|--------------------|---------------------|--------------------------------|--------------------|---------------------|-------------------|
| BALANCES JULY 1, 2021        | \$ 10,756          | \$ 7,937            | \$ -                           | \$ 43              | \$ 6,000            | \$ 320,138        |
| RECEIPTS                     |                    |                     |                                |                    |                     |                   |
| Licenses and Permits         | -                  | -                   | 6,780                          | -                  | -                   | 9,040             |
| Intergovernmental            | -                  | -                   | 4,200                          | -                  | -                   | 79,025            |
| Charges for Services         | 6,513              | 30,590              | -                              | -                  | -                   | 191,823           |
| Miscellaneous                | -                  | 2,098               | -                              | 78                 | 1,116               | 8,593             |
| State Fees                   | -                  | -                   | -                              | -                  | -                   | 129,040           |
| Other Liabilities            | -                  | 9,983               | -                              | -                  | -                   | 447,468           |
| TOTAL RECEIPTS               | <u>6,513</u>       | <u>42,671</u>       | <u>10,980</u>                  | <u>78</u>          | <u>1,116</u>        | <u>864,989</u>    |
| DISBURSEMENTS                |                    |                     |                                |                    |                     |                   |
| Payments to County Treasurer | 6,362              | 31,368              | 10,930                         | 109                | -                   | 374,640           |
| Payments to State Treasurer  | -                  | -                   | -                              | -                  | -                   | 129,150           |
| Petty Cash & Other Payments  | -                  | -                   | -                              | -                  | 1,116               | 1,337             |
| Other Liabilities            | -                  | 9,133               | -                              | -                  | -                   | 449,425           |
| TOTAL DISBURSEMENTS          | <u>6,362</u>       | <u>40,501</u>       | <u>10,930</u>                  | <u>109</u>         | <u>1,116</u>        | <u>954,552</u>    |
| BALANCES JUNE 30, 2022       | <u>\$ 10,907</u>   | <u>\$ 10,107</u>    | <u>\$ 50</u>                   | <u>\$ 12</u>       | <u>\$ 6,000</u>     | <u>\$ 230,575</u> |
| BALANCES CONSIST OF:         |                    |                     |                                |                    |                     |                   |
| Due to County Treasurer      | \$ 10,907          | \$ 6,707            | \$ 50                          | \$ 12              | \$ -                | \$ 135,103        |
| Petty Cash                   | -                  | 2,000               | -                              | -                  | 6,000               | 8,200             |
| Due to State Treasurer       | -                  | -                   | -                              | -                  | -                   | 9,068             |
| Due to Others                | -                  | 1,400               | -                              | -                  | -                   | 78,204            |
| BALANCES JUNE 30, 2022       | <u>\$ 10,907</u>   | <u>\$ 10,107</u>    | <u>\$ 50</u>                   | <u>\$ 12</u>       | <u>\$ 6,000</u>     | <u>\$ 230,575</u> |

(Concluded)

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

| Item  | 2017              | 2018              | 2019              | 2020              | 2021                |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Tax Certified by Assessor</b>  |                   |                   |                   |                   |                     |
| Real Estate   | \$ 21,915,746     | \$ 22,047,462     | \$ 21,274,186     | \$ 21,059,167     | \$ 21,467,723       |
| Personal and Specials   | 972,940           | 927,525           | 887,522           | 914,454           | 926,784             |
| <b>Total</b>  | <b>22,888,686</b> | <b>22,974,987</b> | <b>22,161,708</b> | <b>21,973,621</b> | <b>22,394,507</b>   |
| <b>Corrections</b>  |                   |                   |                   |                   |                     |
| Additions   | 10,395            | 5,676             | 4,207             | 3,151             | 14,993              |
| Deductions  | (2,849)           | (62,626)          | (7,066)           | (4,444)           | (16,260)            |
| Net Additions/<br>(Deductions)  | 7,546             | (56,950)          | (2,859)           | (1,293)           | (1,267)             |
| <b>Corrected Certified Tax</b>  | <b>22,896,232</b> | <b>22,918,037</b> | <b>22,158,849</b> | <b>21,972,328</b> | <b>22,393,240</b>   |
| <b>Net Tax Collected by<br/>County Treasurer during<br/>Fiscal Year Ending:</b> |                   |                   |                   |                   |                     |
| June 30, 2018   | 14,585,814        | -                 | -                 | -                 | -                   |
| June 30, 2019   | 8,297,460         | 14,496,839        | -                 | -                 | -                   |
| June 30, 2020   | 7,954             | 8,417,253         | 13,599,954        | -                 | -                   |
| June 30, 2021   | 4,064             | 3,198             | 8,522,758         | 13,678,127        | -                   |
| June 30, 2022   | 334               | 342               | 35,621            | 8,289,729         | 14,317,731          |
| <b>Total Net Collections</b>  | <b>22,895,626</b> | <b>22,917,632</b> | <b>22,158,333</b> | <b>21,967,856</b> | <b>14,317,731</b>   |
| <b>Total Uncollected Tax</b>  | <b>\$ 606</b>     | <b>\$ 405</b>     | <b>\$ 516</b>     | <b>\$ 4,472</b>   | <b>\$ 8,075,509</b> |
| <b>Percentage Uncollected Tax</b>   | <b>0.00%</b>      | <b>0.00%</b>      | <b>0.00%</b>      | <b>0.02%</b>      | <b>36.06%</b>       |

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



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Supervisors  
Merrick 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 Merrick 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 May 9, 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 Merrick County Nursing Home, a component unit of Merrick County.

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

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

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Merrick 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 Merrick County in a separate letter dated May 9, 2023.

**Merrick County’s Response to Findings**

Merrick County declined to respond to the finding described above.

**Purpose of this Report**

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



Dakota Christensen, CPA, CISA, CFE  
Audit Manager  
Lincoln, Nebraska

May 9, 2023



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

**Mike Foley**  
State Auditor

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May 9, 2023

Board of Supervisors  
Merrick County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Merrick County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated May 9, 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

### Budget Issues

During our audit, we noted the following issues with the fiscal year 2022 budget filing:

- The following funds had beginning fund balances that did not agree to the ending fund balances as of June 30, 2021, which would be known at the time the fiscal year 2022 budget was completed and filed in September 2021. The table below summarizes these fund balance discrepancies:

| Fund             | 6/30/2021<br>Balance<br>Per Audit | 6/30/2021<br>Balance per<br>FY2022 Budget | Variance   |
|------------------|-----------------------------------|---|------------|
| General Fund     | \$ 910,101                        | \$ 918,017                                | \$ (7,916) |
| Inheritance Fund | \$ 2,398,186                      | \$ 2,354,780                              | \$ 43,406  |

- The total budgeted ending fund balance for the County on the publication of the Notice of Budget Hearing and Budget Summary did not agree to the Summary of All Funds submitted with the fiscal year 2022 budget. The table below summarizes the difference:

| Item  | Ending Budgeted<br>Fund Balance -<br>6/30/2022 |
|---|--|
| Notice of Budget Hearing and Budget Summary Publication | \$ 1,990,258                                   |
| Summary of All Funds                                    | \$ 2,740,258                                   |
| <b>Variance</b>   | <b>\$ (750,000)</b>                            |

This difference appears to be due to budgeted interfund transfers in and out not agreeing. The Summary of All Funds had budgeted interfund transfers in and out of \$3,455,929; however, the individual fund pages submitted with the budget had budgeted transfers in of \$2,705,929 while budgeted transfers out were \$3,455,929, a difference of \$750,000.

- The publication of the Notice of Budget Hearing and Budget Summary had a budgeted ending fund balance of \$30,000 for the Road Fund; however, the fiscal year 2022 budget filing with our office had a budgeted ending fund balance of \$0. This discrepancy is due to the individual fund pages for the Road Fund having \$30,000 less in revenue than the revenue reported on the publication.

It is unclear whether the County approved a budget with a budgeted ending balance of \$1,990,258 or \$1,960,258 as all three documents - publication of the Notice of Budget Hearing and Budget Summary, Summary of All Funds, and the individual fund pages - do not agree to each other.

- The County did not pass a resolution to set the final allocation of levy authority to its political subdivisions.

It should also be noted once the County adopts the budget, the adopted amounts are not entered into the County's budget system, but rather the final adopted amounts are typed into the budget filing PDF. This procedure increases the risk of errors in the budget document such as the ones noted above.

Requirements for the County's annual budget are listed in the Nebraska Budget Act, which is set out at Neb. Rev. Stat. § 13-501 et seq. (Reissue 2022) and the County Budget Act of 1937, which is set out at Neb. Rev. Stat § 23-901 et seq. (Reissue 2022).

Neb. Rev. Stat. § 13-505 (Reissue 2022) states the following:

*The estimated expenditures plus the required cash reserve for the ensuing fiscal year or biennial period less all estimated and actual unencumbered balances at the beginning of the year or biennial period and less the estimated income from all sources, including motor vehicle taxes, other than taxation of personal and real property shall equal the amount to be received from taxes, and such amount shall be shown on the proposed budget statement pursuant to section 13-504. The amount to be raised from taxation of personal and real property, as determined above, plus the estimated revenue from other sources, including motor vehicle taxes, and the unencumbered balances shall equal the estimated expenditures, plus the necessary required cash reserve, for the ensuing year or biennial period.*

Neb. Rev. Stat. § 13-506 (Reissue 2022) states the following, in relevant part:

*1) Each governing body shall each year or biennial period conduct a public hearing on its proposed budget statement. . . . After such hearing, the proposed budget statement shall be adopted, or amended and adopted as amended, and a written record shall be kept of such hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement is adopted or is amended and adopted as amended. . . . If the adopted budget statement reflects a change from that shown in the published proposed budget statement, a summary of such changes shall be published within twenty calendar days after its adoption in the manner provided in this section, but without provision for hearing, setting forth the items changed and the reasons for such changes.*

*(2) Upon approval by the governing body, the budget shall be filed with the auditor. The auditor may review the budget for errors in mathematics, improper accounting, and noncompliance with the Nebraska Budget Act or sections 13-518 to 13-522. . . .*

(Emphasis added.) Neb. Rev. Stat. § 13-508(1) (Reissue 2022) states the following, in relevant part:

*After publication and hearing thereon and within the time prescribed by law, each governing body shall file with and certify to the levying board or boards on or before September 30 of each year or September 30 of the final year of a biennial period and file with the auditor a copy of the adopted budget statement which complies with sections 13-518 to 13-522 or 79-1023 to 79-1030, together with the amount of the tax required to fund the adopted budget, setting out separately (a) the amount to be levied for the payment of principal or interest on bonds issued or authorized to be issued by the governing body or the legal voters of the political subdivision and (b) the amount to be levied for all other purposes. Proof of publication shall be attached to the statements. . . .*

Neb. Rev. Stat. § 23-904 (Reissue 2022) states the following, in relevant part:

*The budget document, setting forth the financial plan of the county for the period covered by said budget, shall embrace three parts, the nature and contents of which shall be as hereinafter set out.*

*Part I shall consist of a budget message prepared by the budget-making authority, as provided for hereinafter, which shall outline the fiscal policy of the county for the period covered by said budget, describing in connection therewith the important features of the budget plan. It shall also embrace a general budget summary, setting forth the aggregate figures of the budget in such a manner as to show the balanced relations between the total proposed expenditures and operating reserves and the total anticipated income, including all fees, license taxes, taxes to be levied, and all other sources of revenue, contrasted with the corresponding figures for the last two completed fiscal years. The general budget summary shall be supported by explanatory schedules or statements classifying the expenditures contained therein by offices, departments, activities and funds and the income by offices, departments, activities and funds.*

(Emphasis Added.) Neb. Rev. Stat. § 77-3443 (Cum. Supp. 2022) states the following, in relevant part:

*(3) On or before August 1, all political subdivisions subject to county, municipal, or municipal county levy authority under this section shall submit a preliminary request for levy allocation to the county board, city council, village board, or council that is responsible for levying such taxes. The preliminary request of the political subdivision shall be in the form of a resolution adopted by a majority vote of members present of the political subdivision's governing body. The failure of a political subdivision to make a preliminary request shall preclude such political subdivision from using procedures set forth in section 77-3444 to exceed the final levy allocation as determined in subsection (4) of this section.*

*(4) Each county board, city council, village board, or council shall (a) adopt a resolution by a majority vote of members present which determines a final allocation of levy authority to its political subdivisions and (b) forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between both the county board, city council, village board, or council which determined the amount of the final levy allocation and the governing body of the political subdivision whose final levy allocation is at issue.*

Good internal controls require procedures to ensure the following: 1) the annual budget that is adopted balances and is accurate; 2) underlying documents, such as fund pages, are accurate and support the Summary of All Funds that is filed with the annual budget; and 3) the County completes a resolution to set the final allocation of levy authority to its political subdivisions by the deadline set by statute.

When such procedures do not exist, there is an increased risk of not only loss, misuse, or theft of public funds but also noncompliance with State law.

We recommend the County implement procedures to ensure the following: 1) the annual budget that is adopted balances and is accurate; 2) underlying documents, such as fund pages, are accurate and support the Summary of All Funds that is filed with the annual budget; and 3) the County completes a resolution to set the final allocation of levy authority to its political subdivisions by the deadline set by statute.

### **Expenditures in Excess of Budget**

For the fiscal year ended June 30, 2022, the expenditures in the Street Bridge Buyback Fund exceeded the adopted budget by \$2,528. No amendment was approved by the County Board.

Neb. Rev. Stat. § 23-916 (Reissue 2022) provides the following:

*After the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.*



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

A similar finding was noted in the prior audit.

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

### **Debt Service Expenditure and Transfers Out Miscoding**

In December 2021, the County paid \$32,000 out of the Inheritance Fund to cover part of the Courthouse bond. In February 2022, the County Board approved the transfer of \$32,000 from the Courthouse Bond Fund to the Inheritance Fund to cover this payment. However, the County Clerk miscoded the original \$32,000 debt service payment to the miscellaneous expenditure coding in the Inheritance Fund rather than Debt Service Principal. Furthermore, the County Clerk recorded the \$32,000 transfer out to the debt service principal expenditure code in the Courthouse Bond Fund rather than transfers out.

Good internal controls and sound accounting practices require procedures to ensure that disbursements and revenues are coded to the proper fund and accounts.

Without such procedures, there is an increased risk of the financial statements being materially incorrect.

We recommend the County Clerk implements procedures to ensure disbursements and revenues are coded to the proper funds and accounts.

### **Lack of Adequate Documentation**

During our testing of claims, we noted the following issues:

- The County made two payments, totaling \$7,000, to the Merrick County Historical Society, a non-profit organization, and a payment of \$2,000 to the Central City Area Chamber of Commerce. The County completed no subsequent follow-up to ensure that the funds were used appropriately.
- The County Assessor was reimbursed on one claim \$224 for 400 miles driven related to permit work; however, documentation to support the amount of miles driven was not on file.

Good internal controls and sound business practices require procedures to ensure that any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately, and any claim for mileage reimbursement is supported by adequate documentation, such as a detailed travel log.

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

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

We recommend the County Board implement procedures to ensure any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately, and any claim for mileage reimbursement is supported by adequate documentation, such as a detailed travel log.

### **Duplicate Payments**

We noted that one claim, totaling \$4,100, was a duplicate payment. The County received a credit on its account; however, the County was unable to support that it had discovered the duplicate payment through its internal review process.

| Payee                              | Duplicate Amount | Original Claim |          | Duplicate Claim |          |
|------------------------------------|------------------|----------------|----------|-----------------|----------|
|                                    |                  | Date           | Claim #  | Date            | Claim #  |
| Ace Irrigation & Manufacturing Co. | \$ 4,100         | 7/13/2021      | 21070116 | 10/12/2021      | 21100111 |

The APA noted also that the County had previously made duplicate payments to Ace Irrigation on claims #21060130, #21090115, and #21100111 for invoices #228889 and #228890.

Good internal controls and sound business practices require procedures to ensure that invoices are paid only once, and any duplicate payments are resolved in a timely manner.

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

A similar issue was noted in the prior audit.

We recommend the County Board implement procedures to ensure invoices are paid only once, and any duplicate payments are resolved in a timely manner.

**COUNTY CLERK**

**Imprest Account Reconciliation Procedures**

During our review of the County Board’s imprest account, we noted that a complete and accurate bank reconciliation of the account was not completed for June 30, 2022. The lack of reconciliation resulted in an unknown variance of \$416 between the reconciled bank balance and the book balance. Per the County Clerk, the account had not been reconciled since October 2021.

Sound accounting practices and good internal controls require procedures to ensure that office records are accurate and reconcile with bank activity on, at least, a monthly basis. Reconciliation procedures should include the timely identification and resolution of all variances noted.

Without such procedures, the County is susceptible to intentional and/or unintentional errors or omissions, which increase the risk of loss, theft, or misuse of public funds.

We recommend the County implement procedures to ensure that office records are accurate and reconcile with bank activity on, at least, a monthly basis. Reconciliation procedures should include the timely identification and resolution of all variances noted.

*County Clerk Response: The last we could find on the former clerk's computer was a reconciliation done October 2021. Currently working to resolve this situation and to keep it current.*

**Unclaimed Property**

During our review of the County Board’s imprest bank account, we noted 14 checks, totaling \$2,593, that were issued from January 2015 through May 2019 that were still outstanding. According to the County Clerk, some of these checks were re-issued, and some were duplicates; however, no documentation was on file to support these claims. Because they have been outstanding for over three years, these checks must be presumed abandoned property under the Uniform Disposition of Unclaimed Property Act (Act), as set out at Neb. Rev. Stat. § 69-1301 et. seq. (Reissue 2018, Cum. Sup. 2022), and remitted to the State Treasurer.

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

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

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2022) states, in relevant part, the following:

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

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. Any person holding intangible property presumed abandoned due to be reported with a cumulative value of fifty dollars or less in a single reporting year shall not be required to report the property in that year but shall report the property in any year when the property value or total report value exceeds fifty dollars.*

Without procedures to ensure that outstanding checks presumed abandoned property under the Act are remitted timely to the State Treasurer, there is an increased risk of noncompliance with State statute.

This issue was also noted in prior audits.

We recommend the County Clerk implement procedures to ensure that outstanding checks presumed abandoned property under the Act are remitted to the State Treasurer in accordance with State statute.

### **Balancing Procedures**

During our review of the County Clerk's office, we noted that a complete and accurate bank reconciliation was not completed for June 30, 2022, for the County Clerk's fee account. The following errors were noted:

- One deposit, totaling \$53, was deposited into the County Board imprest bank account instead of the County Clerk's fee bank account in January 2017. This issue has been noted for several years; however, it had not been corrected at the time of audit fieldwork in March 2023.
- In January 2021, a refund of Nebraska documentary stamp taxes paid was made to the original payee, totaling \$1,148. This fee was never voided in the accounting system and, therefore, the same amount was also remitted to the County Treasurer and Department of Revenue in February 2021. This error resulted in a shortage in the account of the same amount, which was not corrected during fiscal year 2022.
- An unknown overage of \$14 was held in the bank account and not remitted to the County Treasurer as of June 30, 2022.
- In fiscal year 2021, multiple variances were noted between receipt records and book activity, totaling \$11. On March 11, 2022, the Clerk attempted to correct this issue by remitting these funds to the County Treasurer. As of June 30, 2022, this check was still outstanding, but it was noted that this check was voided by the County Clerk on July 6, 2022, resulting in the errors noted in the prior year still existing.
- For four months during fiscal year 2021, the County Clerk incorrectly coded a total of \$13 in filings fees to the Preservation and Modernization Fund. These fees should have instead been coded to the General Fund. This error was not corrected during fiscal year 2022.

Neb. Rev. Stat. § 33-130 (Reissue 2016) requires all fees collected by the County Clerk to be remitted to the County Treasurer “no later than the fifteenth day of the month following the calendar month in which fees are received.” Neb. Rev. Stat. § 33-109(1) (Cum. Supp. 2022) states the following:

*The register of deeds and the county clerk shall receive for recording a deed, mortgage, or release, recording and indexing of a will, recording and indexing of a decree in a testate estate, recording proof of publication, or recording any other instrument, a fee of ten dollars for the first page and six dollars for each additional page. Two dollars and fifty cents of the ten-dollar fee for recording the first page and fifty cents of the six-dollar fee for recording each additional page shall be used exclusively for the purposes of preserving and maintaining public records of the office of the register of deeds and for modernization and technology needs relating to such records and preserving and maintaining public records of a register of deeds office that has been consolidated with another county office pursuant to section 22-417 and for modernization and technology needs relating to such records. The funds allocated under this subsection shall not be substituted for other allocations of county general funds to the register of deeds office or any other county office for the purposes enumerated in this subsection.*

Additionally, sound accounting practices and good internal controls require procedures to ensure that office records are accurate and reconcile with bank activity on, at least, a monthly basis. Reconciliation procedures should include the timely identification and resolution of all variances noted.

Without such procedures, the County is susceptible to intentional and/or unintentional errors or omissions, which increase the risk of loss, theft, or misuse of public funds.

We recommend the County Clerk implement procedures to ensure adequate records are maintained at all times to support balances, and complete, accurate monthly bank reconciliations are performed. We also recommend the County Clerk remit to the County Treasurer all fees received, as required by statute, for remittance to the correct fund.

*County Clerk Response: As suggested, we have a claim for May 2023 in the amount of \$53.25 from the County Board account to the Clerk fee account. This was due to a deposit in June 2016 being deposited into the wrong account. This check will be deposited May 12th after claim checks are approved. After speaking with the Dept of Revenue, an amended 521 Form will be issued with a deduction of \$1147.50 with the May 2023 documentary stamp paid to the Dept. Of Revenue. For fiscal year 2021, check #3846 was written May 3 in the amount of \$3322.00 to the Merrick County Treasurer. This check included a \$14.00 unknown overage. The P & M account was also coded \$13.00 less and recording fees were \$13.00 more than received for the variance from FY 2021.*

## **COUNTY SHERIFF**

### **Accounting Procedures**

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

#### ***Corrections Account***

A monthly asset-to-liability reconciliation was not performed, resulting in the following:

- The inmate balances held, totaling \$332, were not monitored appropriately. The report provided from the system indicated that the balances held as of June 30, 2022, totaled \$215, a variance of \$117. The County Sheriff could not explain this variance. Furthermore, \$115 in inmate balances was noted in prior years with no corresponding disbursement or other activity in fiscal year 2022.
- Inmate phone data, totaling \$5,635, was not remitted to the County Treasurer in a timely manner. The funds were remitted to the Treasurer on January 13, 2022. Of this amount, \$2,729 was for phone data charges collected between September 1, 2020, and June 30, 2021, while the remaining \$2,906 was for phone data charges collected between July 1, 2021, and December 31, 2021.

- An unknown cash long of \$492 was noted in the account, a decrease of \$2,248 from the \$2,740 unknown cash long noted in fiscal year 2021. The long noted in fiscal year 2021 was due to data charges that were not reported and remitted by the Sheriff. The long noted in fiscal year 2022 is due mainly to \$1,000 that was inappropriately transferred from the Civil Process account to the Corrections account, as well as unknown shorts totaling \$508. The table below summarizes the unknown long as of June 30, 2022:

| <b>Assets – As of June 30, 2022</b>      |                |
|--|----------------|
| Reconciled Bank Balance                  | \$1,897        |
| Cash on Hand                             | \$ 116         |
| <b>Total Assets</b>                      | <b>\$2,013</b> |
| <b>Liabilities – As of June 30, 2022</b> |                |
| Unremitted County Fees                   | \$1,189        |
| Due to Others                            | \$ 332         |
| <b>Total Liabilities</b>                 | <b>\$1,521</b> |
| <b>Unknown Long</b>                      | <b>\$ 492</b>  |

We also noted that adequate records were not maintained, as follows:

- Bond payments, totaling \$5,750, were deposited and paid out of the bank account; however, no corresponding receipts or disbursements were noted in the accounting records.
- On November 12, 2021, the Sheriff transferred \$1,000 from the Civil Process account to the Corrections account. The County Sheriff was unable to explain why this transfer was made.

#### ***Civil Process Account***

A monthly asset-to-liability reconciliation was not performed, resulting in the following:

- On September 21, 2021, the Sheriff was charged \$179 for the purchase of checks. This amount had not been claimed from the County as of audit fieldwork (early April 2023).
- An unknown cash long of \$6,467 was noted in the account. The table below summarizes the unknown long as of June 30, 2022:

| <b>Assets</b>            |                |
|--------------------------|----------------|
| Reconciled Bank Balance  | \$7,777        |
| Receivables              | \$ 179         |
| <b>Total Assets</b>      | <b>\$7,956</b> |
| <b>Liabilities</b>       |                |
| Unremitted County Fees   | \$1,244        |
| Due to Others            | \$ 245         |
| <b>Total Liabilities</b> | <b>\$1,489</b> |
| <b>Unknown Long</b>      | <b>\$6,467</b> |

We also noted that adequate records were not maintained, as follows:

- The book balance and the bank reconciliation as of June 30, 2022, was not accurate as the book balance did not include \$25 of execution fees that were deposited on June 30, 2022.
- The Sheriff collected \$59 in civil service fees and mileage in June 2022 that was not included on the June fee report that was given to the County Board or remitted to the County Treasurer in July 2022.

#### ***Cash Transactions***

We also noted that adequate records were not maintained for cash transactions, as follows:

- Many of the bond payments received by the County Sheriff are paid in cash. When a cash bond is received, it is receipted and then taken to the court in cash. The County Sheriff's records show that one bond payment of \$1,000 was received and taken to the court on August 12, 2021; however, the court does not show any record of receiving this payment. The County Sheriff was unable to provide any documentation to show that this bond payment was actually received or where the payment was deposited or paid to.
- During fiscal year 2020, \$80 in VIN (vehicle identification number) Inspection receipts was not remitted to the County Treasurer. This issue was not corrected or resolved as of June 30, 2022.

***Unclaimed Property***

The County Sheriff had outstanding checks, totaling \$126, that were due to the State Treasurer as abandoned property on November 1, 2021. On February 1, 2022, the County Sheriff remitted two checks, totaling \$155, to the State Treasurer, resulting in an overpayment of \$29. These checks were also issued after the November 1, 2021, due date.

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

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

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2022) states, in relevant part, the following:

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

\* \* \* \*

*(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. Any person holding intangible property presumed abandoned due to be reported with a cumulative value of fifty dollars or less in a single reporting year shall not be required to report the property in that year but shall report the property in any year when the property value or total report value exceeds fifty dollars.*

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

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

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.*

Sound accounting practices and good internal controls require procedures to ensure: 1) adequate reconciliation and balancing methods are utilized; 2) all variances identified are resolved, and proper documentation is maintained to support correct balances; 3) all fees earned by the office are remitted timely to the County Treasurer; 4) adequate documentation is maintained on file to support all bank transfers and cash transactions; 5) all bank fees and charges, including check purchases, are claimed and reimbursed in a timely manner; and 6) the correct amount of abandoned property is remitted to the State Treasurer in a timely manner.

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

A similar issue was noted in prior audits.

We recommend the County Sheriff implement procedures to ensure: 1) adequate reconciliation and balancing methods are utilized; 2) all variances identified are resolved, and proper documentation is maintained to support correct balances; 3) all fees earned by the office are remitted timely to the County Treasurer; 4) adequate documentation is maintained on file to support all bank transfers and cash transactions; 5) all bank fees and charges, including check purchases, are claimed and reimbursed in a timely manner; and 6) the correct amount of abandoned property is remitted to the State Treasurer in a timely manner.

**COUNTY SURVEYOR & HIGHWAY DEPARTMENT**

**Accounts Receivable**

During the audit, we noted that the County Surveyor and County Highway Department offices had numerous delinquent accounts receivable balances over two years old that remained uncollected as of June 30, 2022.

Those balances are detailed in the following table:

| Fiscal Year  | County Surveyor                |                       | County Highway Department      |                       |
|--------------|--------------------------------|-----------------------|--------------------------------|-----------------------|
|              | Number of Outstanding Accounts | Amount Due at 6/30/22 | Number of Outstanding Accounts | Amount Due at 6/30/22 |
| 2005         | 4                              | \$ 433                | 0                              | \$ -                  |
| 2006         | 0                              | -                     | 2                              | 522                   |
| 2007         | 2                              | 135                   | 0                              | -                     |
| 2008         | 1                              | 124                   | 0                              | -                     |
| 2009         | 2                              | 290                   | 0                              | -                     |
| 2010         | 6                              | 600                   | 4                              | 492                   |
| 2011         | 8                              | 1,247                 | 1                              | 96                    |
| 2012         | 1                              | 271                   | 1                              | 235                   |
| 2013         | 6                              | 765                   | 0                              | -                     |
| 2014         | 6                              | 491                   | 1                              | 15                    |
| 2015         | 4                              | 458                   | 3                              | 2,529                 |
| 2016         | 3                              | 371                   | 3                              | 5,600                 |
| 2017         | 4                              | 369                   | 4                              | 1,473                 |
| 2018         | 6                              | 1,004                 | 6                              | 1,773                 |
| 2019         | 5                              | 1,318                 | 3                              | 14,735                |
| 2020         | 6                              | 1,347                 | 1                              | 3,292                 |
| <b>Total</b> | <b>64</b>                      | <b>\$ 9,223</b>       | <b>29</b>                      | <b>\$ 30,762</b>      |

Sound accounting practices and good internal controls require procedures to ensure that a periodic review of overdue accounts receivable is completed, at least annually, with the County Board to consider the feasibility of collection and/or the need for write-off approval if those accounts appear to be uncollectible.

Without such procedures, there is an increased risk of delinquent accounts not being collected and/or resolved in a timely manner.

A similar issue was noted in prior audits.

We recommend the County Surveyor and County Highway Department implement procedures to ensure the completion of a periodic review with the County Board, at least annually, to determine whether accounts receivable should be pursued or approved to be written off.

*County Surveyor & Highway Department Response: The issues with delinquent accounts receivable in the Highway Department & Surveyor Department will be pursued to collect unpaid accounts. Uncollected accounts will be written off. This issue is going to have to be reviewed monthly.*

## COUNTY EXTENSION

### Outstanding Reconciliation Items

On the County Extension's June 30, 2022, bank reconciliation, the following issues were noted:

- The bank reconciliation included inappropriate outstanding items. Specifically, the reconciliation included an outstanding deposit, totaling \$40, and a \$40 outstanding check with no check number. The net effect of these outstanding items was zero. However, during the fiscal year 2022, the County Extension had incorrectly recorded a duplicate \$40 receipt in its accounting software and, instead of voiding the receipt, the County Extension recorded the outstanding check to net the duplicate receipt on the bank reconciliation. Furthermore, no cleared date was entered into the system; therefore, the reconciliation still shows these as outstanding reconciling items.
- The bank reconciliation included a \$50 outstanding check; however, the reconciliation noted that this check should be voided because the check payee informed the County Extension that the money could be kept as a donation. However, the County Extension failed to maintain documentation to support this donation agreement, and a copy of the voided check was not maintained on file either.

Sound accounting practices and good internal controls require procedures to ensure that balances recorded in the accounting system reconcile, on at least a monthly basis, to bank balances, and any variances noted are identified and corrected in a timely manner. Additionally, sound accounting practices and good internal controls require adequate documentation, including voided checks, to be kept on file for subsequent review.

Without such procedures, the County is susceptible to intentional and/or unintentional errors or omissions, which increase the risk of loss, theft, or misuse of public funds.

We recommend the County Extension implement procedures to ensure adequate records are maintained at all times to support balances, and complete, accurate monthly bank reconciliations are performed.

### Untimely Remittance

During the audit, we noted that the County Extension was not remitting money received to the County Treasurer's office in a timely manner, such as on a monthly basis. For example, the first disbursement during fiscal year 2022 occurred on November 30, 2021, while the last disbursement during fiscal year 2021 occurred on March 3, 2021. This resulted in the County Extension office holding County funds for over nine months. A total of five checks were issued to the County Treasurer in fiscal year 2022, with only two of those five being issued in the following month after funds were collected.



As of June 30, 2022, \$6,707 was held by the County Extension for rental contract fees and membership dues.

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

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

Sound accounting practice and good internal control require procedures to ensure that County monies collected by the County Extension office are remitted in a timely manner, such as on a monthly basis, to the County Treasurer.

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

We recommend the implementation of procedures to ensure that County monies collected by the County Extension office are remitted in a timely manner, such as on a monthly basis, to the County Treasurer.

### **Damage Deposit Rate Not Approved by the County Board**

During the audit, it was noted that the rate charged by the County Extension office for damage (security) deposits on the rental contracts were not approved by the County Board. During fiscal year 2022, the County Extension office received \$9,983 for damage deposits.

Neb. Rev. Stat. § 23-106(1) (Reissue 2022) assigns to the County Board responsibility for managing County funds and business.

Furthermore, good internal controls and sound business practice require fees to be set by the County Board and documentation of this approval to be maintained.

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

We recommend the implementation of procedures to ensure that the County Board approves all County office fees not set by statute and maintains documentation of such approvals for subsequent review.

## **COUNTY CLERK OF DISTRICT COURT**

### **Late Remittance**

During our review of case balances held by the Clerk of the District Court as of June 30, 2022, it was noted that for one case the District Court was holding onto \$450 in bond money paid to the District Court in May 2018. On December 20, 2021, this bond money was declared forfeited by an order of the District Court Judge. However, this money was not remitted to the County and State Treasurer until November 1, 2022, 316 days after it was forfeited.

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

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

Additionally, sound accounting practice and good internal control require the implementation of procedures to ensure that monies held by the District Court that are forfeited are properly remitted to the County and State Treasurer in a timely manner.

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 District Court implement procedures to ensure that monies held by the District Court that are forfeited are properly remitted to the County and State Treasurer in a timely manner.

### **Overdue Case Balance Follow-Up**

During our review of the February 28, 2023, Overdue Case Account Report, we noted one criminal case, with an overdue balance of \$1,255, for which subsequent action was not taken by the Clerk of the District Court to ensure collection and/or resolution of the balance owed. The last activity on this case was in October 2020, when a Notice of Payment Due was returned to the District Court by the United States Post Office. No other documentation or notes in the District Court's system were noted to support recent follow-up.

The Overdue Case Account Report tested contained 77 overdue balances, totaling \$29,221, related to criminal cases dating back to 1995. Only one of those cases was flagged for a current warrant.

Good internal controls and sound business practices require a well-documented review of overdue amounts of the District Court on an ongoing, timely basis to determine what action should be taken to collect, remit, or otherwise resolve those balances.

Without a documented, ongoing, and timely review of the monthly financial reports, including the Overdue Case Balance Report, there is an increased risk that the balances listed therein may either lack prompt follow-up action or have been resolved previously and should no longer be reflected as balances in the accounting system.

We recommend the Clerk of the District Court implement a documented, ongoing, timely review of the monthly financial reports, including the Overdue Case Account Report, to ensure the timely collection and/or resolution of the balances listed therein.

## **COUNTY TREASURER**

### **Tentative Inheritance Taxes**

During testing of the Tentative Inheritance Tax Holding Fund, the APA noted that \$99,131 was not transferred to the County's Inheritance Tax Fund in a timely manner. The case was finalized on December 15, 2020; however, the transfer did not occur until December 23, 2021, over a year later.

Neb. Rev. Stat. § 77-2008.01 (Reissue 2018) directs inheritance taxes, along with any interest accrued thereon, to be "credited by the county treasurer or county treasurers to the general inheritance tax fund of the county or counties."

Neb. Rev. Stat. § 77-2018.07 (Reissue 2018) provides for the payment of a "tentative inheritance tax," as follows:

*(1) Any person subject to the tax imposed by sections 77-2001 to 77-2037 may, prior to the final determination of the inheritance tax, make a tentative payment of the tax in order to avoid the accrual of interest or penalty on such tax. Any person who desires to pay such tentative inheritance tax shall make a written application to the county court for an order allowing the payment of a sum specified in such application, prior to the final determination of the inheritance tax due.*

\* \* \* \*

*(3) The county treasurer shall receive all taxes paid pursuant to this section but shall not be required to invest any tentative tax payment made for the benefit of the estate nor shall the county treasurer be required to pay interest on any refund claim for the period he or she holds the tentative tax payment.*

Good internal controls require procedures to ensure that the County's trust balances, including the Tentative Inheritance Tax Holding Fund, are reviewed on an ongoing, timely basis to determine what action, if any, should be taken to collect, remit, or otherwise resolve those balances.

Without such procedures, there is an increased risk that trust balances may either not have proper follow-up action taken timely or have been resolved previously and should no longer be reflected as a balance in the County's accounting system.

We recommend the County Treasurer implement an ongoing, timely review of the County's trust balances, including the Tentative Inheritance Tax Holding Fund, to ensure the timely resolution of the amounts listed therein.

*County Treasurer Response: This had been previously pointed out to me, by the auditors, in December of 2021. The very day that I was made aware of this, I reached out to the Clerk Magistrates in both Merrick and Hamilton Counties, as our office had never received the Final order on three estates. I also reached out to all attorneys involved with estates that still had money in the tentative fund. As a result, I received final orders for three estates that had been settled, but final orders had not been sent. That same day, December 23, 2021, after receiving those final orders, I transferred that money from the Tentative Inheritance Fund to the Inheritance Fund. I do want to point out that the money was still in a bank account, and still making the same amount of interest as it would have, if we had received the final orders in a timely manner. When anyone contests an estate, it is not unusual for money to be in the Tentative Fund for an extended period of time. (For instance, we currently still have money in the tentative fund from April of 2019 for an estate that has not yet been settled.)*

*I do appreciate the auditors bringing this to my attention, because it's very difficult to know the information that I'm not receiving, when I'm not receiving it. I was not aware that Final Orders were not being sent. Therefore, as of December 23, 2021, I implemented a procedure to reach out via phone or e-mail to Attorneys for any estates that currently still have money in our Tentative Fund to see if the estates have been finalized. I do this on a quarterly basis to ensure that this will not be an issue in the future.*

## **COUNTY OVERALL**

### **Segregation of Duties**

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

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

This was also noted in prior audits.

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

\* \* \* \* \*

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

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

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

Sincerely,

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

Dakota Christensen, CPA, CISA, CFE  
Audit Manager