

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2018, THROUGH JUNE 30, 2019

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the Auditor of Public Accounts.**

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Issued on March 9, 2020

DAWSON COUNTY

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DAWSON COUNTY
700 N. Washington
Lexington, NE 68850

LIST OF COUNTY OFFICIALS
At June 30, 2019

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Bill Stewart	Jan. 2023
	Dennis Rickertsen	Jan. 2023
	Dean Kugler	Jan. 2021
	P J Jacobson	Jan. 2021
	Everett (Butch) Hagan	Jan. 2021
Assessor	John Moore	Jan. 2023
Attorney	Elizabeth Waterman	Jan. 2023
Clerk Election Commissioner	Karla Zlatkovsky	Jan. 2023
Register of Deeds	Dian Lauby	Jan. 2023
Clerk of the District Court	Becky Boryca	Jan. 2023
Sheriff	Ken Moody	Jan. 2023
Treasurer	Vickie Clements	Jan. 2023
Surveyor	Mark Streit	Jan. 2023
Veterans' Service Officer	Steve Zerr	Appointed
Weed Superintendent	Marty Craig	Appointed
Highway Superintendent	Mark Christiansen	Appointed
Emergency Manager	Brian Woldt	Appointed
Planning and Zoning	Pam Holbrook	Appointed
Public Defender	Kenneth Harbison	Appointed



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DAWSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dawson County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the 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 aggregate remaining fund information of Dawson County as of June 30, 2019, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – 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.

Report on Supplementary Information

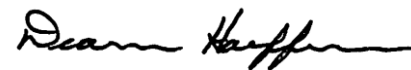
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 17-36, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 February 28, 2020, on our consideration of Dawson 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 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 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 Dawson County's internal control over financial reporting and compliance.

February 28, 2020



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

DAWSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2019

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 21,089,786
Investments (Note 1.D)	102,106
TOTAL ASSETS	\$ 21,191,892
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 194,298
911 Emergency Services	509,280
Drug Education	28,838
Law Enforcement	48,832
Preservation of Records	28,578
Bridge and Road Projects	1,476,873
Unrestricted	18,905,193
TOTAL NET POSITION	\$ 21,191,892

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

DAWSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2019

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (6,855,640)	\$ 884,743	\$ 236,048	\$ (5,734,849)
Public Safety	(5,230,576)	338,304	220,729	(4,671,543)
Public Works	(4,409,307)	42,694	3,059,510	(1,307,103)
Health and Sanitation	(233,736)	-	-	(233,736)
Public Assistance	(424,160)	-	-	(424,160)
Culture and Recreation	(313,304)	-	211,781	(101,523)
Total Governmental Activities	<u>\$ (17,466,723)</u>	<u>\$ 1,265,741</u>	<u>\$ 3,728,068</u>	<u>(12,472,914)</u>

General Receipts:

Property Taxes	11,011,549
Grants and Contributions Not Restricted to Specific Programs	2,446,568
Investment Income	216,795
Licenses and Permits	90,883
Insurance Reimbursements	653,137
Keno Proceeds	127,357
Miscellaneous	147,434
Total General Receipts	<u>14,693,723</u>
Increase in Net Position	2,220,809
Net Position - Beginning of year	18,971,083
Net Position - End of year	<u>\$ 21,191,892</u>

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

DAWSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 5,002,438	\$ 109,177	\$ 3,834,658	\$4,925,715	\$3,800,000	\$ 3,417,798	\$ 21,089,786
Investments (Note 1.D)	-	-	102,106	-	-	-	102,106
TOTAL ASSETS	<u>\$ 5,002,438</u>	<u>\$ 109,177</u>	<u>\$ 3,936,764</u>	<u>\$4,925,715</u>	<u>\$3,800,000</u>	<u>\$ 3,417,798</u>	<u>\$ 21,191,892</u>
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	194,298	194,298
911 Emergency Services	-	-	-	-	-	509,280	509,280
Drug Education	-	-	-	-	-	28,838	28,838
Law Enforcement	-	-	-	-	-	48,832	48,832
Preservation of Records	-	-	-	-	-	28,578	28,578
Bridge and Road Projects	-	-	-	-	-	1,476,873	1,476,873
Committed to:							
Law Enforcement	-	-	-	-	-	125,562	125,562
Road Maintenance	-	109,177	-	-	-	-	109,177
Aid and Assistance	-	-	-	-	-	53,525	53,525
County Buildings	-	-	-	-	-	106,858	106,858
Unemployment Compensation	-	-	-	-	-	104,556	104,556
Employee Recognition	-	-	-	-	-	14,411	14,411
Miscellaneous Projects	-	-	-	-	3,800,000	314,776	4,114,776
Watershed Management	-	-	-	-	-	407,062	407,062
Noxious Weed Control	-	-	-	-	-	3,500	3,500
Historical Society	-	-	-	-	-	849	849
Self Insurance	-	-	-	4,925,715	-	-	4,925,715
Assigned to:							
Other Purposes	-	-	3,936,764	-	-	-	3,936,764
Unassigned	5,002,438	-	-	-	-	-	5,002,438
TOTAL CASH BASIS FUND BALANCES	<u>\$ 5,002,438</u>	<u>\$ 109,177</u>	<u>\$ 3,936,764</u>	<u>\$4,925,715</u>	<u>\$3,800,000</u>	<u>\$ 3,417,798</u>	<u>\$ 21,191,892</u>

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

DAWSON COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$ 10,012,425	\$ -	\$ 533,410	\$ -	\$ -	\$ 465,714	\$ 11,011,549
Licenses and Permits	90,883	-	-	-	-	-	90,883
Investment Income	153,851	-	-	62,231	-	713	216,795
Intergovernmental	2,391,425	2,788,256	-	-	-	994,955	6,174,636
Charges for Services	970,227	-	-	-	-	295,514	1,265,741
Miscellaneous	16,361	87,464	-	656,508	-	167,595	927,928
TOTAL RECEIPTS	13,635,172	2,875,720	533,410	718,739	-	1,924,491	19,687,532
DISBURSEMENTS							
General Government	5,114,558	-	-	1,581,388	-	159,694	6,855,640
Public Safety	4,397,010	-	-	-	-	833,566	5,230,576
Public Works	190,522	4,058,625	-	-	-	160,160	4,409,307
Health and Sanitation	233,736	-	-	-	-	-	233,736
Public Assistance	100,986	-	-	-	-	323,174	424,160
Culture and Recreation	-	-	-	-	-	313,304	313,304
TOTAL DISBURSEMENTS	10,036,812	4,058,625	-	1,581,388	-	1,789,898	17,466,723
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,598,360	(1,182,905)	533,410	(862,649)	-	134,593	2,220,809
OTHER FINANCING SOURCES (USES)							
Transfers in	-	848,738	625	1,560,707	-	534,636	2,944,706
Transfers out	(2,667,848)	-	(625)	-	-	(276,233)	(2,944,706)
TOTAL OTHER FINANCING SOURCES (USES)	(2,667,848)	848,738	-	1,560,707	-	258,403	-
Net Change in Fund Balances	930,512	(334,167)	533,410	698,058	-	392,996	2,220,809
CASH BASIS FUND BALANCES - BEGINNING							
	4,071,926	443,344	3,403,354	4,227,657	3,800,000	3,024,802	18,971,083
CASH BASIS FUND BALANCES - ENDING							
	\$ 5,002,438	\$ 109,177	\$ 3,936,764	\$ 4,925,715	\$ 3,800,000	\$ 3,417,798	\$ 21,191,892

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

DAWSON COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
 June 30, 2019

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,760,955
 LIABILITIES	
Due to other governments	
State	418,688
Schools	693,445
Educational Service Units	6,912
Technical College	46,866
Natural Resource Districts	12,626
Cemetery Districts	346
Fire Districts	4,071
Municipalities	111,739
Agricultural Society	4,182
Drainage Districts	26,595
Railroad Transportation Safety District	404,219
Sanitary and Improvement Districts	11,547
Hospital	4,354
Airport Authorities	9,062
Others	6,303
TOTAL LIABILITIES	1,760,955
 TOTAL NET ASSETS	 \$ -

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

Behavioral Health Region II – 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 II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

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 \$129,673 toward the operation of the Region during fiscal year 2019. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2019. 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. 2018). Financial information for the Department is available in that report.

Dawson County Public Safety Communication Agency (Communication Agency) – The County has entered into an agreement with the governing boards of the City of Lexington, City of Cozad, and Gosper County to provide communication functions for fire, utility, police, and emergency services. An advisory board is established by interlocal agreement and includes representatives from the participating political subdivisions. Each political subdivision contributes to the financial support of the Communication Agency based on formulas developed by the governing board. Funding is provided by a combination of Federal, State, local, and private funding. The Communication Agency is under the administration of Dawson County, and a separate fund was created to account for the financial activity. The activity of this fund was included in the financial statements of the County and is included in this report. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

B. Basis of Presentation

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

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

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

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

DAWSON 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.

Insurance Fund. This fund is used to account for employee insurance premiums, health insurance reimbursements, and expenditures for health insurance claims.

Sinking Fund. This fund is used to account for transfers from other funds, which will be used for special projects.

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.

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

The County designates fund balances as follows:

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

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

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when warrants are 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 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, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,286,699 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. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was 21,089,786 for County funds and \$1,760,955 for Fiduciary funds. The bank balances for all funds totaled \$22,645,190. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2019, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$102,106 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property 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 2018, for the 2018 taxes, which will be materially collected in May and September 2019, was set at \$.290189/\$100 of assessed valuation. The levy set in October 2017, for the 2017 taxes, which were materially collected in May and September 2018, was set at \$.306653/\$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.

4. Retirement System

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2018) and may be amended through legislative action.

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

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System (Concluded)

For the year ended June 30, 2019, 191 employees contributed \$335,239, and the County contributed \$495,557. Contributions included \$14,604 in cash contributions towards the supplemental law enforcement plan for 33 law enforcement employees.

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 96 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 such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during such county's period of membership.

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

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

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

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 848,738	\$ -	\$ -	\$ 848,738
Inheritance Fund	-	-	625	625
Insurance Fund	1,393,380	-	167,327	1,560,707
Nonmajor Funds	425,730	625	108,281	534,636
Total	\$ 2,667,848	\$ 625	\$ 276,233	\$ 2,944,706

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

6. **Interfund Transfers** (Concluded)

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

In the year ended June 30, 2019, the County made a one-time transfer of \$78,119 from the 911 Enhanced Wireless Service Fund to the E-911 Fund to reimburse eligible costs originally paid from the E-911 Fund. The County also transferred \$162 from the 911 Enhanced Wireless Service Fund to the 911 Enhanced Wireless Reserve Fund to set aside funds for future projects, in accordance with requirements of the Nebraska Public Service Commission.

Also, transfers of \$20,302, \$10,151, and \$136,874 were made to the Insurance Fund from the CASA Fund, Victim Assistance Fund, and Dispatch Fund, respectively, to pay the County's portion of health insurance premiums.

7. **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.

8. **Noxious Weed Board**

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

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 10,495,754	\$ 10,495,754	\$ 10,012,425	\$ (483,329)
Licenses and Permits	87,805	87,805	90,883	3,078
Interest	28,000	28,000	153,851	125,851
Intergovernmental	1,592,860	1,592,860	2,391,425	798,565
Charges for Services	824,580	824,580	970,227	145,647
Miscellaneous	2,600	2,600	16,361	13,761
TOTAL RECEIPTS	13,031,599	13,031,599	13,635,172	603,573
DISBURSEMENTS				
General Government:				
County Board	101,150	101,150	100,069	1,081
County Clerk	194,915	194,915	187,408	7,507
County Treasurer	302,590	302,590	292,774	9,816
Register of Deeds	141,304	141,304	107,911	33,393
County Assessor	526,895	552,230	552,230	-
Election Commissioner	88,875	88,875	66,260	22,615
Building and Zoning	29,000	29,000	21,772	7,228
Board of Equalization	-	-	-	-
Clerk of the District Court	303,812	303,812	259,133	44,679
County Court System	480,500	480,500	402,738	77,762
District Judge	237,434	237,434	221,638	15,796
Public Defender	233,110	233,110	232,109	1,001
Building and Grounds	1,274,600	1,274,600	560,139	714,461
Agricultural Extension Agent	158,500	158,500	139,226	19,274
Child Support	270,487	270,487	218,843	51,644
Miscellaneous	4,283,150	4,076,203	1,752,308	2,323,895
Public Safety				
County Sheriff	3,470,732	3,637,808	3,637,808	-
County Attorney	665,143	665,143	662,926	2,217
Emergency Management	182,800	182,800	96,276	86,524
Public Works				
County Surveyor	197,104	197,104	190,522	6,582
Public Health				
Institutions	219,200	233,736	233,736	-
Public Assistance				
Veterans' Service Officer	66,936	66,936	55,551	11,385
County Relief	50,000	50,000	7,125	42,875
Senior Citizen Handi-Bus	49,230	49,230	38,310	10,920
TOTAL DISBURSEMENTS	13,527,467	13,527,467	10,036,812	3,490,655

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(495,868)	(495,868)	3,598,360	4,094,228
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,645,751)	(2,645,751)	(2,667,848)	(22,097)
TOTAL OTHER FINANCING SOURCES (USES)	(2,645,751)	(2,645,751)	(2,667,848)	(22,097)
Net Change in Fund Balance	(3,141,619)	(3,141,619)	930,512	4,072,131
FUND BALANCE - BEGINNING	4,061,619	4,061,619	4,071,926	10,307
FUND BALANCE - ENDING	<u>\$ 920,000</u>	<u>\$ 920,000</u>	<u>\$ 5,002,438</u>	<u>\$ 4,082,438</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 2,776,035	\$ 2,776,035	\$ 2,788,256	\$ 12,221
Miscellaneous	10,500	10,500	87,464	76,964
TOTAL RECEIPTS	2,786,535	2,786,535	2,875,720	89,185
DISBURSEMENTS	7,329,900	7,329,900	4,058,625	3,271,275
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,543,365)	(4,543,365)	(1,182,905)	3,360,460
OTHER FINANCING SOURCES (USES)				
Transfers in	4,600,021	4,600,021	848,738	(3,751,283)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,600,021	4,600,021	848,738	(3,751,283)
Net Change in Fund Balance	56,656	56,656	(334,167)	(390,823)
FUND BALANCE - BEGINNING	443,344	443,344	443,344	-
FUND BALANCE - ENDING	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 109,177</u>	<u>\$ (390,823)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 96,646	\$ 96,646	\$ 533,410	\$ 436,764
TOTAL RECEIPTS	96,646	96,646	533,410	436,764
DISBURSEMENTS	1,000,000	1,000,000	-	1,000,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(903,354)	(903,354)	533,410	1,436,764
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	625	625
Transfers out	(2,500,000)	(2,500,000)	(625)	2,499,375
TOTAL OTHER FINANCING SOURCES (USES)	(2,500,000)	(2,500,000)	-	2,500,000
Net Change in Fund Balance	(3,403,354)	(3,403,354)	533,410	3,936,764
FUND BALANCE - BEGINNING	3,403,354	3,403,354	3,403,354	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,936,764</u>	<u>\$ 3,936,764</u>

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INSURANCE FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 62,231	\$ 62,231
Miscellaneous	522,343	522,343	656,508	134,165
TOTAL RECEIPTS	<u>522,343</u>	<u>522,343</u>	<u>718,739</u>	<u>196,396</u>
DISBURSEMENTS	<u>4,500,000</u>	<u>4,500,000</u>	<u>1,581,388</u>	<u>2,918,612</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,977,657)</u>	<u>(3,977,657)</u>	<u>(862,649)</u>	<u>3,115,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,560,707	1,560,707
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,560,707</u>	<u>1,560,707</u>
Net Change in Fund Balance	(3,977,657)	(3,977,657)	698,058	4,675,715
FUND BALANCE - BEGINNING	<u>3,977,657</u>	<u>3,977,657</u>	<u>4,227,657</u>	<u>250,000</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,925,715</u>	<u>\$ 4,925,715</u>
SINKING FUND				
RECEIPTS				
TOTAL RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(3,800,000)</u>	<u>(3,800,000)</u>	<u>-</u>	<u>3,800,000</u>
Net Change in Fund Balance	(3,800,000)	(3,800,000)	-	3,800,000
FUND BALANCE - BEGINNING	<u>3,800,000</u>	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,800,000</u>	<u>\$ 3,800,000</u>

(Concluded)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BUY BACK FUND				
Receipts	\$ 271,254	\$ 271,254	\$ 271,254	\$ -
Disbursements	(1,476,873)	(1,476,873)	-	1,476,873
Net Change in Fund Balance	(1,205,619)	(1,205,619)	271,254	1,476,873
Fund Balance - Beginning	1,205,619	1,205,619	1,205,619	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,476,873</u>	<u>\$ 1,476,873</u>
VISITOR'S PROMOTION FUND				
Receipts	\$ 114,992	\$ 114,992	\$ 119,249	\$ 4,257
Disbursements	(208,650)	(208,650)	(153,408)	55,242
Net Change in Fund Balance	(93,658)	(93,658)	(34,159)	59,499
Fund Balance - Beginning	93,658	93,658	93,658	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,499</u>	<u>\$ 59,499</u>
VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 102,094	\$ 102,094	\$ 119,249	\$ 17,155
Disbursements	(203,400)	(203,400)	(85,756)	117,644
Net Change in Fund Balance	(101,306)	(101,306)	33,493	134,799
Fund Balance - Beginning	101,306	101,306	101,306	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,799</u>	<u>\$ 134,799</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 20,839	\$ 20,839	\$ 13,587	\$ (7,252)
Disbursements	(55,000)	(55,000)	(19,170)	35,830
Net Change in Fund Balance	(34,161)	(34,161)	(5,583)	28,578
Fund Balance - Beginning	34,161	34,161	34,161	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,578</u>	<u>\$ 28,578</u>
UNEMPLOYMENT COMPENSATION FUND				
Receipts	\$ 10,884	\$ 10,884	\$ 15,440	\$ 4,556
Disbursements	(90,000)	(90,000)	-	90,000
Net Change in Fund Balance	(79,116)	(79,116)	15,440	94,556
Fund Balance - Beginning	89,116	89,116	89,116	-
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 104,556</u>	<u>\$ 94,556</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PARENT CHILD CENTER FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(10,000)	(10,000)	-	10,000
Transfers in	10,000	10,000	-	(10,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
VETERAN'S AID FUND				
Receipts	\$ 126	\$ 126	\$ 75	\$ (51)
Disbursements	(15,000)	(15,000)	(2,395)	12,605
Net Change in Fund Balance	(14,874)	(14,874)	(2,320)	12,554
Fund Balance - Beginning	14,874	14,874	14,874	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,554</u>	<u>\$ 12,554</u>
CASA FUND				
Receipts	\$ 86,396	\$ 86,396	\$ 131,546	\$ 45,150
Disbursements	(127,853)	(127,853)	(105,288)	22,565
Transfers in	40,000	40,000	20,000	(20,000)
Transfers out	-	-	(20,302)	(20,302)
Net Change in Fund Balance	(1,457)	(1,457)	25,956	27,413
Fund Balance - Beginning	1,457	1,457	1,457	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,413</u>	<u>\$ 27,413</u>
STOP FUND				
Receipts	\$ 15,572	\$ 15,572	\$ 6,800	\$ (8,772)
Disbursements	(35,000)	(35,000)	(5,000)	30,000
Net Change in Fund Balance	(19,428)	(19,428)	1,800	21,228
Fund Balance - Beginning	19,428	19,428	19,428	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,228</u>	<u>\$ 21,228</u>
COUNTY DRUG LAW ENFORCEMENT AND EDUCATION FUND				
Receipts	\$ 10,189	\$ 10,189	\$ -	\$ (10,189)
Disbursements	(50,000)	(50,000)	(10,973)	39,027
Net Change in Fund Balance	(39,811)	(39,811)	(10,973)	28,838
Fund Balance - Beginning	39,811	39,811	39,811	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,838</u>	<u>\$ 28,838</u>

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MID-WEST NEBRASKA DRUG COURT FUND				
Receipts	\$ 276	\$ 276	\$ 25,793	\$ 25,517
Disbursements	(75,000)	(75,000)	(6,608)	68,392
Net Change in Fund Balance	(74,724)	(74,724)	19,185	93,909
Fund Balance - Beginning	74,724	74,724	74,724	-
Fund Balance - Ending	\$ -	\$ -	\$ 93,909	\$ 93,909
FEDERAL DRUG FORFEITURE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(484)	(484)	(484)	-
Net Change in Fund Balance	(484)	(484)	(484)	-
Fund Balance - Beginning	484	484	484	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -
K-9 DOG FUND				
Receipts	\$ 70	\$ 70	\$ 2,390	\$ 2,320
Disbursements	(2,100)	(2,100)	(1,115)	985
Net Change in Fund Balance	(2,030)	(2,030)	1,275	3,305
Fund Balance - Beginning	2,030	2,030	2,030	-
Fund Balance - Ending	\$ -	\$ -	\$ 3,305	\$ 3,305
SHERIFF GRANT FUND				
Receipts	\$ 20,701	\$ 20,701	\$ 32,333	\$ 11,632
Disbursements	(31,500)	(31,500)	(20,208)	11,292
Transfers in	-	-	625	625
Transfers out	-	-	(625)	(625)
Net Change in Fund Balance	(10,799)	(10,799)	12,125	22,924
Fund Balance - Beginning	10,799	10,799	10,799	-
Fund Balance - Ending	\$ -	\$ -	\$ 22,924	\$ 22,924
SCAAP FUND				
Receipts	\$ 24,505	\$ 24,505	\$ -	\$ (24,505)
Disbursements	(48,000)	(48,000)	(4,586)	43,414
Net Change in Fund Balance	(23,495)	(23,495)	(4,586)	18,909
Fund Balance - Beginning	23,495	23,495	23,495	-
Fund Balance - Ending	\$ -	\$ -	\$ 18,909	\$ 18,909

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CASA GRANT FUND				
Receipts	\$ 2,843	\$ 2,843	\$ -	\$ (2,843)
Disbursements	(8,000)	(8,000)	(3,710)	4,290
Net Change in Fund Balance	(5,157)	(5,157)	(3,710)	1,447
Fund Balance - Beginning	5,157	5,157	5,157	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,447</u>	<u>\$ 1,447</u>
JUVENILE SERVICES - HEALING HEARTS FUND				
Receipts	\$ 51,001	\$ 51,001	\$ -	\$ (51,001)
Disbursements	(55,000)	(55,000)	-	55,000
Net Change in Fund Balance	(3,999)	(3,999)	-	3,999
Fund Balance - Beginning	3,999	3,999	3,999	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999</u>	<u>\$ 3,999</u>
COUNTY GRANT FUND				
Receipts	\$ 497,000	\$ 497,000	\$ 211,781	\$ (285,219)
Disbursements	(500,000)	(500,000)	(211,781)	288,219
Net Change in Fund Balance	(3,000)	(3,000)	-	3,000
Fund Balance - Beginning	3,000	3,000	3,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
VICTIM ASSISTANCE FUND				
Receipts	\$ 22,006	\$ 22,006	\$ 55,294	\$ 33,288
Disbursements	(84,265)	(84,265)	(55,291)	28,974
Transfers in	50,000	50,000	10,000	(40,000)
Transfers out	-	-	(10,151)	(10,151)
Net Change in Fund Balance	(12,259)	(12,259)	(148)	12,111
Fund Balance - Beginning	12,259	12,259	12,259	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,111</u>	<u>\$ 12,111</u>
EMPLOYEE RECOGNITION FUND				
Receipts	\$ 2,554	\$ 2,554	\$ 4,218	\$ 1,664
Disbursements	(15,000)	(15,000)	(2,253)	12,747
Net Change in Fund Balance	(12,446)	(12,446)	1,965	14,411
Fund Balance - Beginning	12,446	12,446	12,446	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,411</u>	<u>\$ 14,411</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOTTERY FUND				
Receipts	\$ 110,967	\$ 110,967	\$ 128,070	\$ 17,103
Disbursements	(300,000)	(300,000)	(72,327)	227,673
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(30,000)	70,000
Net Change in Fund Balance	(289,033)	(289,033)	25,743	314,776
Fund Balance - Beginning	289,033	289,033	289,033	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,776</u>	<u>\$ 314,776</u>
E-911 FUND				
Receipts	\$ 21,102	\$ 21,102	\$ 55,582	\$ 34,480
Disbursements	(240,000)	(240,000)	(73,716)	166,284
Transfers in	-	-	78,119	78,119
Transfers out	(60,000)	(60,000)	-	60,000
Net Change in Fund Balance	(278,898)	(278,898)	59,985	338,883
Fund Balance - Beginning	278,898	278,898	278,898	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,883</u>	<u>\$ 338,883</u>
911 ENHANCED WIRELESS SERVICE FUND				
Receipts	\$ -	\$ -	\$ 82,781	\$ 82,781
Disbursements	-	-	(4,500)	(4,500)
Transfers in	82,871	82,871	-	(82,871)
Transfers out	(82,871)	(82,871)	(78,281)	4,590
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
911 ENHANCED WIRELESS RESERVE FUND				
Receipts	\$ 2,085	\$ 2,085	\$ 6,585	\$ 4,500
Disbursements	(169,895)	(169,895)	(4,160)	165,735
Transfers in	-	-	162	162
Transfers out	-	-	-	-
Net Change in Fund Balance	(167,810)	(167,810)	2,587	170,397
Fund Balance - Beginning	167,810	167,810	167,810	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,397</u>	<u>\$ 170,397</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RANGE MANAGEMENT FUND				
Receipts	\$ 2,196	\$ 2,196	\$ 2,960	\$ 764
Disbursements	(3,000)	(3,000)	(550)	2,450
Net Change in Fund Balance	(804)	(804)	2,410	3,214
Fund Balance - Beginning	804	804	804	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,214</u>	<u>\$ 3,214</u>
DISPATCH FUND				
Receipts	\$ 246,500	\$ 246,500	\$ 250,000	\$ 3,500
Disbursements	(654,300)	(654,300)	(457,020)	197,280
Transfers in	405,730	405,730	345,730	(60,000)
Transfers out	-	-	(136,874)	(136,874)
Net Change in Fund Balance	(2,070)	(2,070)	1,836	3,906
Fund Balance - Beginning	2,070	2,070	2,070	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,906</u>	<u>\$ 3,906</u>
BUILDING FUND				
Receipts	\$ 341	\$ 341	\$ 53,780	\$ 53,439
Disbursements	(101,000)	(101,000)	(58,441)	42,559
Net Change in Fund Balance	(100,659)	(100,659)	(4,661)	95,998
Fund Balance - Beginning	100,659	100,659	100,659	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,998</u>	<u>\$ 95,998</u>
SPRING CREEK WATERSHED FUND				
Receipts	\$ 2,565	\$ 2,565	\$ 17,130	\$ 14,565
Disbursements	(400,000)	(400,000)	(7,503)	392,497
Net Change in Fund Balance	(397,435)	(397,435)	9,627	407,062
Fund Balance - Beginning	397,435	397,435	397,435	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,062</u>	<u>\$ 407,062</u>
NOXIOUS WEED FUND				
Receipts	\$ 67,544	\$ 67,544	\$ 75,704	\$ 8,160
Disbursements	(175,500)	(175,500)	(160,160)	15,340
Transfers in	200,000	200,000	80,000	(120,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	92,044	92,044	(4,456)	(96,500)
Fund Balance - Beginning	7,956	7,956	7,956	-
Fund Balance - Ending	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 3,500</u>	<u>\$ (96,500)</u>

(Continued)

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

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INVENTORY MAINTENANCE FUND				
Receipts	\$ 180,545	\$ 180,545	\$ 168,760	\$ (11,785)
Disbursements	(212,000)	(212,000)	(189,355)	22,645
Net Change in Fund Balance	(31,455)	(31,455)	(20,595)	10,860
Fund Balance - Beginning	31,455	31,455	31,455	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,860</u>	<u>\$ 10,860</u>
HISTORICAL SOCIETY FUND				
Receipts	\$ 79,141	\$ 79,141	\$ 74,130	\$ (5,011)
Disbursements	(80,000)	(80,000)	(74,140)	5,860
Net Change in Fund Balance	(859)	(859)	(10)	849
Fund Balance - Beginning	859	859	859	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849</u>	<u>\$ 849</u>

(Concluded)

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

For the Year Ended June 30, 2019

	Highway Buy Back Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation Fund	Unemployment Compensation Fund
RECEIPTS					
Property Taxes	\$ -	\$ 119,249	\$ 119,249	\$ -	\$ 9,214
Licenses and Permits	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	271,254	-	-	-	6,226
Charges for Services	-	-	-	13,587	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>271,254</u>	<u>119,249</u>	<u>119,249</u>	<u>13,587</u>	<u>15,440</u>
DISBURSEMENTS					
General Government	-	-	-	19,170	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	153,408	85,756	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>153,408</u>	<u>85,756</u>	<u>19,170</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>271,254</u>	<u>(34,159)</u>	<u>33,493</u>	<u>(5,583)</u>	<u>15,440</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	271,254	(34,159)	33,493	(5,583)	15,440
FUND BALANCES - BEGINNING	<u>1,205,619</u>	<u>93,658</u>	<u>101,306</u>	<u>34,161</u>	<u>89,116</u>
FUND BALANCES - ENDING	<u>\$ 1,476,873</u>	<u>\$ 59,499</u>	<u>\$ 134,799</u>	<u>\$ 28,578</u>	<u>\$ 104,556</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	59,499	134,799	-	-
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	28,578	-
Bridge and Road Projects	1,476,873	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Unemployment Compensation	-	-	-	-	104,556
Employee Recognition	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 1,476,873</u>	<u>\$ 59,499</u>	<u>\$ 134,799</u>	<u>\$ 28,578</u>	<u>\$ 104,556</u>

(Continued)

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

For the Year Ended June 30, 2019

	Parent Child Center Fund	Veteran's Aid Fund	CASA Fund	STOP Fund	County Drug Law Enforcement and Education Fund	Mid-West Nebraska Drug Court Fund
RECEIPTS						
Property Taxes	\$ -	\$ 65	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Intergovernmental	-	10	100,876	-	-	-
Charges for Services	-	-	-	6,800	-	25,793
Miscellaneous	-	-	30,670	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>75</u>	<u>131,546</u>	<u>6,800</u>	<u>-</u>	<u>25,793</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	5,000	10,973	6,608
Public Works	-	-	-	-	-	-
Public Assistance	-	2,395	105,288	-	-	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>2,395</u>	<u>105,288</u>	<u>5,000</u>	<u>10,973</u>	<u>6,608</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(2,320)</u>	<u>26,258</u>	<u>1,800</u>	<u>(10,973)</u>	<u>19,185</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	20,000	-	-	-
Transfers out	-	-	(20,302)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(302)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(2,320)	25,956	1,800	(10,973)	19,185
FUND BALANCES - BEGINNING	<u>-</u>	<u>14,874</u>	<u>1,457</u>	<u>19,428</u>	<u>39,811</u>	<u>74,724</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 12,554</u>	<u>\$ 27,413</u>	<u>\$21,228</u>	<u>\$ 28,838</u>	<u>\$ 93,909</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	28,838	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	21,228	-	93,909
Aid and Assistance	-	12,554	27,413	-	-	-
County Buildings	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 12,554</u>	<u>\$ 27,413</u>	<u>\$21,228</u>	<u>\$ 28,838</u>	<u>\$ 93,909</u>

(Continued)

DAWSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Federal Drug Forfeiture Fund	K-9 Dog Fund	Sheriff Grant Fund	SCAAP Fund	CASA Grant Fund	Juvenile Services - Healing Hearts Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Intergovernmental	-	-	32,333	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	2,390	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>2,390</u>	<u>32,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	484	1,115	20,208	4,586	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	3,710	-
Culture and Recreation	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>484</u>	<u>1,115</u>	<u>20,208</u>	<u>4,586</u>	<u>3,710</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(484)</u>	<u>1,275</u>	<u>12,125</u>	<u>(4,586)</u>	<u>(3,710)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	625	-	-	-
Transfers out	-	-	(625)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(484)	1,275	12,125	(4,586)	(3,710)	-
FUND BALANCES - BEGINNING	<u>484</u>	<u>2,030</u>	<u>10,799</u>	<u>23,495</u>	<u>5,157</u>	<u>3,999</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 3,305</u>	<u>\$ 22,924</u>	<u>\$ 18,909</u>	<u>\$ 1,447</u>	<u>\$ 3,999</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	22,924	18,909	-	3,999
Preservation of Records	-	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	3,305	-	-	-	-
Aid and Assistance	-	-	-	-	1,447	-
County Buildings	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 3,305</u>	<u>\$ 22,924</u>	<u>\$ 18,909</u>	<u>\$ 1,447</u>	<u>\$ 3,999</u>

(Continued)

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

For the Year Ended June 30, 2019

	County Grant Fund	Victim Assistance Fund	Employee Recognition Fund	Lottery Fund	E-911 Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 55,582
Licenses and Permits	-	-	-	-	-
Investment Income	-	-	-	713	-
Intergovernmental	211,781	55,294	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	4,218	127,357	-
TOTAL RECEIPTS	<u>211,781</u>	<u>55,294</u>	<u>4,218</u>	<u>128,070</u>	<u>55,582</u>
DISBURSEMENTS					
General Government	-	-	2,253	72,327	-
Public Safety	-	55,291	-	-	73,716
Public Works	-	-	-	-	-
Public Assistance	211,781	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>211,781</u>	<u>55,291</u>	<u>2,253</u>	<u>72,327</u>	<u>73,716</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>3</u>	<u>1,965</u>	<u>55,743</u>	<u>(18,134)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	10,000	-	-	78,119
Transfers out	-	(10,151)	-	(30,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(151)</u>	<u>-</u>	<u>(30,000)</u>	<u>78,119</u>
Net Change in Fund Balances	-	(148)	1,965	25,743	59,985
FUND BALANCES - BEGINNING	<u>3,000</u>	<u>12,259</u>	<u>12,446</u>	<u>289,033</u>	<u>278,898</u>
FUND BALANCES - ENDING	<u>\$ 3,000</u>	<u>\$ 12,111</u>	<u>\$ 14,411</u>	<u>\$ 314,776</u>	<u>\$ 338,883</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	-	338,883
Drug Education	-	-	-	-	-
Law Enforcement	3,000	-	-	-	-
Preservation of Records	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	12,111	-	-	-
County Buildings	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-
Employee Recognition	-	-	14,411	-	-
Miscellaneous Projects	-	-	-	314,776	-
Watershed Management	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 3,000</u>	<u>\$ 12,111</u>	<u>\$ 14,411</u>	<u>\$ 314,776</u>	<u>\$ 338,883</u>

(Continued)

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

For the Year Ended June 30, 2019

	911 Enhanced Wireless Service Fund	911 Enhanced Wireless Reserve Fund	Range Management Fund	Dispatch Fund	Building Fund
RECEIPTS					
Property Taxes	\$ 82,781	\$ 6,585	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	250,000	33,030
Charges for Services	-	-	-	-	20,750
Miscellaneous	-	-	2,960	-	-
TOTAL RECEIPTS	82,781	6,585	2,960	250,000	53,780
DISBURSEMENTS					
General Government	-	-	-	-	58,441
Public Safety	4,500	4,160	550	457,020	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
TOTAL DISBURSEMENTS	4,500	4,160	550	457,020	58,441
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	78,281	2,425	2,410	(207,020)	(4,661)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	162	-	345,730	-
Transfers out	(78,281)	-	-	(136,874)	-
TOTAL OTHER FINANCING SOURCES (USES)	(78,281)	162	-	208,856	-
Net Change in Fund Balances	-	2,587	2,410	1,836	(4,661)
FUND BALANCES - BEGINNING	-	167,810	804	2,070	100,659
FUND BALANCES - ENDING	\$ -	\$ 170,397	\$ 3,214	\$ 3,906	\$ 95,998
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	170,397	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	3,214	3,906	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	95,998
Unemployment Compensation	-	-	-	-	-
Employee Recognition	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-
Watershed Management	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-
Historical Society	-	-	-	-	-
TOTAL FUND BALANCES	\$ -	\$ 170,397	\$ 3,214	\$ 3,906	\$ 95,998

(Continued)

DAWSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Spring Creek Watershed Fund	Noxious Weed Fund	Inventory Maintenance Fund	Historical Society Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 72,989	\$ 465,714
Licenses and Permits	-	-	-	-	-
Investment Income	-	-	-	-	713
Intergovernmental	-	33,010	-	1,141	994,955
Charges for Services	17,130	42,694	168,760	-	295,514
Miscellaneous	-	-	-	-	167,595
TOTAL RECEIPTS	<u>17,130</u>	<u>75,704</u>	<u>168,760</u>	<u>74,130</u>	<u>1,924,491</u>
DISBURSEMENTS					
General Government	7,503	-	-	-	159,694
Public Safety	-	-	189,355	-	833,566
Public Works	-	160,160	-	-	160,160
Public Assistance	-	-	-	-	323,174
Culture and Recreation	-	-	-	74,140	313,304
TOTAL DISBURSEMENTS	<u>7,503</u>	<u>160,160</u>	<u>189,355</u>	<u>74,140</u>	<u>1,789,898</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>9,627</u>	<u>(84,456)</u>	<u>(20,595)</u>	<u>(10)</u>	<u>134,593</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	80,000	-	-	534,636
Transfers out	-	-	-	-	(276,233)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>258,403</u>
Net Change in Fund Balances	9,627	(4,456)	(20,595)	(10)	392,996
FUND BALANCES - BEGINNING	<u>397,435</u>	<u>7,956</u>	<u>31,455</u>	<u>859</u>	<u>3,024,802</u>
FUND BALANCES - ENDING	<u>\$ 407,062</u>	<u>\$ 3,500</u>	<u>\$ 10,860</u>	<u>\$ 849</u>	<u>\$ 3,417,798</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	194,298
911 Emergency Services	-	-	-	-	509,280
Drug Education	-	-	-	-	28,838
Law Enforcement	-	-	-	-	48,832
Preservation of Records	-	-	-	-	28,578
Bridge and Road Projects	-	-	-	-	1,476,873
Committed to:					
Law Enforcement	-	-	-	-	125,562
Aid and Assistance	-	-	-	-	53,525
County Buildings	-	-	10,860	-	106,858
Unemployment Compensation	-	-	-	-	104,556
Employee Recognition	-	-	-	-	14,411
Miscellaneous Projects	-	-	-	-	314,776
Watershed Management	407,062	-	-	-	407,062
Noxious Weed Control	-	3,500	-	-	3,500
Historical Society	-	-	-	849	849
TOTAL FUND BALANCES	<u>\$ 407,062</u>	<u>\$ 3,500</u>	<u>\$ 10,860</u>	<u>\$ 849</u>	<u>\$ 3,417,798</u>

(Concluded)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent
BALANCES JULY 1, 2018	\$ 5,434	\$ 35,945	\$ 275,670	\$ 51,368	\$ 6,347	\$ 26,439
RECEIPTS						
Property Taxes	-	-	-	40,754	-	-
Licenses and Permits	7,761	-	-	1,670	-	-
Intergovernmental	-	-	-	1,544,291	-	33,000
Charges for Services	24,203	129,112	89,422	222,778	-	39,474
Miscellaneous	132,486	2	-	1,252	151	-
State Fees	-	153,966	96,628	-	-	-
Other Liabilities	-	1,195	837,572	425,183	-	-
TOTAL RECEIPTS	<u>164,450</u>	<u>284,275</u>	<u>1,023,622</u>	<u>2,235,928</u>	<u>151</u>	<u>72,474</u>
DISBURSEMENTS						
Payments to County Treasurer	154,477	131,386	97,905	1,796,638	4	75,695
Payments to State Treasurer	-	158,233	96,902	-	-	-
Other Liabilities	2,253	1,195	942,803	422,694	126	-
TOTAL DISBURSEMENTS	<u>156,730</u>	<u>290,814</u>	<u>1,137,610</u>	<u>2,219,332</u>	<u>130</u>	<u>75,695</u>
BALANCES JUNE 30, 2019	<u>\$ 13,154</u>	<u>\$ 29,406</u>	<u>\$ 161,682</u>	<u>\$ 67,964</u>	<u>\$ 6,368</u>	<u>\$ 23,218</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 12,554	\$ 13,169	\$ 7,442	\$ 44,178	\$ 6,368	\$ 23,218
Petty Cash	600	-	100	8,700	-	-
Due to State Treasurer	-	16,237	5,085	-	-	-
Due to Others	-	-	149,055	15,086	-	-
BALANCES JUNE 30, 2019	<u>\$ 13,154</u>	<u>\$ 29,406</u>	<u>\$ 161,682</u>	<u>\$ 67,964</u>	<u>\$ 6,368</u>	<u>\$ 23,218</u>

(Continued)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2019

	Highway Superintendent	Veterans' Service Officer	County Surveyor	County Child Support	County Planning and Zoning	Imprest Accounts	Total
BALANCES JULY 1, 2018	\$ 30	\$ 1,000	\$ 10,585	\$ 1,512	\$ -	\$ 251,200	\$ 665,530
RECEIPTS							
Property Taxes	-	-	-	-	-	-	40,754
Licenses and Permits	90	-	-	-	1,950	-	11,471
Intergovernmental	-	-	-	-	-	-	1,577,291
Charges for Services	-	-	31,447	-	-	-	536,436
Miscellaneous	66,299	293	-	6,333	-	1,408,532	1,615,348
State Fees	151	-	-	-	-	-	250,745
Other Liabilities	-	-	-	-	-	-	1,263,950
TOTAL RECEIPTS	66,540	293	31,447	6,333	1,950	1,408,532	5,295,995
DISBURSEMENTS							
Payments to County Treasurer	66,419	-	37,794	-	1,950	-	2,362,268
Payments to State Treasurer	151	-	-	-	-	-	255,286
Other Liabilities	-	293	-	6,345	-	1,408,532	2,784,241
TOTAL DISBURSEMENTS	66,570	293	37,794	6,345	1,950	1,408,532	5,401,795
BALANCES JUNE 30, 2019	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 4,238</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 251,200</u>	<u>\$ 559,730</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ -	\$ -	\$ 4,238	\$ -	\$ -	\$ -	\$ 111,167
Petty Cash	-	1,000	-	1,500	-	251,200	263,100
Due to State Treasurer	-	-	-	-	-	-	21,322
Due to Others	-	-	-	-	-	-	164,141
BALANCES JUNE 30, 2019	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 4,238</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 251,200</u>	<u>\$ 559,730</u>

(Concluded)

DAWSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2019

Item	2014	2015	2016	2017	2018
Tax Certified by Assessor					
Real Estate	\$ 42,793,975	\$ 46,045,549	\$ 48,385,550	\$ 48,533,898	\$ 48,251,160
Personal and Specials	3,005,827	2,868,862	2,493,445	3,111,618	2,543,512
Total	45,799,802	48,914,411	50,878,995	51,645,516	50,794,672
Corrections					
Additions	627,078	123,149	116,655	35,012	228,368
Deductions	(102,135)	(122,895)	(326,441)	(215,427)	(255,071)
Net Additions/ (Deductions)	524,943	254	(209,786)	(180,415)	(26,703)
Corrected Certified Tax	46,324,745	48,914,665	50,669,209	51,465,101	50,767,969
Net Tax Collected by					
County Treasurer during					
Fiscal Year Ending:					
June 30, 2015	29,009,368	-	-	-	-
June 30, 2016	17,313,288	30,798,967	-	-	-
June 30, 2017	(2,091)	18,108,504	31,900,991	-	-
June 30, 2018	1,197	4,262	18,788,521	32,392,350	-
June 30, 2019	-	409	(23,541)	18,984,008	31,597,995
Total Net Collections	46,321,762	48,912,142	50,665,971	51,376,358	31,597,995
Total Uncollected Tax	\$ 2,983	\$ 2,523	\$ 3,238	\$ 88,743	\$ 19,169,974
Percentage Uncollected Tax	0.01%	0.01%	0.01%	0.17%	37.76%

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Commissioners
Dawson 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 Dawson County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Dawson County's basic financial statements, and have issued our report thereon dated February 28, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dawson County's internal control over financial reporting (internal control) to determine the 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 Dawson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiency to be a material weakness:

- 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dawson 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 determination of financial statement amounts. 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

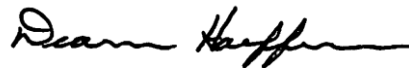
We also noted certain matters that we reported to the management of Dawson County in a separate letter dated February 28, 2020.

Dawson County's Response to Findings

Dawson 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 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.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

February 28, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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February 28, 2020

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2019, and have issued our report thereon dated February 28, 2020. 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

Claims Procedures

Keno Lottery Fund Claims

During our audit, we noted that the County paid claims of \$50,000 from the Lottery Fund to certain entities, as detailed in the following table. However, documentation supporting how the funds were used by those entities was not obtained and reviewed.

Entity	Claim #	Claim Date	Amount
Dawson County Fairgrounds (Ag Society)	83835	10/1/2018	\$ 40,000
Dawson County Parent Child Center	85776	5/1/2019	\$ 10,000
Total			\$ 50,000

Visitor's Promotion Fund Claims

We tested two claims paid by the County using funds received from local lodging taxes. For both claims tested, we noted that the County did not receive adequate documentation to ensure the amounts paid were spent appropriately. The following tables detail the issues noted with these claims.

Paid to Lexington Area Chamber of Commerce

Claim #	Date	Amount	Description
86215	6/20/2019	\$ 167	Visitor's Center Rent
		\$ 738	Payroll
		\$ 114	Mileage Reimbursement
Total		\$ 1,019	

Paid to Gothenburg Chamber of Commerce

Claim #	Date	Amount	Description
85397	3/15/2019	\$ 150	Visitor's Center Rent
		\$ 150	Website Fees
Total		\$ 300	

Although some supporting documentation was received for these payments, it was not sufficient. Support for rent and website fee payments consisted only of cancelled check images or copies of bank statements. Time logs were obtained for payroll; however, they included only days worked and total hours. No support for actual payroll costs was obtained. Finally, mileage logs were obtained; however, the logs did not include start and stop locations. Without this information, the County would be unable to verify that the miles claimed for reimbursement were proper.

Good internal controls and sound business practices require procedures to ensure that detailed supporting documentation is obtained for all claim payments, and any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately.

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

We recommend the County Board implement procedures to ensure that detailed supporting documentation is obtained for all claim payments, and any grant of public funds is supported by adequate documentation showing that the monies were spent appropriately.

County Clerk's Response: Dawson County has implemented procedures to obtain required documentation for such claims.

COUNTY SHERIFF

Office Procedures

During our audit, we noted the following issues with the County Sheriff's financial balancing, recordkeeping, and general office procedures:

- Records show that a total of \$5,709 was due to others at June 30, 2019; however, a listing of individual balances could not be provided to support this total.
- One check, totaling \$14, was incorrectly paid to the State of Kansas as unclaimed property in 2016; however, this amount has still not been returned.
- Bank fees of \$15 incurred in November 2018 had not been submitted to the County Board for reimbursement as of June 30, 2019.
- Interest, totaling \$132, earned on the County Sheriff's bank accounts had not been remitted to the County Treasurer as of June 30, 2019.
- \$254 collected during the year for distress warrants also had not been remitted to the County Treasurer as of June 30, 2019.
- The County Sheriff charged \$10 for fingerprint fees and \$5 for accident reports; however, the fee approved by the County Board for accident reports was \$15, and no fee was approved for fingerprints.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) 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.

Good internal controls and sound business practices require procedures to ensure that assets (cash on hand, reconciled bank balance, and accounts receivable) agree to office liabilities (fees, trust accounts, and accounts payable), and all such accounts are maintained at, or reconciled to, the authorized amount. Good internal controls also requires procedures to ensure fees collected or earned are properly approved by the County Board if not set in State statute and remitted timely to the County Treasurer.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds, as well as errors going undetected more easily, but also noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure the performance of accurate monthly asset-to-liability balancing procedures and the timely reconciliation of the office's petty cash accounts to the authorized amounts. Any variances noted should be resolved in a timely manner. Additionally, those same procedures should ensure that funds are remitted timely to the County Treasurer.

County Sheriff's Response: We had several small bookkeeping issues-interest earned on bank accounts not being remitted to the treasurer; bank accounts not being reconciled; fingerprint and accident report fees not approved by the County Board.

We have since had some of our minor errors corrected (such as the \$14 from Kansas was reimbursed, the bank fee of \$15 was sent for reimbursement, interest earned was paid to the Treasurer and all our accounts reconciled and will continue to do monthly). All of our fees (fingerprints, accidents, etc.) were submitted to the Clerk for them to submit a resolution to the County Board for approval. Unclaimed property was and will continue to be submitted to the State.

COUNTY SURVEYOR

Accounts Receivable Procedures

The County Surveyor charges for surveying services requested by outside entities and utilizes the QuickBooks accounting system for invoicing and tracking accounts receivable balances. During our audit, we noted several issues with the County Surveyor's recordkeeping procedures for accounts receivable balances, as detailed below.

When attempting to recalculate the ending accounts receivable balance per the accounting system, based on the beginning balance, plus invoices entered, and less invoices paid, we noted a difference of \$6,451 as compared to the actual ending accounts receivable balance per the system. The County Surveyor was unable to explain or provide documentation of this difference.

Upon further investigation, the difference appears to have been due largely to 28 invoices, totaling \$6,559, that were deleted from the accounting system. According to the County Surveyor's office, these deletions were the result of old accounts receivable balances that were determined to be uncollectible. However, the office did not receive approval from the County Board to write off these balances as uncollectible. Without approval from the County Board, the County Surveyor lacks the authority not to collect amounts due to the County.

Additionally, as of June 30, 2019, QuickBooks was showing seven accounts with negative accounts receivable balances, totaling \$1,270. This is likely caused by the deleted invoices discussed previously.

Neb. Rev. Stat. § 23-106(1) (Reissue 2012) assigns to the County Board the responsibility of managing the County's funds and business activities.

Sound business practices and a good internal control plan require procedures to ensure all adjustments to accounts receivable balances in the accounting system are supported by adequate documentation, and prior approval from the governing body is received before amounts due to the County are written off as uncollectible.

Without such procedures, and when invoices are deleted from the accounting system used by the County Surveyor, there is a significantly increased risk for the loss and/or misuse of funds, as there would no longer be a record of what funds should have been received by the office.

We recommend the County Surveyor implement procedures to ensure that activity related to accounts receivable balances is entered accurately into the accounting system, and any adjustments are supported by appropriate documentation. Additionally, we recommend prior approval from the County Board be received before any accounts receivable balances are written off as uncollectible.

COUNTY TREASURER

Distribution Errors

During our testing of the County Treasurer's distribution of Real Estate Tax Credit and 5% Gross In-Lieu taxes, we noted that the incorrect fund numbers were used, resulting in political subdivisions receiving the incorrect amount of funding. Details of those errors are included in the following table.

Subdivision/Fund	Over/(Under) Distribution	Distribution Type
County Unemployment Fund	\$ 137	5% Gross In-Lieu
County Historical Society Fund	\$ (137)	5% Gross In-Lieu
Farnam Fire District	\$ 4,526	Real Estate Tax Credit
Cozad Fire District	\$ (4,526)	Real Estate Tax Credit

Good internal controls require procedures to ensure that the correct fund numbers are used for each political subdivision and, consequently, each subdivision receives the correct amount of funding.

Without such procedures, there is an increased risk of subdivisions not receiving the correct amount of funding.

We recommend the County Treasurer implement procedures to review distributions to ensure that the distributions are calculated correctly and posted to the correct funds.

County Treasurer's Response: The Dawson County Treasurer and Deputy Treasurer will implement a procedure for review of our distributions by cross checking with one another and utilizing the MIPS distribution program. This will minimize the chance of miscalculations and posting errors.

COUNTY OVERALL

Unclaimed Property

During our audit, we noted that two County offices had checks that were outstanding for over three years and, therefore, qualified as unclaimed property required to be remitted to the State Treasurer, as follows:

- The County Sheriff had 272 checks, totaling \$2,088.

- The County Board Vendor Imprest Account had four checks, totaling \$275.

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 (Reissue 2018) states, in relevant part, the following:

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

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report.

Without procedures to ensure that outstanding checks qualifying as unclaimed property are remitted timely to the State Treasurer, there is an increased risk of noncompliance with State statute.

We recommend the County work to remit promptly to the State Treasurer all property in its possession that is presumed abandoned, as required by State statute.

County Clerk's Response: As for the unclaimed property, our procedures showed we had to submit to State after 5 years. We do understand it is 3 years and have submitted the \$275 already and have in place procedures to submit at 3 years.

Segregation of Duties

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

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

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

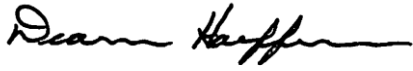
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It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

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.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Deann Haeffner". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Deann Haeffner, CPA
Assistant Deputy Auditor