

**AUDIT REPORT  
OF  
DAWSON COUNTY**

**JULY 1, 2017, THROUGH JUNE 30, 2018**

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**Issued on March 26, 2019**

DAWSON COUNTY

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DAWSON COUNTY  
700 N. Washington  
Lexington, NE 68850

**LIST OF COUNTY OFFICIALS**  
At June 30, 2018

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Bill Stewart	Jan. 2019
	Dennis Rickertsen	Jan. 2019
	Dean Kugler	Jan. 2021
	P J Jacobson	Jan. 2021
	Everett (Butch) Hagan	Jan. 2021
Assessor	John Moore	Jan. 2019
Attorney	Elizabeth Waterman	Jan. 2019
Clerk	Karla Zlatkovsky	Jan. 2019
Election Commissioner		
Register of Deeds	Dian Lauby	Jan. 2019
Clerk of the District Court	Becky Boryca	Jan. 2019
Sheriff	Gary Reiber	Jan. 2019
Treasurer	Vickie Clements	Jan. 2019
Surveyor	Mark Streit	Jan. 2019
Veterans' Service Officer	Steve Zerr	Appointed
Emergency Manager	Brian Woldt	Appointed
Weed Superintendent	Marty Craig	Appointed
Highway Superintendent	Pat Nichols	Appointed
Planning and Zoning	Pam Holbrook	Appointed
Public Defender	Kenneth Harbison	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

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, 2018, 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, 2018, 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.

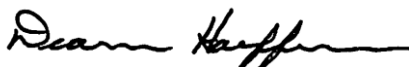
## **Report on Supplementary Information**

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 18-35, 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 March 15, 2019, 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.



Deann Haeffner, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 15, 2019

DAWSON COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2018

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 18,868,977
Investments (Note 1.D)	102,106
<b>TOTAL ASSETS</b>	<b>\$ 18,971,083</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 194,964
911 Emergency Services	446,708
Drug Education	39,811
Law Enforcement	41,777
Preservation of Records	34,161
Bridge and Road Projects	1,205,619
Unrestricted	17,008,043
<b>TOTAL NET POSITION</b>	<b>\$ 18,971,083</b>

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, 2018

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (6,739,555)	\$ 900,135	\$ 222,846	\$ (5,616,574)
Public Safety	(4,817,217)	310,673	683,848	(3,822,696)
Public Works	(3,600,605)	34,842	2,932,603	(633,160)
Health and Sanitation	(207,868)	-	-	(207,868)
Public Assistance	(208,172)	-	-	(208,172)
Culture and Recreation	(544,109)	-	138,219	(405,890)
<b>Total Governmental Activities</b>	<b>\$ (16,117,526)</b>	<b>\$ 1,245,650</b>	<b>\$ 3,977,516</b>	<b>(10,894,360)</b>

General Receipts:

Property Taxes	11,571,032
Grants and Contributions Not Restricted to Specific Programs	1,875,652
Investment Income	99,127
Licenses and Permits	94,705
Insurance Reimbursements	391,263
Keno Proceeds	101,884
Miscellaneous	152,683
<b>Total General Receipts</b>	<b>14,286,346</b>
 Increase in Net Position	 3,391,986
Net Position - Beginning of year	15,579,097
Net Position - End of year	<b>\$ 18,971,083</b>

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, 2018

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Insurance Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 4,071,926	\$ 443,344	\$ 3,301,248	\$4,227,657	\$3,800,000	\$ 3,024,802	\$ 18,868,977
Investments (Note 1.D)	-	-	102,106	-	-	-	102,106
<b>TOTAL ASSETS</b>	<u>\$ 4,071,926</u>	<u>\$ 443,344</u>	<u>\$ 3,403,354</u>	<u>\$4,227,657</u>	<u>\$3,800,000</u>	<u>\$ 3,024,802</u>	<u>\$ 18,971,083</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	194,964	194,964
911 Emergency Services	-	-	-	-	-	446,708	446,708
Drug Education	-	-	-	-	-	39,811	39,811
Law Enforcement	-	-	-	-	-	41,777	41,777
Preservation of Records	-	-	-	-	-	34,161	34,161
Bridge and Road Projects	-	-	-	-	-	1,205,619	1,205,619
Committed to:							
Law Enforcement	-	-	-	-	-	99,056	99,056
Road Projects	-	443,344	-	-	-	-	443,344
Aid and Assistance	-	-	-	-	-	33,747	33,747
County Buildings	-	-	-	-	-	132,114	132,114
Unemployment Compensation	-	-	-	-	-	89,116	89,116
Employee Recognition	-	-	-	-	-	12,446	12,446
Miscellaneous Projects	-	-	-	-	3,800,000	289,033	4,089,033
Watershed Management	-	-	-	-	-	397,435	397,435
Noxious Weed Control	-	-	-	-	-	7,956	7,956
Historical Society	-	-	-	-	-	859	859
Self Insurance	-	-	-	4,227,657	-	-	4,227,657
Assigned to:							
Other Purposes	-	-	3,403,354	-	-	-	3,403,354
Unassigned	4,071,926	-	-	-	-	-	4,071,926
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 4,071,926</u>	<u>\$ 443,344</u>	<u>\$ 3,403,354</u>	<u>\$4,227,657</u>	<u>\$3,800,000</u>	<u>\$ 3,024,802</u>	<u>\$ 18,971,083</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, 2018

	General Fund	Road Fund	Inheritance Fund	Insurance Fund	Sinking Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property Taxes	\$10,362,888	\$ -	\$ 741,369	\$ -	\$ -	\$ 466,775	\$ 11,571,032
Licenses and Permits	94,705	-	-	-	-	-	94,705
Investment Income	67,499	-	-	30,961	-	667	99,127
Intergovernmental	2,339,143	2,669,171	-	-	-	844,854	5,853,168
Charges for Services	984,275	-	-	-	-	261,375	1,245,650
Miscellaneous	54,140	17,947	-	391,263	-	182,480	645,830
<b>TOTAL RECEIPTS</b>	<u>13,902,650</u>	<u>2,687,118</u>	<u>741,369</u>	<u>422,224</u>	<u>-</u>	<u>1,756,151</u>	<u>19,509,512</u>
<b>DISBURSEMENTS</b>							
General Government	5,060,100	-	593	1,563,764	-	115,098	6,739,555
Public Safety	3,984,201	-	-	-	-	833,016	4,817,217
Public Works	200,473	3,235,216	-	-	-	164,916	3,600,605
Health and Sanitation	207,868	-	-	-	-	-	207,868
Public Assistance	99,775	-	-	-	-	108,397	208,172
Culture and Recreation	-	-	-	-	-	544,109	544,109
<b>TOTAL DISBURSEMENTS</b>	<u>9,552,417</u>	<u>3,235,216</u>	<u>593</u>	<u>1,563,764</u>	<u>-</u>	<u>1,765,536</u>	<u>16,117,526</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>4,350,233</u>	<u>(548,098)</u>	<u>740,776</u>	<u>(1,141,540)</u>	<u>-</u>	<u>(9,385)</u>	<u>3,391,986</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	989,513	-	1,506,979	-	716,159	3,212,651
Transfers out	(2,775,601)	-	-	-	-	(437,050)	(3,212,651)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,775,601)</u>	<u>989,513</u>	<u>-</u>	<u>1,506,979</u>	<u>-</u>	<u>279,109</u>	<u>-</u>
Net Change in Fund Balances	1,574,632	441,415	740,776	365,439	-	269,724	3,391,986
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>2,497,294</u>	<u>1,929</u>	<u>2,662,578</u>	<u>3,862,218</u>	<u>3,800,000</u>	<u>2,755,078</u>	<u>15,579,097</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 4,071,926</u>	<u>\$ 443,344</u>	<u>\$ 3,403,354</u>	<u>\$4,227,657</u>	<u>\$3,800,000</u>	<u>\$ 3,024,802</u>	<u>\$ 18,971,083</u>

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, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,960,984
 <b>LIABILITIES</b>	
Due to other governments	
State	516,594
Schools	651,242
Educational Service Units	4,568
Technical College	34,409
Natural Resource Districts	11,820
Cemetery Districts	150
Fire Districts	3,537
Municipalities	83,264
Agricultural Society	2,953
Drainage Districts	4,127
Railroad Transportation Districts	352,648
Sanitary and Improvement Districts	20,954
Airport Authorities	5,334
Hospital	3,436
Others	265,948
<b>TOTAL LIABILITIES</b>	<b>1,960,984</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

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, 2018

#### 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 \$126,227 toward the operation of the Region during fiscal year 2018. 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.

## DAWSON COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2009, Cum. Supp. 2018).

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

The County reports the following major governmental funds:

**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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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.

**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 \$1,963,040 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.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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 \$18,868,977 for County funds and \$1,960,984 for Fiduciary funds. The bank balances for all funds totaled \$20,435,080. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2018, 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 seven-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. **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.



DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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 2017, for the 2017 taxes, which will be materially collected in May and September 2018, was set at \$.306653/\$100 of assessed valuation. The levy set in October 2016, for the 2016 taxes, which were materially collected in May and September 2017, was set at \$.306403/\$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, 2018, 189 employees contributed \$328,034, and the County contributed \$484,487. Contributions included \$15,129 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 91 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, 2018, consisted of the following:

<b>Transfers to</b>	Transfers from		Total
	General Fund	Nonmajor Funds	
Road Fund	\$ 989,513	\$ -	\$ 989,513
Insurance Fund	1,355,088	151,891	1,506,979
Nonmajor Funds	431,000	285,159	716,159
Total	\$ 2,775,601	\$ 437,050	\$ 3,212,651

DAWSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Concluded)

**6. Interfund Transfers** (Concluded)

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

In the year ended June 30, 2018, the County made a one-time transfer of \$75,788 from the 911 Enhanced Wireless Service Fund to the E-911 Fund to reimburse eligible costs originally paid from the E-911 fund. Additionally, the County made a one-time transfer of \$182,371 from the 911 Enhanced Wireless Service Fund to the 911 Enhanced Wireless Service Reserve Fund to set aside funds for future projects, in accordance with requirements of the Nebraska Public Service Commission.

**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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$11,145,672	\$11,145,672	\$10,362,888	\$ (782,784)
Licenses and Permits	88,110	88,110	94,705	6,595
Interest	28,500	28,500	67,499	38,999
Intergovernmental	997,860	997,860	2,339,143	1,341,283
Charges for Services	1,541,380	1,541,380	984,275	(557,105)
Miscellaneous	2,701	2,701	54,140	51,439
<b>TOTAL RECEIPTS</b>	<b>13,804,223</b>	<b>13,804,223</b>	<b>13,902,650</b>	<b>98,427</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	94,000	94,000	93,564	436
County Clerk	189,910	189,910	173,821	16,089
County Treasurer	293,371	293,371	284,712	8,659
Register of Deeds	136,384	136,384	114,718	21,666
County Assessor	504,421	504,421	414,733	89,688
Election Commissioner	88,025	88,025	65,550	22,475
Building and Zoning	25,750	26,391	21,391	5,000
Clerk of the District Court	297,632	297,632	271,673	25,959
County Court System	480,500	480,500	413,091	67,409
District Judge	186,090	188,495	188,495	-
Public Defender	229,190	229,190	225,573	3,617
Building and Grounds	1,228,600	1,228,600	717,198	511,402
Agricultural Extension Agent	154,130	154,130	151,037	3,093
Child Support	251,663	251,663	210,894	40,769
Miscellaneous	3,349,250	3,297,336	1,713,650	1,583,686
Public Safety				
County Sheriff	3,322,650	3,322,650	3,285,205	37,445
County Attorney	649,300	649,300	610,115	39,185
Emergency Management	148,200	148,200	88,881	59,319
Miscellaneous	-	-	-	-
Public Works				
County Surveyor	227,017	227,017	200,473	26,544
Public Health				
Institutions	159,000	207,868	207,868	-
Public Assistance				
Veterans' Service Officer	65,048	65,048	54,660	10,388
County Relief	50,000	50,000	14,791	35,209
Senior Citizen Handi-Bus	51,519	51,519	30,324	21,195
<b>TOTAL DISBURSEMENTS</b>	<b>12,181,650</b>	<b>12,181,650</b>	<b>9,552,417</b>	<b>2,629,233</b>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>1,622,573</u>	<u>1,622,573</u>	<u>4,350,233</u>	<u>2,727,660</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	645,650	645,650	-	(645,650)
Transfers out	<u>(3,840,209)</u>	<u>(3,840,209)</u>	<u>(2,775,601)</u>	<u>1,064,608</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,194,559)</u>	<u>(3,194,559)</u>	<u>(2,775,601)</u>	<u>418,958</u>
Net Change in Fund Balance	(1,571,986)	(1,571,986)	1,574,632	3,146,618
<b>FUND BALANCE - BEGINNING</b>	<u>2,486,986</u>	<u>2,486,986</u>	<u>2,497,294</u>	<u>10,308</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 915,000</u>	<u>\$ 915,000</u>	<u>\$ 4,071,926</u>	<u>\$ 3,156,926</u>

(Concluded)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 2,678,048	\$ 2,678,048	\$ 2,669,171	\$ (8,877)
Miscellaneous	10,500	10,500	17,947	7,447
<b>TOTAL RECEIPTS</b>	<b>2,688,548</b>	<b>2,688,548</b>	<b>2,687,118</b>	<b>(1,430)</b>
<b>DISBURSEMENTS</b>	<b>5,417,650</b>	<b>5,417,650</b>	<b>3,235,216</b>	<b>2,182,434</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,729,102)</b>	<b>(2,729,102)</b>	<b>(548,098)</b>	<b>2,181,004</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,267,173	3,267,173	989,513	(2,277,660)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,267,173</b>	<b>3,267,173</b>	<b>989,513</b>	<b>(2,277,660)</b>
Net Change in Fund Balance	538,071	538,071	441,415	(96,656)
FUND BALANCE - BEGINNING	1,929	1,929	1,929	-
FUND BALANCE - ENDING	<b>\$ 540,000</b>	<b>\$ 540,000</b>	<b>\$ 443,344</b>	<b>\$ (96,656)</b>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 337,422	\$ 337,422	\$ 741,369	\$ 403,947
<b>TOTAL RECEIPTS</b>	<b>337,422</b>	<b>337,422</b>	<b>741,369</b>	<b>403,947</b>
<b>DISBURSEMENTS</b>	<b>2,654,350</b>	<b>2,654,350</b>	<b>593</b>	<b>2,653,757</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,316,928)</b>	<b>(2,316,928)</b>	<b>740,776</b>	<b>3,057,704</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(345,650)	(345,650)	-	345,650
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(345,650)</b>	<b>(345,650)</b>	<b>-</b>	<b>345,650</b>
Net Change in Fund Balance	(2,662,578)	(2,662,578)	740,776	3,403,354
FUND BALANCE - BEGINNING	2,662,578	2,662,578	2,662,578	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,403,354</b>	<b>\$ 3,403,354</b>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INSURANCE FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ -	\$ -	\$ 30,961	\$ 30,961
Miscellaneous	787,782	787,782	391,263	(396,519)
<b>TOTAL RECEIPTS</b>	<u>787,782</u>	<u>787,782</u>	<u>422,224</u>	<u>(365,558)</u>
<b>DISBURSEMENTS</b>	<u>4,200,000</u>	<u>4,200,000</u>	<u>1,563,764</u>	<u>2,636,236</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(3,412,218)</u>	<u>(3,412,218)</u>	<u>(1,141,540)</u>	<u>2,270,678</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,506,979	1,506,979
Transfers out	(300,000)	(300,000)	-	300,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(300,000)</u>	<u>(300,000)</u>	<u>1,506,979</u>	<u>1,806,979</u>
Net Change in Fund Balance	(3,712,218)	(3,712,218)	365,439	4,077,657
FUND BALANCE - BEGINNING	3,862,218	3,862,218	3,862,218	-
FUND BALANCE - ENDING	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 4,227,657</u>	<u>\$ 4,077,657</u>
<b>SINKING FUND</b>				
<b>RECEIPTS</b>				
<b>TOTAL RECEIPTS</b>	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<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	3,800,000	3,800,000	3,800,000	-
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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HIGHWAY BUY BACK FUND</b>				
Receipts	\$ 263,432	\$ 263,432	\$ 263,432	\$ -
Disbursements	(1,205,619)	(1,205,619)	-	1,205,619
Net Change in Fund Balance	(942,187)	(942,187)	263,432	1,205,619
Fund Balance - Beginning	942,187	942,187	942,187	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,205,619</u>	<u>\$ 1,205,619</u>
<b>VISITOR'S PROMOTION FUND</b>				
Receipts	\$ 78,722	\$ 78,722	\$ 120,115	\$ 41,393
Disbursements	(200,141)	(200,141)	(147,876)	52,265
Net Change in Fund Balance	(121,419)	(121,419)	(27,761)	93,658
Fund Balance - Beginning	121,419	121,419	121,419	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,658</u>	<u>\$ 93,658</u>
<b>VISITOR'S IMPROVEMENT FUND</b>				
Receipts	\$ 60,715	\$ 60,715	\$ 129,528	\$ 68,813
Disbursements	(213,800)	(213,800)	(181,307)	32,493
Net Change in Fund Balance	(153,085)	(153,085)	(51,779)	101,306
Fund Balance - Beginning	153,085	153,085	153,085	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,306</u>	<u>\$ 101,306</u>
<b>REGISTER OF DEEDS PRESERVATION FUND</b>				
Receipts	\$ 4,105	\$ 4,105	\$ 13,282	\$ 9,177
Disbursements	(55,000)	(55,000)	(30,016)	24,984
Net Change in Fund Balance	(50,895)	(50,895)	(16,734)	34,161
Fund Balance - Beginning	50,895	50,895	50,895	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,161</u>	<u>\$ 34,161</u>
<b>UNEMPLOYMENT COMPENSATION FUND</b>				
Receipts	\$ 11,001	\$ 11,001	\$ 10,117	\$ (884)
Disbursements	(80,000)	(80,000)	-	80,000
Net Change in Fund Balance	(68,999)	(68,999)	10,117	79,116
Fund Balance - Beginning	78,999	78,999	78,999	-
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 89,116</u>	<u>\$ 79,116</u>

(Continued)



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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PARENT CHILD CENTER FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(12,000)	(12,000)	(10,000)	2,000
Transfers in	12,000	12,000	10,000	(2,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>VETERAN'S AID FUND</b>				
Receipts	\$ -	\$ -	\$ 860	\$ 860
Disbursements	(18,754)	(18,754)	(4,740)	14,014
Net Change in Fund Balance	(18,754)	(18,754)	(3,880)	14,874
Fund Balance - Beginning	18,754	18,754	18,754	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,874</u>	<u>\$ 14,874</u>
<b>CASA FUND</b>				
Receipts	\$ 67,092	\$ 67,092	\$ 86,848	\$ 19,756
Disbursements	(117,885)	(117,885)	(91,415)	26,470
Transfers in	40,000	40,000	10,000	(30,000)
Transfers out	-	-	(14,769)	(14,769)
Net Change in Fund Balance	(10,793)	(10,793)	(9,336)	1,457
Fund Balance - Beginning	10,793	10,793	10,793	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,457</u>	<u>\$ 1,457</u>
<b>STOP FUND</b>				
Receipts	\$ 22,572	\$ 22,572	\$ 7,000	\$ (15,572)
Disbursements	(35,000)	(35,000)	-	35,000
Net Change in Fund Balance	(12,428)	(12,428)	7,000	19,428
Fund Balance - Beginning	12,428	12,428	12,428	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,428</u>	<u>\$ 19,428</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
Receipts	\$ 26,713	\$ 26,713	\$ 17,388	\$ (9,325)
Disbursements	(50,000)	(50,000)	(864)	49,136
Net Change in Fund Balance	(23,287)	(23,287)	16,524	39,811
Fund Balance - Beginning	23,287	23,287	23,287	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,811</u>	<u>\$ 39,811</u>
<b>MID-WEST NEBRASKA DRUG COURT FUND</b>				
Receipts	\$ 2,495	\$ 2,495	\$ 30,110	\$ 27,615
Disbursements	(50,000)	(50,000)	(2,891)	47,109
Net Change in Fund Balance	(47,505)	(47,505)	27,219	74,724
Fund Balance - Beginning	47,505	47,505	47,505	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,724</u>	<u>\$ 74,724</u>
<b>FEDERAL DRUG FORFEITURE FUND</b>				
Receipts	\$ 4,516	\$ 4,516	\$ -	\$ (4,516)
Disbursements	(5,000)	(5,000)	-	5,000
Net Change in Fund Balance	(484)	(484)	-	484
Fund Balance - Beginning	484	484	484	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ 484</u>
<b>K-9 DOG FUND</b>				
Receipts	\$ 1	\$ 1	\$ 1,411	\$ 1,410
Disbursements	(6,620)	(6,620)	(6,000)	620
Net Change in Fund Balance	(6,619)	(6,619)	(4,589)	2,030
Fund Balance - Beginning	6,619	6,619	6,619	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,030</u>	<u>\$ 2,030</u>
<b>SHERIFF GRANT FUND</b>				
Receipts	\$ 7,883	\$ 7,883	\$ 15,049	\$ 7,166
Disbursements	(26,500)	(26,500)	(22,867)	3,633
Net Change in Fund Balance	(18,617)	(18,617)	(7,818)	10,799
Fund Balance - Beginning	18,617	18,617	18,617	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,799</u>	<u>\$ 10,799</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SCAAP FUND</b>				
Receipts	\$ 252	\$ 252	\$ -	\$ (252)
Disbursements	(50,500)	(50,500)	(26,753)	23,747
Net Change in Fund Balance	(50,248)	(50,248)	(26,753)	23,495
Fund Balance - Beginning	50,248	50,248	50,248	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,495</u>	<u>\$ 23,495</u>
<b>CASA GRANT FUND</b>				
Receipts	\$ 2,601	\$ 2,601	\$ 2,000	\$ (601)
Disbursements	(8,000)	(8,000)	(2,242)	5,758
Net Change in Fund Balance	(5,399)	(5,399)	(242)	5,157
Fund Balance - Beginning	5,399	5,399	5,399	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,157</u>	<u>\$ 5,157</u>
<b>JUVENILE SERVICES - HEALING HEARTS FUND</b>				
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>
<b>COUNTY GRANT FUND</b>				
Receipts	\$ 347,000	\$ 347,000	\$ 138,219	\$ (208,781)
Disbursements	(350,000)	(350,000)	(138,219)	211,781
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>
<b>VICTIM ASSISTANCE FUND</b>				
Receipts	\$ 9,776	\$ 9,776	\$ 46,283	\$ 36,507
Disbursements	(82,875)	(82,875)	(54,276)	28,599
Transfers in	50,000	50,000	7,000	(43,000)
Transfers out	-	-	(9,847)	(9,847)
Net Change in Fund Balance	(23,099)	(23,099)	(10,840)	12,259
Fund Balance - Beginning	23,099	23,099	23,099	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,259</u>	<u>\$ 12,259</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EMPLOYEE RECOGNITION FUND</b>				
Receipts	\$ 4,045	\$ 4,045	\$ 4,809	\$ 764
Disbursements	(15,000)	(15,000)	(3,318)	11,682
Net Change in Fund Balance	(10,955)	(10,955)	1,491	12,446
Fund Balance - Beginning	10,955	10,955	10,955	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,446</u>	<u>\$ 12,446</u>
<b>LOTTERY FUND</b>				
Receipts	\$ 54,912	\$ 54,912	\$ 102,551	\$ 47,639
Disbursements	(198,000)	(198,000)	(31,606)	166,394
Transfers in	-	-	-	-
Transfers out	(102,000)	(102,000)	(27,000)	75,000
Net Change in Fund Balance	(245,088)	(245,088)	43,945	289,033
Fund Balance - Beginning	245,088	245,088	245,088	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,033</u>	<u>\$ 289,033</u>
<b>E-911 FUND</b>				
Receipts	\$ 23,806	\$ 23,806	\$ 52,303	\$ 28,497
Disbursements	(240,000)	(240,000)	(43,426)	196,574
Transfers in	81,961	81,961	75,788	(6,173)
Transfers out	(60,000)	(60,000)	-	60,000
Net Change in Fund Balance	(194,233)	(194,233)	84,665	278,898
Fund Balance - Beginning	194,233	194,233	194,233	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,898</u>	<u>\$ 278,898</u>
<b>911 ENHANCED WIRELESS SERVICE FUND</b>				
Receipts	\$ 81,961	\$ 81,961	\$ 81,961	\$ -
Disbursements	-	-	(5,257)	(5,257)
Transfers in	-	-	-	-
Transfers out	(263,416)	(263,416)	(258,159)	5,257
Net Change in Fund Balance	(181,455)	(181,455)	(181,455)	-
Fund Balance - Beginning	181,455	181,455	181,455	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>911 ENHANCED WIRELESS RESERVE FUND</b>				
Receipts	\$ -	\$ -	\$ 3,172	\$ 3,172
Disbursements	(181,455)	(181,455)	(17,733)	163,722
Transfers in	181,455	181,455	182,371	916
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	167,810	167,810
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,810</u>	<u>\$ 167,810</u>
<b>RANGE MANAGEMENT FUND</b>				
Receipts	\$ 2,552	\$ 2,552	\$ 900	\$ (1,652)
Disbursements	(3,000)	(3,000)	(544)	2,456
Net Change in Fund Balance	(448)	(448)	356	804
Fund Balance - Beginning	448	448	448	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 804</u>
<b>DISPATCH FUND</b>				
Receipts	\$ 246,500	\$ 246,500	\$ 248,080	\$ 1,580
Disbursements	(663,853)	(663,853)	(462,632)	201,221
Transfers in	414,456	414,456	341,000	(73,456)
Transfers out	-	-	(127,275)	(127,275)
Net Change in Fund Balance	(2,897)	(2,897)	(827)	2,070
Fund Balance - Beginning	2,897	2,897	2,897	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,070</u>	<u>\$ 2,070</u>
<b>BUILDING FUND</b>				
Receipts	\$ 11,521	\$ 11,521	\$ 65,968	\$ 54,447
Disbursements	(95,000)	(95,000)	(48,788)	46,212
Net Change in Fund Balance	(83,479)	(83,479)	17,180	100,659
Fund Balance - Beginning	83,479	83,479	83,479	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,659</u>	<u>\$ 100,659</u>
<b>SPRING CREEK WATERSHED FUND</b>				
Receipts	\$ 3,325	\$ 3,325	\$ 17,130	\$ 13,805
Disbursements	(385,000)	(385,000)	(1,370)	383,630
Net Change in Fund Balance	(381,675)	(381,675)	15,760	397,435
Fund Balance - Beginning	381,675	381,675	381,675	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,435</u>	<u>\$ 397,435</u>

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

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>NOXIOUS WEED FUND</b>				
Receipts	\$ 53,001	\$ 53,001	\$ 67,853	\$ 14,852
Disbursements	(186,600)	(186,600)	(164,916)	21,684
Transfers in	218,580	218,580	90,000	(128,580)
Transfers out	-	-	-	-
Net Change in Fund Balance	84,981	84,981	(7,063)	(92,044)
Fund Balance - Beginning	15,019	15,019	15,019	-
Fund Balance - Ending	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 7,956</u>	<u>\$ (92,044)</u>
<b>INVENTORY MAINTENANCE FUND</b>				
Receipts	\$ 143,682	\$ 143,682	\$ 152,910	\$ 9,228
Disbursements	(212,000)	(212,000)	(189,773)	22,227
Net Change in Fund Balance	(68,318)	(68,318)	(36,863)	31,455
Fund Balance - Beginning	68,318	68,318	68,318	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,455</u>	<u>\$ 31,455</u>
<b>HISTORICAL SOCIETY FUND</b>				
Receipts	\$ 79,306	\$ 79,306	\$ 76,872	\$ (2,434)
Disbursements	(80,000)	(80,000)	(76,707)	3,293
Net Change in Fund Balance	(694)	(694)	165	859
Fund Balance - Beginning	694	694	694	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859</u>	<u>\$ 859</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, 2018

	Highway Buy Back Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation Fund	Unemployment Compensation Fund	Parent Child Center Fund	Veteran's Aid Fund
<b>RECEIPTS</b>							
Property Taxes	\$ -	\$ 119,370	\$ 129,528	\$ -	\$ 9,281	\$ -	\$ 845
Investment Income	-	-	-	-	-	-	-
Intergovernmental	263,432	-	-	-	836	-	15
Charges for Services	-	-	-	13,282	-	-	-
Miscellaneous	-	745	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>263,432</b>	<b>120,115</b>	<b>129,528</b>	<b>13,282</b>	<b>10,117</b>	<b>-</b>	<b>860</b>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	30,016	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	10,000	4,740
Culture and Recreation	-	147,876	181,307	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>-</b>	<b>147,876</b>	<b>181,307</b>	<b>30,016</b>	<b>-</b>	<b>10,000</b>	<b>4,740</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>263,432</b>	<b>(27,761)</b>	<b>(51,779)</b>	<b>(16,734)</b>	<b>10,117</b>	<b>(10,000)</b>	<b>(3,880)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	10,000	-
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>
Net Change in Fund Balances	263,432	(27,761)	(51,779)	(16,734)	10,117	-	(3,880)
<b>FUND BALANCES - BEGINNING</b>	<b>942,187</b>	<b>121,419</b>	<b>153,085</b>	<b>50,895</b>	<b>78,999</b>	<b>-</b>	<b>18,754</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,205,619</b>	<b>\$ 93,658</b>	<b>\$ 101,306</b>	<b>\$ 34,161</b>	<b>\$ 89,116</b>	<b>\$ -</b>	<b>\$14,874</b>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	93,658	101,306	-	-	-	-
911 Emergency Services	-	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-
Preservation of Records	-	-	-	34,161	-	-	-
Bridge and Road Projects	1,205,619	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	-	-	-	-
Road Projects	-	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-	14,874
County Buildings	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	89,116	-	-
Employee Recognition	-	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,205,619</b>	<b>\$ 93,658</b>	<b>\$ 101,306</b>	<b>\$ 34,161</b>	<b>\$ 89,116</b>	<b>\$ -</b>	<b>\$14,874</b>

(Continued)

**DAWSON COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	CASA Fund	STOP Fund	County Drug Law Enforcement and Education Fund	Mid-West Nebraska Drug Court Fund	Federal Drug Forfeiture Fund	K-9 Dog Fund	Sheriff Grant Fund	SCAAP Fund	CASA Grant Fund
<b>RECEIPTS</b>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-	-	-	-
Intergovernmental	47,061	-	-	10,278	-	-	15,049	-	-
Charges for Services	-	7,000	17,388	19,632	-	-	-	-	-
Miscellaneous	39,787	-	-	200	-	1,411	-	-	2,000
<b>TOTAL RECEIPTS</b>	<b>86,848</b>	<b>7,000</b>	<b>17,388</b>	<b>30,110</b>	<b>-</b>	<b>1,411</b>	<b>15,049</b>	<b>-</b>	<b>2,000</b>
<b>DISBURSEMENTS</b>									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	864	2,891	-	6,000	22,867	26,753	-
Public Works	-	-	-	-	-	-	-	-	-
Public Assistance	91,415	-	-	-	-	-	-	-	2,242
Culture and Recreation	-	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>91,415</b>	<b>-</b>	<b>864</b>	<b>2,891</b>	<b>-</b>	<b>6,000</b>	<b>22,867</b>	<b>26,753</b>	<b>2,242</b>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,567)</u>	<u>7,000</u>	<u>16,524</u>	<u>27,219</u>	<u>-</u>	<u>(4,589)</u>	<u>(7,818)</u>	<u>(26,753)</u>	<u>(242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	10,000	-	-	-	-	-	-	-	-
Transfers out	(14,769)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,769)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(9,336)	7,000	16,524	27,219	-	(4,589)	(7,818)	(26,753)	(242)
<b>FUND BALANCES - BEGINNING</b>	<b>10,793</b>	<b>12,428</b>	<b>23,287</b>	<b>47,505</b>	<b>484</b>	<b>6,619</b>	<b>18,617</b>	<b>50,248</b>	<b>5,399</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 1,457</b>	<b>\$19,428</b>	<b>\$ 39,811</b>	<b>\$ 74,724</b>	<b>\$ 484</b>	<b>\$ 2,030</b>	<b>\$10,799</b>	<b>\$23,495</b>	<b>\$ 5,157</b>
<b>FUND BALANCES:</b>									
Restricted for:									
Visitor Promotion	-	-	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	-	-	-	-
Drug Education	-	-	39,811	-	-	-	-	-	-
Law Enforcement	-	-	-	-	484	-	10,799	23,495	-
Preservation of Records	-	-	-	-	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-	-	-	-	-
Committed to:									
Law Enforcement	-	19,428	-	74,724	-	2,030	-	-	-
Road Projects	-	-	-	-	-	-	-	-	-
Aid and Assistance	1,457	-	-	-	-	-	-	-	5,157
County Buildings	-	-	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-	-
Employee Recognition	-	-	-	-	-	-	-	-	-
Miscellaneous Projects	-	-	-	-	-	-	-	-	-
Watershed Management	-	-	-	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,457</b>	<b>\$19,428</b>	<b>\$ 39,811</b>	<b>\$ 74,724</b>	<b>\$ 484</b>	<b>\$ 2,030</b>	<b>\$10,799</b>	<b>\$23,495</b>	<b>\$ 5,157</b>

(Continued)



**DAWSON COUNTY**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,**  
**AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	Juvenile Services - Healing Hearts Fund	County Grant Fund	Victim Assistance Fund	Employee Recognition Fund	Lottery Fund	E-911 Fund	911 Enhanced Wireless Service Fund	911 Enhanced Wireless Reserve Fund
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,303	\$ 81,961	\$ 3,172
Investment Income	-	-	-	-	667	-	-	-
Intergovernmental	-	138,219	46,283	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	4,809	101,884	-	-	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>138,219</u>	<u>46,283</u>	<u>4,809</u>	<u>102,551</u>	<u>52,303</u>	<u>81,961</u>	<u>3,172</u>
<b>DISBURSEMENTS</b>								
General Government	-	-	-	3,318	31,606	-	-	-
Public Safety	-	-	54,276	-	-	43,426	5,257	17,733
Public Works	-	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-	-	-
Culture and Recreation	-	138,219	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>138,219</u>	<u>54,276</u>	<u>3,318</u>	<u>31,606</u>	<u>43,426</u>	<u>5,257</u>	<u>17,733</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>(7,993)</u>	<u>1,491</u>	<u>70,945</u>	<u>8,877</u>	<u>76,704</u>	<u>(14,561)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	7,000	-	-	75,788	-	182,371
Transfers out	-	-	(9,847)	-	(27,000)	-	(258,159)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(2,847)</u>	<u>-</u>	<u>(27,000)</u>	<u>75,788</u>	<u>(258,159)</u>	<u>182,371</u>
Net Change in Fund Balances	-	-	(10,840)	1,491	43,945	84,665	(181,455)	167,810
<b>FUND BALANCES - BEGINNING</b>	<u>3,999</u>	<u>3,000</u>	<u>23,099</u>	<u>10,955</u>	<u>245,088</u>	<u>194,233</u>	<u>181,455</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,999</u>	<u>\$ 3,000</u>	<u>\$ 12,259</u>	<u>\$ 12,446</u>	<u>\$ 289,033</u>	<u>\$ 278,898</u>	<u>\$ -</u>	<u>\$ 167,810</u>
<b>FUND BALANCES:</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	-	278,898	-	167,810
Drug Education	-	-	-	-	-	-	-	-
Law Enforcement	3,999	3,000	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-	-
Bridge and Road Projects	-	-	-	-	-	-	-	-
Committed to:								
Law Enforcement	-	-	-	-	-	-	-	-
Road Projects	-	-	-	-	-	-	-	-
Aid and Assistance	-	-	12,259	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-
Employee Recognition	-	-	-	12,446	-	-	-	-
Miscellaneous Projects	-	-	-	-	289,033	-	-	-
Watershed Management	-	-	-	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,999</u>	<u>\$ 3,000</u>	<u>\$ 12,259</u>	<u>\$ 12,446</u>	<u>\$ 289,033</u>	<u>\$ 278,898</u>	<u>\$ -</u>	<u>\$ 167,810</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, 2018

	Range Management Fund	Dispatch Fund	Building Fund	Spring Creek Watershed Fund	Noxious Weed Fund	Inventory Maintenance Fund	Historical Society Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,315	\$ 466,775
Investment Income	-	-	-	-	-	-	-	667
Intergovernmental	-	248,080	36,033	-	33,011	-	6,557	844,854
Charges for Services	-	-	29,935	17,130	34,842	122,166	-	261,375
Miscellaneous	900	-	-	-	-	30,744	-	182,480
<b>TOTAL RECEIPTS</b>	<b>900</b>	<b>248,080</b>	<b>65,968</b>	<b>17,130</b>	<b>67,853</b>	<b>152,910</b>	<b>76,872</b>	<b>1,756,151</b>
<b>DISBURSEMENTS</b>								
General Government	-	-	48,788	1,370	-	-	-	115,098
Public Safety	544	462,632	-	-	-	189,773	-	833,016
Public Works	-	-	-	-	164,916	-	-	164,916
Public Assistance	-	-	-	-	-	-	-	108,397
Culture and Recreation	-	-	-	-	-	-	76,707	544,109
<b>TOTAL DISBURSEMENTS</b>	<b>544</b>	<b>462,632</b>	<b>48,788</b>	<b>1,370</b>	<b>164,916</b>	<b>189,773</b>	<b>76,707</b>	<b>1,765,536</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>356</b>	<b>(214,552)</b>	<b>17,180</b>	<b>15,760</b>	<b>(97,063)</b>	<b>(36,863)</b>	<b>165</b>	<b>(9,385)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	341,000	-	-	90,000	-	-	716,159
Transfers out	-	(127,275)	-	-	-	-	-	(437,050)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>213,725</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>279,109</b>
Net Change in Fund Balances	356	(827)	17,180	15,760	(7,063)	(36,863)	165	269,724
<b>FUND BALANCES - BEGINNING</b>	<b>448</b>	<b>2,897</b>	<b>83,479</b>	<b>381,675</b>	<b>15,019</b>	<b>68,318</b>	<b>694</b>	<b>2,755,078</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 804</b>	<b>\$ 2,070</b>	<b>\$ 100,659</b>	<b>\$ 397,435</b>	<b>\$ 7,956</b>	<b>\$ 31,455</b>	<b>\$ 859</b>	<b>\$ 3,024,802</b>
<b>FUND BALANCES:</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	-	194,964
911 Emergency Services	-	-	-	-	-	-	-	446,708
Drug Education	-	-	-	-	-	-	-	39,811
Law Enforcement	-	-	-	-	-	-	-	41,777
Preservation of Records	-	-	-	-	-	-	-	34,161
Bridge and Road Projects	-	-	-	-	-	-	-	1,205,619
Committed to:								
Law Enforcement	804	2,070	-	-	-	-	-	99,056
Road Projects	-	-	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-	-	33,747
County Buildings	-	-	100,659	-	-	31,455	-	132,114
Unemployment Compensation	-	-	-	-	-	-	-	89,116
Employee Recognition	-	-	-	-	-	-	-	12,446
Miscellaneous Projects	-	-	-	-	-	-	-	289,033
Watershed Management	-	-	-	397,435	-	-	-	397,435
Noxious Weed Control	-	-	-	-	7,956	-	-	7,956
Historical Society	-	-	-	-	-	-	859	859
<b>TOTAL FUND BALANCES</b>	<b>\$ 804</b>	<b>\$ 2,070</b>	<b>\$ 100,659</b>	<b>\$ 397,435</b>	<b>\$ 7,956</b>	<b>\$ 31,455</b>	<b>\$ 859</b>	<b>\$ 3,024,802</b>

(Concluded)

**DAWSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2018

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2017	\$ 1,398	\$ 61,034	\$ 284,423	\$ 160,264	\$ 6,343	\$ 14,935	\$ 30
<b>RECEIPTS</b>							
Property Taxes	-	-	-	47,841	-	-	-
Licenses and Permits	8,306	-	-	1,965	-	-	480
Intergovernmental	-	-	-	1,341,241	-	33,000	-
Charges for Services	23,398	150,776	111,726	240,419	-	46,346	-
Miscellaneous	107,857	2	-	8,610	24	-	17,360
State Fees	-	191,513	94,634	-	-	-	150
Other Liabilities	-	1,016	1,004,950	529,630	-	-	-
<b>TOTAL RECEIPTS</b>	<b>139,561</b>	<b>343,307</b>	<b>1,211,310</b>	<b>2,169,706</b>	<b>24</b>	<b>79,346</b>	<b>17,990</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	132,282	144,326	104,704	1,752,314	1	67,842	17,898
Payments to State Treasurer	-	180,509	95,101	-	-	-	92
Other Liabilities	3,243	43,561	1,020,258	526,288	19	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>135,525</b>	<b>368,396</b>	<b>1,220,063</b>	<b>2,278,602</b>	<b>20</b>	<b>67,842</b>	<b>17,990</b>
BALANCES JUNE 30, 2018	<u>\$ 5,434</u>	<u>\$ 35,945</u>	<u>\$ 275,670</u>	<u>\$ 51,368</u>	<u>\$ 6,347</u>	<u>\$ 26,439</u>	<u>\$ 30</u>
<b>BALANCES CONSIST OF:</b>							
Due to County Treasurer	\$ 4,834	\$ 15,442	\$ 15,925	\$ 30,607	\$ 5,717	\$ 26,439	\$ 30
Petty Cash	600	-	100	8,700	630	-	-
Due to State Treasurer	-	20,503	5,359	-	-	-	-
Due to Others	-	-	254,286	12,061	-	-	-
BALANCES JUNE 30, 2018	<u>\$ 5,434</u>	<u>\$ 35,945</u>	<u>\$ 275,670</u>	<u>\$ 51,368</u>	<u>\$ 6,347</u>	<u>\$ 26,439</u>	<u>\$ 30</u>

(Continued)

**DAWSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2018

	Veterans' Service Officer	County Surveyor	County Child Support	County Planning and Zoning	Imprest Accounts	Total
BALANCES JULY 1, 2017	\$ 1,000	\$ 15,820	\$ 1,500	\$ -	\$ 151,200	\$ 697,947
<b>RECEIPTS</b>						
Property Taxes	-	-	-	-	-	47,841
Licenses and Permits	-	-	-	1,310	-	12,061
Intergovernmental	-	-	-	-	-	1,374,241
Charges for Services	-	27,753	-	-	-	600,418
Miscellaneous	4,427	-	-	-	1,530,345	1,668,625
State Fees	-	-	-	-	-	286,297
Other Liabilities	-	-	4,495	-	-	1,540,091
<b>TOTAL RECEIPTS</b>	<u>4,427</u>	<u>27,753</u>	<u>4,495</u>	<u>1,310</u>	<u>1,530,345</u>	<u>5,529,574</u>
<b>DISBURSEMENTS</b>						
Payments to County Treasurer	-	32,988	-	1,310	-	2,253,665
Payments to State Treasurer	-	-	-	-	-	275,702
Other Liabilities	4,427	-	4,483	-	1,430,345	3,032,624
<b>TOTAL DISBURSEMENTS</b>	<u>4,427</u>	<u>32,988</u>	<u>4,483</u>	<u>1,310</u>	<u>1,430,345</u>	<u>5,561,991</u>
BALANCES JUNE 30, 2018	<u>\$ 1,000</u>	<u>\$ 10,585</u>	<u>\$ 1,512</u>	<u>\$ -</u>	<u>\$ 251,200</u>	<u>\$ 665,530</u>
<b>BALANCES CONSIST OF:</b>						
Due to County Treasurer	\$ -	\$ 10,585	\$ 12	\$ -	\$ -	\$ 109,591
Petty Cash	1,000	-	1,500	-	251,200	263,730
Due to State Treasurer	-	-	-	-	-	25,862
Due to Others	-	-	-	-	-	266,347
BALANCES JUNE 30, 2018	<u>\$ 1,000</u>	<u>\$ 10,585</u>	<u>\$ 1,512</u>	<u>\$ -</u>	<u>\$ 251,200</u>	<u>\$ 665,530</u>

(Concluded)

**DAWSON COUNTY**  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2018

Item	2013	2014	2015	2016	2017
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 39,104,543	\$ 42,793,975	\$ 46,045,549	\$ 48,385,550	\$ 48,533,898
Personal and Specials	2,979,583	3,005,827	2,868,862	2,493,445	3,111,618
<b>Total</b>	<b>42,084,126</b>	<b>45,799,802</b>	<b>48,914,411</b>	<b>50,878,995</b>	<b>51,645,516</b>
<b>Corrections</b>					
Additions	15,942	627,078	123,149	114,522	20,783
Deductions	(41,500)	(102,135)	(122,895)	(298,400)	(136,836)
Net Additions/ (Deductions)	(25,558)	524,943	254	(183,878)	(116,053)
<b>Corrected Certified Tax</b>	<b>42,058,568</b>	<b>46,324,745</b>	<b>48,914,665</b>	<b>50,695,117</b>	<b>51,529,463</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2014	25,890,140	-	-	-	-
June 30, 2015	16,122,345	29,009,368	-	-	-
June 30, 2016	41,464	17,313,288	30,798,967	-	-
June 30, 2017	1,856	(2,091)	18,108,504	31,900,991	-
June 30, 2018	362	1,197	4,262	18,788,521	32,392,350
<b>Total Net Collections</b>	<b>42,056,167</b>	<b>46,321,762</b>	<b>48,911,733</b>	<b>50,689,512</b>	<b>32,392,350</b>
<b>Total Uncollected Tax</b>	<b>\$ 2,401</b>	<b>\$ 2,983</b>	<b>\$ 2,932</b>	<b>\$ 5,605</b>	<b>\$ 19,137,113</b>
<b>Percentage Uncollected Tax</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>37.14%</b>

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

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, 2018, and the related notes to the financial statements, which collectively comprise Dawson County's basic financial statements, and have issued our report thereon dated March 15, 2019. 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**

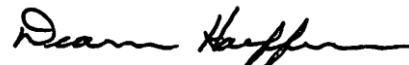
We also noted certain matters that we reported to the management of Dawson County in a separate letter dated March 15, 2019.

### **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

March 15, 2019



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)

March 15, 2019

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, 2018, and have issued our report thereon dated March 15, 2019. 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 OVERALL**

#### **Segregation of Duties**

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

We noted 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.



**Unclaimed Property**

During our audit, we noted 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 Treasurer had four checks, totaling \$225.
- The County Sheriff had 40 checks, totaling \$148.

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 Sheriff's Response: We are currently working on submitting these checks to the State Treasurer as unclaimed property. We have also put in the policy and procedure book that at the end of every year any unclaimed or abandoned property that is over three years old will be submitted to the State Treasurer.*

**COUNTY BOARD**

**Duplicate Payments**

We reviewed six pairs of claims that appeared to be duplicate payments and noted four of the six claims tested were duplicate payments. The duplicate payments noted are detailed in the following table:

Payee	Duplicate Amount	Original Claim		Duplicate Claim	
		Date	Claim #	Date	Claim #
Bryan Physician Network	\$ 357	7/14/2017	79664	8/15/2017	79983
Titan Machinery	\$ 592	12/18/2017	81227	1/16/2018	81488
Eakes Office Solutions	\$ 556	7/3/2017	79588	7/14/2017	79683
Medco Supply Company	\$ 413	6/1/2018	82668	6/21/2018	82933
<b>Total</b>	<b>\$ 1,918</b>				

As of fieldwork in February 2019, the County had received a credit and/or refund for the duplicate payments to Eakes Office Solutions and Medco Supply Company. The duplicate claim to Titan Machinery had not been cashed as of June 30, 2018. The County could not provide any supporting documentation that a credit or refund had been received for the duplicate payment to Bryan Physician Network.

Good internal controls and sound business practices require procedures for reviewing all claims prior to approval to ensure they are not duplicate payments.

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

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

*County Clerk’s Response: Procedures have been put in place to help correct this. The claims register report will be ran quarterly and looked at for any duplicate payments.*

*County Sheriff’s Response: On 11-20-17 a refund in the amount of \$110 was submitted to the Dawson County Treasurer and the remainder was applied to the subject’s bill.*

**Claims Issues**

*Credit Card Payments*

Two of six credit card payments tested included purchases that were not supported by adequate documentation, as detailed in the following table:

<b>Claim #</b>	<b>Amount</b>	<b>Date</b>	<b>Payee</b>	<b>Issue Noted</b>
81772	\$ 43	2/15/2018	Delight Donuts	Itemized receipt not provided.
81772	\$ 1,414	2/15/2018	Airfare – Various	Support, such as a conference agenda, not provided for the purpose of the travel.
80271	\$ 18	9/1/2017	Joe’s Crab Shack	Itemized receipt not provided.
80271	\$ 10	9/1/2017	Taco Cabana	Itemized receipt not provided.
<b>Total</b>	<b>\$ 1,316</b>			

Neb. Rev. Stat. § 13-610 (Reissue 2012) provides, in relevant part, the following:

- (1) *A political subdivision, through its governing body, may create its own purchasing card program. . . .*
- (2) *Any political subdivision may utilize its purchasing card program for the purchase of goods and services for and on behalf of the political subdivision.*

\* \* \* \*

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

*Visitor’s Promotion/Visitor’s Improvement Claims*

We tested two claims paid by the County using funds received from local lodging taxes. For one of those claims – Claim 82889, which was paid to the Gothenburg Chamber of Commerce – the County did not request or receive detailed supporting documentation to ensure the amounts paid were spent appropriately.

The following table details the reimbursements included in Claim 82889, which lacked adequate supporting documentation:

Claim #	Date	Payee	Amount	Description
82889	6/21/2018	Chris Healey	\$ 150	Visitor's Center Rent
		ECTOWN USA	\$ 150	Website Fees
<b>Total</b>			<b>\$ 300</b>	

State law requires an itemized receipt to accompany all purchases made with a political subdivision's credit card. Furthermore, good internal controls and sound business practices require the County to ensure that detailed supporting documentation is received and reviewed for all claim payments.

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

We recommend the County Board implement procedures to ensure an itemized receipt accompanies all purchases made with a political subdivision's credit card, and detailed supporting documentation is received and reviewed for all claim payments.

*County Clerk's Response: The county has implemented procedures regarding the Visitor Committee, they have been submitting itemized receipts.*

*County Sheriff's Response: Dawson County Sheriff's Office is implementing a Credit Card Policy to state that for anyone using a county credit card it will be checked out and will have an itemized receipt upon return. If in violation of policy, disciplinary actions may be administered.*

**Leave Balances**

During our audit, we noted the following issues regarding the County's policies and procedures for Paid Time Off (PTO):

- The County Board is not receiving and reviewing leave usage and balances for all employees to ensure that applicable County policies are being followed.
- Two of three employees tested had PTO accrue at the beginning of the month. However, the County's PTO policy states that PTO is to begin accruing on the 22<sup>nd</sup> of each month.
- One employee tested was granted the entire 2018 PTO accrual at the beginning of the year, rather than monthly, as required by the County's PTO policy.
- One employee tested had a PTO balance of 266.50 hours at the beginning of January 2018. However, the maximum balance allowed by the County's PTO policy is 250 hours, resulting in an excess balance of 16.5 hours.

The County's PTO policy states, in relevant part, the following:

*PTO will accrue, if applicable, on the 22<sup>nd</sup> day of the month . . . . Employees shall not be allowed to take PTO that has not been earned . . . .*

Good internal controls and sound business practices require procedures to ensure that the County Board obtains and reviews employee PTO and other leave balances for reasonableness, as well as to be aware of any pending large payouts upon employee termination. Additionally, such procedures should ensure that leave is taken appropriately, leave balances are accurate, and adequate supporting documentation is maintained for all leave balances.

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

We recommend the County Board implement procedures to ensure: 1) the County Board obtains and reviews employee PTO and other leave balances for reasonableness, as well as to be aware of any pending large payouts upon employee termination; and 2) leave is taken appropriately, leave balances are accurate, and adequate supporting documentation is maintained for all leave balances.

*County Clerk's Response: A spreadsheet has been created and distributed to each office with PTO balances on each employee. Each office has been asked to submit to the county quarterly.*

## **COUNTY CLERK OF THE DISTRICT COURT**

### **Monthly Case Balance Report Review**

We noted that the County Clerk of the District Court was not reviewing adequately the Case Balance report to ensure the balances were proper, and appropriate action was taken timely. For one of the 10 case balances tested, totaling \$258, payment or adequate follow up did not occur in a timely manner. Follow-up action occurred 441 days after the case was mandated.

Good internal controls and sound business practices require procedures to ensure that trust case balances of the Court are reviewed on an ongoing, timely basis to determine what action, if any, should be taken to resolve those balances.

Without such procedures, there is an increased risk of errors, omissions, or irregularities, which might not be detected and resolved in a timely manner. This was also noted in prior audits.

We recommend the District Court implement procedures to ensure a detailed review of all monthly financial reports, including the monthly Case Balance report, is performed, and any unattached or unusual balances are resolved in a complete, accurate, and timely manner.

### **Overdue Case Account Report Review**

We noted that the District Court was not performing adequate follow up procedures to resolve the overdue balances on the Overdue Case Account Report (Report). Six of 10 balances tested, totaling \$35,347, did not have subsequent action taken by the District Court to ensure collection and/or resolution of the balances.

As of February 16, 2018, the Report contained 774 overdue case balances, totaling to \$717,005. As of January 18, 2019, the Report contained 704 overdue case balances, totaling \$680,137, which was a decrease of \$36,868, or five percent, from the prior year. Of these 704 cases, only 57 had a current warrant or suspension issued for nonpayment.

The following table summarizes, by year, the number of overdue cases and amounts reflected in the Report:

<b>Year Case Filed</b>	<b>Number of Cases</b>	<b>Amount Overdue</b>
1996	1	\$ 83
1997	16	\$ 3,579
1998	7	\$ 1,573
1999	5	\$ 1,006
2000	10	\$ 1,550
2001	10	\$ 2,637
2002	19	\$ 24,288
2003	28	\$ 30,123
2004	18	\$ 28,397
2005	31	\$ 24,854
2006	22	\$ 27,610
2007	27	\$ 27,989
2008	20	\$ 22,692
2009	12	\$ 10,125
2010	28	\$ 21,552
2011	29	\$ 30,822
2012	32	\$ 31,832
2013	31	\$ 25,075
2014	42	\$ 40,325
2015	72	\$ 83,920
2016	79	\$ 81,419
2017	112	\$ 112,550
2018	47	\$ 45,888
2019	6	\$ 248
	<b>704</b>	<b>\$ 680,137</b>

Good internal control and sound business practices require procedures to ensure that the Report is reviewed on an ongoing, timely basis to determine what action, if any, should be taken to collect or otherwise resolve overdue case balances. This was also noted in prior audits.

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

We recommend the District Court implement procedures to ensure the Report is reviewed on an ongoing, timely basis. Potential courses of action for follow-up on overdue case balances would include the issuance of warrants, a judge's determination and order to waive certain costs, if allowable, or a declaration of certain balances as being uncollectible.

*County Clerk of the District Court's Response: Since the recommendation made for the 2017 audit, my staff and I have made every effort available to my office, to adequately review the Overdue Case Account Report and will continue to address issues as they arise. However, I as Clerk of the District Court have no power to collect and discharge judgments the report is showing overdue.*

*Upon completion of the initial in depth review, corrections in past record keeping accomplished a reduction, as noted in the auditor report. With said corrections the balance of the Overdue Case Balance Report at the time of the audit was indeed 680,137. This balance representing unpaid probation fees, court costs and fines ordered by the Court from 1997 through 2018.*

*Recommendation was made by the auditors that the leftover balances could be resolved through issuance of warrants, Judge's determination to order a waiver of said fees, or declaration that certain balances are uncollectible. By statute, the voters of Dawson County have entrusted me with keeping the records of the Dawson County District Court, including any judgments entered by the District Court judges hearing cases in Dawson County, Nebraska. Included in these judgments, and making up a majority of the cases listed in the Overdue Case Balance Report, are fees to be paid by persons while they serve their sentences for probation. These fees vary depending on how long the probationary period is to last. While my office keeps records on these judgments, it is not the duty of the Clerk of the District Court to enforce payment, waive payment, or otherwise resolve said judgments. This would be the prerogative of the Dawson County Attorney or the Dawson County District Judge.*

*In my written response to these suggestions on my 2017 audit, I stated that the Overdue Case Balance Report would be shared with the Dawson County Attorney to determine what action would be taken to collect or otherwise resolve the balances due on the outstanding cases. I have continued to present the reports to the Dawson County Attorney and to my knowledge there has been no action taken on their part to resolve these issues.*

*On February 8, 2019, during the audit for 2018, a meeting took place between myself, personnel from the Nebraska State Auditor's Office, Dawson County Attorney Elizabeth Waterman, District Court Judge James E. Doyle, IV and assistant judge's court bailiff Teri Deans. At the conclusion of the meeting it was determined my office will continue to review the Overdue Case Balance Report on a monthly basis making any corrections allowed by my office.*

*At the suggestion of the 2018 Auditing team, I will prepare a monthly letter to the Dawson County Attorney, which will recommend ten cases which are listed on the Overdue Case Balance Report and need resolution of balances overdue.*

*This is the extent of the responsibility I have regarding the enforcement of payment, waiver of payment, or other resolution of the amounts due.*

## **COUNTY SHERIFF**

### **Office Accountability**

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

- Adequate monthly balancing procedures were not performed, resulting in a short of \$65 at June 30, 2018, in one account.
- Records show that a total of \$12,000 was due to others at June 30, 2018; however, a listing of individual balances could not be provided to support this total.

Good internal controls and sound business practices require procedures to ensure that assets (cash on hand, reconciled bank statement, and accounts receivable) agree to office liabilities (fees, trust accounts, and accounts payable).

Without such procedures, there is an increased risk for the loss, theft, or misuse of funds, as well as errors going undetected more easily.

We recommend the County Sheriff implement procedures to ensure a monthly asset-to-liability reconciliation is performed, and any variances noted are identified and resolved in a timely manner.

*County Sheriff's Response: We have put into place a policy and procedure that accounts will be reconciled monthly. Also a monthly asset-to-liability reconciliation is performed, and any variances noted are identified and resolved in a timely manner.*

*A policy and procedure was put into place where on the last day of every month an inmate balance report is printed out and kept on file.*

## **COUNTY SURVEYOR**

### **Accounts Receivable**

During the audit, we noted numerous delinquent accounts receivable balances that remained uncollected at June 30, 2018. Those balances are detailed in the following table:

<b>Fiscal Year</b>	<b>Number of Outstanding Accounts</b>	<b>Amount Due at 6/30/2018</b>
2010	1	\$ 300
2011	4	\$ 503
2012	3	\$ 674
2013	2	\$ 912
2014	6	\$ 1,448
2015	4	\$ 458
<b>Total</b>	<b>20</b>	<b>\$ 4,295</b>

Good internal controls and sound business practices require procedures to ensure that complete and adequate records of accounts receivable are maintained. Such procedures should also include a periodic review, at least annually, of overdue accounts receivable with the County Board to consider the feasibility of collection or the need for write-off approval if those balances appear to be uncollectible.

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

We recommend the County Surveyor implement procedures to ensure the maintenance of complete and accurate records for accounts receivable. We also recommend the County Board be consulted, at least annually, to determine whether accounts receivable should be pursued or approved to be written off.

**COUNTY TREASURER**

**Gross In-Lieu Distribution**

During our audit, we noted the County Treasurer did not properly distribute gross in-lieu taxes. This error was caused by the use of an improper tax levy rate in the distribution calculation.

The following table summarizes the results of the distribution error:

Entity	Over (Under) Payment
School – Overton	\$ (15,827)
Village – Overton	\$ 9,810
Dawson County	\$ 6,017

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

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

Good internal controls and sound business practices require procedures to ensure that gross in-lieu taxes are distributed in accordance with State statute.

Without such procedures, there is an increased risk of not only political subdivisions receiving the incorrect amount of revenue but also noncompliance with State statute.

We recommend the County Treasurer implement procedures to ensure all gross in-lieu taxes are distributed in accordance with State statute.

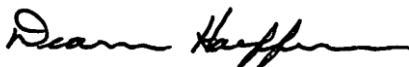
\* \* \* \* \*

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,



Deann Haeffner, CPA  
Assistant Deputy Auditor