

**AUDIT REPORT
OF
ROCK COUNTY**

JULY 1, 2019, THROUGH JUNE 30, 2020

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the Auditor of Public Accounts.**

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Issued on September 23, 2020

ROCK COUNTY

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ROCK COUNTY
400 State Street
Bassett, NE 68714

LIST OF COUNTY OFFICIALS
At June 30, 2020

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Dustin Craven Jim Stout Glen May	Jan. 2021 Jan. 2023 Jan. 2023
Assessor Planning & Zoning	Thomas Ellermeier	Jan. 2023 Appointed
Attorney	Avery Gurnsey	Jan. 2023
Clerk Clerk of the District Court Election Commissioner Register of Deeds	Daunitta Buoy	Jan. 2023
Sheriff Civil Defense Director	James Anderson	Jan. 2023
Treasurer	Mona Davis	Jan. 2023
Surveyor Highway Superintendent	Lloyd Smith	Jan. 2023 Appointed
Weed Superintendent	Mitch Dean	Appointed
Emergency Manager	Douglas Fox	Appointed



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ROCK COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Rock 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 Rock County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents.

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 audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Discretely Presented Component Unit

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Rock County, as of June 30, 2020, or the change in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Rock County, as of June 30, 2020, 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 19-32, 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 September 17, 2020, on our consideration of Rock 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* and considering Rock County’s internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

September 17, 2020

ROCK COUNTY
STATEMENT OF NET POSITION - CASH BASIS
 June 30, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 2,406,217
TOTAL ASSETS	\$ 2,406,217
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 15,899
911 Emergency Services	689,776
Hospital Operations	1,382
Debt Service	145,709
Preservation of Records	9,260
County Library	20,393
Road/Bridge Projects	196,375
Capital Projects	67,296
Unrestricted	1,260,127
TOTAL NET POSITION	\$ 2,406,217

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

ROCK COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2020

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (833,090)	\$ 72,896	\$ -	\$ (760,194)
Public Safety	(838,755)	48,161	78,768	(711,826)
Public Works	(2,648,482)	3,079	566,586	(2,078,817)
Health and Sanitation	(297,074)	-	-	(297,074)
Public Assistance	(28,503)	-	-	(28,503)
Culture and Recreation	(103,235)	-	909	(102,326)
Debt Payments	(154,476)	-	-	(154,476)
Total Governmental Activities	\$ (4,950,764)	\$ 124,136	\$ 646,263	(4,180,365)

General Receipts:

Property Taxes	2,579,565
Grants and Contributions Not Restricted to Specific Programs	472,737
Investment Income	22,427
Licenses and Permits	9,162
Bond Proceeds	752,438
Miscellaneous	47,791
Total General Receipts	3,884,120
 Increase in Net Position	 (296,245)
Net Position - Beginning of year	2,702,462
Net Position - End of year	\$ 2,406,217

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

ROCK COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Road Fund	Inheritance Fund	911 Wireless Service Holding Fund	Ambulance Replacement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents (Note 1.D)	\$ 413,849	\$ 86,419	\$ 526,815	\$ 259,757	\$ 262,914	\$ 856,463	\$ 2,406,217
TOTAL ASSETS	\$ 413,849	\$ 86,419	\$ 526,815	\$ 259,757	\$ 262,914	\$ 856,463	\$ 2,406,217
FUND BALANCES							
Restricted for:							
Visitor Promotion	-	-	-	-	-	15,899	15,899
911 Emergency Services	-	-	-	259,757	262,914	167,105	689,776
Hospital Operations	-	-	-	-	-	1,382	1,382
Debt Service	-	-	-	-	-	145,709	145,709
Preservation of Records	-	-	-	-	-	9,260	9,260
County Library	-	-	-	-	-	20,393	20,393
Road/Bridge Projects	-	-	-	-	-	196,375	196,375
Capital Projects	-	-	-	-	-	67,296	67,296
Committed to:							
Road/Bridge Maintenance	-	86,419	-	-	-	200,000	286,419
Aid and Assistance	-	-	-	-	-	33,044	33,044
Assigned to:							
Other Purposes	-	-	526,815	-	-	-	526,815
Unassigned	413,849	-	-	-	-	-	413,849
TOTAL CASH BASIS FUND BALANCES	\$ 413,849	\$ 86,419	\$ 526,815	\$ 259,757	\$ 262,914	\$ 856,463	\$ 2,406,217

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

ROCK COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Road Fund	Inheritance Fund	911 Wireless Service Holding Fund	Ambulance Replacement Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property Taxes	\$1,766,753	\$ 291	\$ 51,183	\$ -	\$ 60,708	\$ 700,630	\$ 2,579,565
Licenses and Permits	9,162	-	-	-	-	-	9,162
Investment Income	21,582	-	-	-	-	845	22,427
Intergovernmental	266,329	566,586	-	-	8,881	277,204	1,119,000
Charges for Services	119,721	3,079	-	-	-	1,336	124,136
Miscellaneous	12,602	761,280	-	-	-	26,347	800,229
TOTAL RECEIPTS	<u>2,196,149</u>	<u>1,331,236</u>	<u>51,183</u>	<u>-</u>	<u>69,589</u>	<u>1,006,362</u>	<u>4,654,519</u>
DISBURSEMENTS							
General Government	818,168	-	14,040	-	-	882	833,090
Public Safety	387,868	-	-	172,922	3,861	274,104	838,755
Public Works	45,922	2,528,808	-	-	-	73,752	2,648,482
Health and Sanitation	-	-	-	-	-	297,074	297,074
Public Assistance	28,503	-	-	-	-	-	28,503
Culture and Recreation	5,000	-	-	-	-	98,235	103,235
Debt Service:							
Principal Payments	-	-	-	-	-	132,491	132,491
Interest and Fiscal Charges	-	-	-	-	-	21,985	21,985
Capital Outlay	-	-	-	-	-	47,149	47,149
TOTAL DISBURSEMENTS	<u>1,285,461</u>	<u>2,528,808</u>	<u>14,040</u>	<u>172,922</u>	<u>3,861</u>	<u>945,672</u>	<u>4,950,764</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>910,688</u>	<u>(1,197,572)</u>	<u>37,143</u>	<u>(172,922)</u>	<u>65,728</u>	<u>60,690</u>	<u>(296,245)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	850,279	40,405	-	-	20,372	911,056
Transfers out	(863,151)	(30,000)	-	-	-	(17,905)	(911,056)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(863,151)</u>	<u>820,279</u>	<u>40,405</u>	<u>-</u>	<u>-</u>	<u>2,467</u>	<u>-</u>
Net Change in Fund Balances	47,537	(377,293)	77,548	(172,922)	65,728	63,157	(296,245)
CASH BASIS FUND BALANCES - BEGINNING							
	<u>366,312</u>	<u>463,712</u>	<u>449,267</u>	<u>432,679</u>	<u>197,186</u>	<u>793,306</u>	<u>2,702,462</u>
CASH BASIS FUND BALANCES - ENDING							
	<u>\$ 413,849</u>	<u>\$ 86,419</u>	<u>\$ 526,815</u>	<u>\$ 259,757</u>	<u>\$ 262,914</u>	<u>\$ 856,463</u>	<u>\$ 2,406,217</u>

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

ROCK COUNTY
STATEMENT OF CASH BASIS NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 136,796
 LIABILITIES	
Due to other governments	
State	51,928
Schools	33,188
Educational Service Units	379
Technical College	2,882
Natural Resource Districts	12,091
Fire Districts	20,440
Municipalities	5,299
Agricultural Society	131
Airport Authority	7,238
Others	3,220
TOTAL LIABILITIES	136,796
TOTAL NET ASSETS	\$ -

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

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

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

Joint Organization.

Behavioral Health Region IV – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region IV (Region) consists of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Knox, Cedar, Dixon, Dakota, Thurston, Wayne, Pierce, Antelope, Boone, Nance, Madison, Stanton, Cuming, Burt, Colfax, and Platte.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$9,571 toward the operation of the Region during fiscal year 2020. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2020. 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) (Supp. 2019). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

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

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

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

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

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

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

911 Wireless Service Holding Fund. This fund is used to account for the receipts generated from E911 surcharges and set aside for future use and projects.

Ambulance Replacement Fund. This fund is used to account for costs associated with equipment purchased for the County-owned ambulance and is primarily funded by property taxes.

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.

Capital Project Funds. The County Library Capital Projects Fund, the Emergency Management Capital Projects Fund, and the Other Capital Projects Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

Debt Service Fund. The Road Bond Fund and Hospital Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

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

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

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.

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

D. **Assets and Net Position**

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

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

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

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

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

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$1,146,090 of restricted net position, which is fully restricted by enabling legislation.

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

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$2,406,217 for County funds and \$136,796 for Fiduciary funds. The bank balances for all funds totaled \$2,550,813. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2020, were either entirely insured or collateralized with securities held by the County's agent 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.

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.

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2019, for the 2019 taxes, which will be materially collected in May and September 2020, was set at \$.403276/\$100 of assessed valuation. The levy set in October 2018, for the 2018 taxes, which were materially collected in May and September 2019, was set at \$.340355/\$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.

For the year ended June 30, 2020, 38 employees contributed \$48,039, and the County contributed \$71,369. Contributions included \$1,380 in cash contributions towards the supplemental law enforcement plan for four 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 98 counties and local governments throughout Nebraska.

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Risk Management (Concluded)

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, 2020, consisted of the following:

<u>Transfers to</u>	Transfers from			Total
	General Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 850,279	\$ -	\$ -	\$ 850,279
Inheritance Fund	-	30,000	10,405	40,405
Nonmajor Funds	12,872	-	7,500	20,372
Total	\$ 863,151	\$ 30,000	\$ 17,905	\$ 911,056

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, 2020, the County made a one-time transfer of \$30,000 from the Road Fund to the Inheritance Fund to reimburse the Inheritance Fund for a prior year transfer. Additionally, the County made a one-time transfer of \$10,405 from the Other Capital Projects Fund to reimburse the Inheritance Fund for a prior year transfer. Lastly, the County made a one-time transfer of \$7,500 from the Emergency Management Fund to the Emergency Management Capital Projects Fund for the purchase of equipment.

7. Capital Leases Payable

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

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Capital Leases Payable** (Concluded)

	CAT Motorgraders
Balance July 1, 2019	\$ 211,537
Purchases	268,979
Payments	81,398
Balance June 30, 2020	<u>\$ 399,118</u>
Future Payments:	
Year	
2021	\$ 127,605
2022	112,813
2023	87,861
2024	62,908
2025	31,454
Total Payments	<u>422,641</u>
Less Interest	<u>23,523</u>
Present Value of Future Minimum Lease Payments	<u>\$ 399,118</u>
Carrying Value of the Related Fixed Asset	<u>\$ 659,898</u>

8. **Contingent Liabilities**

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

9. **Long-Term Debt**

General Obligation Hospital Bonds. The County issued bonds on August 1, 2011, for the purpose of paying the costs of renovations to the Rock County Hospital. On April 20, 2016, the County refinanced this bond for \$1,200,000. The bond payable balance, as of June 30, 2020, was \$760,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2021	\$ 120,000	\$ 14,028	\$ 134,028
2022	120,000	12,348	132,348
2023	125,000	10,487	135,487
2024	130,000	8,300	138,300
2025	130,000	5,700	135,700
2026	135,000	2,970	137,970
Total Payments	<u>\$ 760,000</u>	<u>\$ 53,833</u>	<u>\$ 813,833</u>

ROCK COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. **Long-Term Debt** (Concluded)

Courthouse Improvement Debt. The County issued debt on September 12, 2016, for the purpose of paying the costs of remodeling and improving the County courthouse building. The payable balance, as of June 30, 2020, was \$247,595. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2021	\$ 17,932	\$ 6,078	\$ 24,010
2022	18,383	5,627	24,010
2023	18,845	5,165	24,010
2024	19,319	4,691	24,010
2025	19,805	4,205	24,010
2026-2030	106,755	13,296	120,051
2031-2032	46,556	1,464	48,020
Total Payments	<u>\$ 247,595</u>	<u>\$ 40,526</u>	<u>\$ 288,121</u>

Road Bonds. The County issued bonds on September 5, 2019, in the amount of \$765,000 for the purpose of paying the costs of infrastructure repair damages caused by flooding during the fiscal year 2019. The bond payable balance, as of June 30, 2020, was \$765,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:			
Year	Principal	Interest	Total
2021	\$ -	\$ 17,143	\$ 17,143
2022	120,000	11,725	131,725
2023	125,000	9,886	134,886
2024	125,000	7,918	132,918
2025	130,000	5,845	135,845
2026-2027	265,000	4,884	269,884
Total Payments	<u>\$ 765,000</u>	<u>\$ 57,401</u>	<u>\$ 822,401</u>

10. **Rock County Public Library Foundation**

The Rock County Public Library Foundation (Foundation) is a non-profit organization incorporated in June 1993. The Foundation collects donations and purchases equipment and other items for the Rock County Library. As of June 30, 2020, the Foundation was holding \$126,584 in its bank account and disbursed \$948 for books and other items for the benefit of the County Library.

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 2,077,772	\$ 2,077,772	\$ 1,766,753	\$ (311,019)
Licenses and Permits	5,675	5,675	9,162	3,487
Interest	18,000	18,000	21,582	3,582
Intergovernmental	11,830	11,830	266,329	254,499
Charges for Services	114,725	114,725	119,721	4,996
Miscellaneous	3,000	3,000	12,602	9,602
TOTAL RECEIPTS	<u>2,231,002</u>	<u>2,231,002</u>	<u>2,196,149</u>	<u>(34,853)</u>
DISBURSEMENTS				
General Government:				
County Board	52,425	52,425	50,513	1,912
County Clerk	101,806	101,806	95,828	5,978
County Treasurer	97,157	97,157	94,520	2,637
County Assessor	99,052	99,052	83,857	15,195
Election Commissioner	12,950	12,950	8,035	4,915
Building and Zoning	5,125	5,125	2,261	2,864
Board of Equalization	12,000	12,000	11,000	1,000
Clerk of the District Court	58,850	58,850	16,424	42,426
County Court System	2,600	2,600	1,732	868
Building and Grounds	57,750	57,750	35,927	21,823
Agricultural Extension Agent	27,060	27,060	27,060	-
Employment Security	5,000	5,000	-	5,000
Miscellaneous	473,765	467,041	391,011	76,030
Public Safety				
County Sheriff	314,014	317,300	317,300	-
County Attorney	59,640	59,640	59,138	502
County Jail	5,300	5,882	5,882	-
Ambulance	9,600	9,600	5,548	4,052
Public Works				
County Surveyor	4,000	4,000	-	4,000
Noxious Weed Control	37,616	40,472	40,472	-
Noxious Weed Chemical	20,000	20,000	5,450	14,550
Public Assistance				
Veterans' Service Officer	12,053	12,053	5,259	6,794
Institutions	2,000	2,000	165	1,835
Relief	6,000	6,000	-	6,000
Senior Center	23,400	23,400	23,079	321
Culture and Recreation				
Historical Society	5,000	5,000	5,000	-
TOTAL DISBURSEMENTS	<u>1,504,163</u>	<u>1,504,163</u>	<u>1,285,461</u>	<u>218,702</u>

(Continued)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	726,839	726,839	910,688	183,849
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(863,151)	(863,151)	(863,151)	-
TOTAL OTHER FINANCING SOURCES (USES)	(863,151)	(863,151)	(863,151)	-
Net Change in Fund Balance	(136,312)	(136,312)	47,537	183,849
FUND BALANCE - BEGINNING	366,312	366,312	366,312	-
FUND BALANCE - ENDING	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ 413,849</u>	<u>\$ 183,849</u>

(Concluded)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 291	\$ 291
Intergovernmental	537,765	537,765	566,586	28,821
Charges for Services	5,100	5,100	3,079	(2,021)
Miscellaneous	1,501,500	1,501,500	761,280	(740,220)
TOTAL RECEIPTS	2,044,365	2,044,365	1,331,236	(713,129)
DISBURSEMENTS	3,028,356	3,028,356	2,528,808	499,548
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(983,991)	(983,991)	(1,197,572)	(213,581)
OTHER FINANCING SOURCES (USES)				
Transfers in	850,279	850,279	850,279	-
Transfers out	(30,000)	(30,000)	(30,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	820,279	820,279	820,279	-
Net Change in Fund Balance	(163,712)	(163,712)	(377,293)	(213,581)
FUND BALANCE - BEGINNING	463,712	463,712	463,712	-
FUND BALANCE - ENDING	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 86,419</u>	<u>\$ (213,581)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 51,183	\$ 51,183
TOTAL RECEIPTS	-	-	51,183	51,183
DISBURSEMENTS	517,682	517,682	14,040	503,642
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(517,682)	(517,682)	37,143	554,825
OTHER FINANCING SOURCES (USES)				
Transfers in	68,415	68,415	40,405	(28,010)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	68,415	68,415	40,405	(28,010)
Net Change in Fund Balance	(449,267)	(449,267)	77,548	526,815
FUND BALANCE - BEGINNING	449,267	449,267	449,267	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,815</u>	<u>\$ 526,815</u>

(Continued)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>911 WIRELESS SERVICE HOLDING FUND</u>				
RECEIPTS				
TOTAL RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	493,729	493,729	172,922	320,807
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(493,729)	(493,729)	(172,922)	320,807
OTHER FINANCING SOURCES (USES)				
Transfers in	61,050	61,050	-	(61,050)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	61,050	61,050	-	(61,050)
Net Change in Fund Balance	(432,679)	(432,679)	(172,922)	259,757
FUND BALANCE - BEGINNING	432,679	432,679	432,679	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 259,757	\$ 259,757
<u>AMBULANCE REPLACEMENT FUND</u>				
RECEIPTS				
Taxes	\$ 68,099	\$ 68,099	\$ 60,708	\$ (7,391)
Intergovernmental	400	400	8,881	8,481
TOTAL RECEIPTS	68,499	68,499	69,589	1,090
DISBURSEMENTS	265,685	265,685	3,861	261,824
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(197,186)	(197,186)	65,728	262,914
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(197,186)	(197,186)	65,728	262,914
FUND BALANCE - BEGINNING	197,186	197,186	197,186	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 262,914	\$ 262,914

(Concluded)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BUYBACK FUND				
Receipts	\$ 73,198	\$ 73,198	\$ 73,197	\$ (1)
Disbursements	(270,128)	(270,128)	(73,752)	196,376
Net Change in Fund Balance	(196,930)	(196,930)	(555)	196,375
Fund Balance - Beginning	196,930	196,930	196,930	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,375</u>	<u>\$ 196,375</u>
BKR BRIDGE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(200,000)	(200,000)	-	200,000
Net Change in Fund Balance	(200,000)	(200,000)	-	200,000
Fund Balance - Beginning	200,000	200,000	200,000	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
VISITORS PROMOTION FUND				
Receipts	\$ 2,000	\$ 2,000	\$ 1,884	\$ (116)
Disbursements	(12,217)	(12,217)	-	12,217
Net Change in Fund Balance	(10,217)	(10,217)	1,884	12,101
Fund Balance - Beginning	10,217	10,217	10,217	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,101</u>	<u>\$ 12,101</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 2,000	\$ 2,000	\$ 1,884	\$ (116)
Disbursements	(3,914)	(3,914)	-	3,914
Net Change in Fund Balance	(1,914)	(1,914)	1,884	3,798
Fund Balance - Beginning	1,914	1,914	1,914	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,798</u>	<u>\$ 3,798</u>
REGISTER OF DEEDS PRESERVATION FUND				
Receipts	\$ 1,500	\$ 1,500	\$ 1,336	\$ (164)
Disbursements	(10,306)	(10,306)	(882)	9,424
Net Change in Fund Balance	(8,806)	(8,806)	454	9,260
Fund Balance - Beginning	8,806	8,806	8,806	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,260</u>	<u>\$ 9,260</u>

(Continued)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
Receipts	\$ 237	\$ 237	\$ 6,059	\$ 5,822
Disbursements	(27,222)	(27,222)	-	27,222
Net Change in Fund Balance	(26,985)	(26,985)	6,059	33,044
Fund Balance - Beginning	26,985	26,985	26,985	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,044</u>	<u>\$ 33,044</u>
COUNTY LIBRARY FUND				
Receipts	\$ 171,106	\$ 171,106	\$ 98,284	\$ (72,822)
Disbursements	(176,450)	(176,450)	(98,235)	78,215
Net Change in Fund Balance	(5,344)	(5,344)	49	5,393
Fund Balance - Beginning	20,344	20,344	20,344	-
Fund Balance - Ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 20,393</u>	<u>\$ 5,393</u>
COUNTY LIBRARY CAPITAL PROJECTS FUND				
Receipts	\$ -	\$ -	\$ 6,000	\$ 6,000
Disbursements	(27,903)	(27,903)	-	27,903
Net Change in Fund Balance	(27,903)	(27,903)	6,000	33,903
Fund Balance - Beginning	27,903	27,903	27,903	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,903</u>	<u>\$ 33,903</u>
EMERGENCY MANAGEMENT GRANT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,354)	(3,354)	(118)	3,236
Net Change in Fund Balance	(3,354)	(3,354)	(118)	3,236
Fund Balance - Beginning	3,354	3,354	3,354	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,236</u>	<u>\$ 3,236</u>
KBRC 911 FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(28,882)	(28,882)	(17,880)	11,002
Net Change in Fund Balance	(28,882)	(28,882)	(17,880)	11,002
Fund Balance - Beginning	28,882	28,882	28,882	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,002</u>	<u>\$ 11,002</u>

(Continued)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY MANAGEMENT FUND				
Receipts	\$ 6,500	\$ 6,500	\$ 5,906	\$ (594)
Disbursements	(32,218)	(32,218)	(1,012)	31,206
Net Change in Fund Balance	(25,718)	(25,718)	4,894	30,612
Fund Balance - Beginning	25,718	25,718	25,718	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,612</u>	<u>\$ 30,612</u>
911 WIRELESS SERVICE FUND				
Receipts	\$ 142,297	\$ 142,297	\$ 130,447	\$ (11,850)
Disbursements	(157,559)	(157,559)	(102,853)	54,706
Transfers in	-	-	-	-
Transfers out	(61,050)	(61,050)	-	61,050
Net Change in Fund Balance	(76,312)	(76,312)	27,594	103,906
Fund Balance - Beginning	76,312	76,312	76,312	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,906</u>	<u>\$ 103,906</u>
EMERGENCY MANAGEMENT FUND				
Receipts	\$ 117,578	\$ 117,578	\$ 115,239	\$ (2,339)
Disbursements	(159,179)	(159,179)	(152,241)	6,938
Transfers in	12,872	12,872	12,872	-
Transfers out	(7,500)	(7,500)	(7,500)	-
Net Change in Fund Balance	(36,229)	(36,229)	(31,630)	4,599
Fund Balance - Beginning	49,979	49,979	49,979	-
Fund Balance - Ending	<u>\$ 13,750</u>	<u>\$ 13,750</u>	<u>\$ 18,349</u>	<u>\$ 4,599</u>
EMERGENCY MANAGEMENT CAPITAL PROJECTS FUND				
Receipts	\$ -	\$ -	\$ 12,429	\$ 12,429
Disbursements	(53,920)	(53,920)	(32,956)	20,964
Transfers in	7,500	7,500	7,500	-
Transfers out	-	-	-	-
Net Change in Fund Balance	(46,420)	(46,420)	(13,027)	33,393
Fund Balance - Beginning	46,420	46,420	46,420	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,393</u>	<u>\$ 33,393</u>

(Continued)

ROCK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD BOND FUND				
Receipts	\$ 67,410	\$ 67,410	\$ 45,763	\$ (21,647)
Disbursements	(17,410)	(17,410)	-	17,410
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	50,000	50,000	45,763	(4,237)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 45,763</u>	<u>\$ (4,237)</u>
OTHER CAPITAL PROJECTS FUND				
Receipts	\$ 93,682	\$ 93,682	\$ 79,197	\$ (14,485)
Disbursements	(64,115)	(64,115)	(38,203)	25,912
Transfers in	-	-	-	-
Transfers out	(38,415)	(38,415)	(10,405)	28,010
Net Change in Fund Balance	(8,848)	(8,848)	30,589	39,437
Fund Balance - Beginning	18,848	18,848	18,848	-
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 49,437</u>	<u>\$ 39,437</u>
HOSPITAL OPERATING FUND				
Receipts	\$11,098,208	\$ 11,098,208	\$ 296,699	\$ (10,801,509)
Disbursements	(12,105,839)	(12,105,839)	(297,074)	11,808,765
Net Change in Fund Balance	(1,007,631)	(1,007,631)	(375)	1,007,256
Fund Balance - Beginning	1,624,467	1,624,467	1,757	(1,622,710)
Fund Balance - Ending	<u>\$ 616,836</u>	<u>\$ 616,836</u>	<u>\$ 1,382</u>	<u>\$ (615,454)</u>
HOSPITAL BOND FUND				
Receipts	\$ 131,645	\$ 131,645	\$ 132,038	\$ 393
Disbursements	(130,545)	(130,545)	(130,466)	79
Net Change in Fund Balance	1,100	1,100	1,572	472
Fund Balance - Beginning	48,900	48,900	48,937	37
Fund Balance - Ending	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,509</u>	<u>\$ 509</u>

(Concluded)

ROCK COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Highway Buyback Fund	BKR Bridge Fund	Visitors Promotion Fund	Visitors Improvement Fund	Register of Deeds Preservation Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ 1,884	\$ 1,884	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	73,197	-	-	-	-
Charges for Services	-	-	-	-	1,336
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>73,197</u>	<u>-</u>	<u>1,884</u>	<u>1,884</u>	<u>1,336</u>
DISBURSEMENTS					
General Government	-	-	-	-	882
Public Safety	-	-	-	-	-
Public Works	73,752	-	-	-	-
Health and Sanitation	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>73,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>882</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(555)</u>	<u>-</u>	<u>1,884</u>	<u>1,884</u>	<u>454</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(555)	-	1,884	1,884	454
FUND BALANCES - BEGINNING	<u>196,930</u>	<u>200,000</u>	<u>10,217</u>	<u>1,914</u>	<u>8,806</u>
FUND BALANCES - ENDING	<u>\$ 196,375</u>	<u>\$ 200,000</u>	<u>\$ 12,101</u>	<u>\$ 3,798</u>	<u>\$ 9,260</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	12,101	3,798	-
911 Emergency Services	-	-	-	-	-
Hospital Operations	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	9,260
County Library	-	-	-	-	-
Road/Bridge Projects	196,375	-	-	-	-
Capital Projects	-	-	-	-	-
Committed to:					
Road/Bridge Maintenance	-	200,000	-	-	-
Aid and Assistance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 196,375</u>	<u>\$ 200,000</u>	<u>\$ 12,101</u>	<u>\$ 3,798</u>	<u>\$ 9,260</u>

(Continued)

ROCK COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Veterans' Aid Fund	County Library Fund	County Library Capital Projects Fund	Emergency Management Grant Fund	KBRC 911 Fund
RECEIPTS					
Property Taxes	\$ -	\$ 83,466	\$ -	\$ -	\$ -
Investment Income	416	-	-	-	-
Intergovernmental	-	13,186	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	5,643	1,632	6,000	-	-
TOTAL RECEIPTS	<u>6,059</u>	<u>98,284</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	118	17,880
Public Works	-	-	-	-	-
Health and Sanitation	-	-	-	-	-
Culture and Recreation	-	98,235	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>98,235</u>	<u>-</u>	<u>118</u>	<u>17,880</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>6,059</u>	<u>49</u>	<u>6,000</u>	<u>(118)</u>	<u>(17,880)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,059	49	6,000	(118)	(17,880)
FUND BALANCES - BEGINNING	<u>26,985</u>	<u>20,344</u>	<u>27,903</u>	<u>3,354</u>	<u>28,882</u>
FUND BALANCES - ENDING	<u>\$ 33,044</u>	<u>\$ 20,393</u>	<u>\$ 33,903</u>	<u>\$ 3,236</u>	<u>\$ 11,002</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
911 Emergency Services	-	-	-	3,236	11,002
Hospital Operations	-	-	-	-	-
Debt Service	-	-	-	-	-
Preservation of Records	-	-	-	-	-
County Library	-	20,393	-	-	-
Road/Bridge Projects	-	-	-	-	-
Capital Projects	-	-	33,903	-	-
Committed to:					
Road/Bridge Maintenance	-	-	-	-	-
Aid and Assistance	33,044	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 33,044</u>	<u>\$ 20,393</u>	<u>\$ 33,903</u>	<u>\$ 3,236</u>	<u>\$ 11,002</u>

(Continued)

ROCK COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	911 Emergency Management Fund	911 Wireless Service Fund	Emergency Management Fund	Emergency Management Capital Projects Fund
RECEIPTS				
Property Taxes	\$ 5,906	\$ 130,447	\$ -	\$ -
Investment Income	-	-	-	429
Intergovernmental	-	-	114,167	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	1,072	12,000
TOTAL RECEIPTS	<u>5,906</u>	<u>130,447</u>	<u>115,239</u>	<u>12,429</u>
DISBURSEMENTS				
General Government	-	-	-	-
Public Safety	1,012	102,853	152,241	-
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal Payments	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Projects	-	-	-	32,956
TOTAL DISBURSEMENTS	<u>1,012</u>	<u>102,853</u>	<u>152,241</u>	<u>32,956</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>4,894</u>	<u>27,594</u>	<u>(37,002)</u>	<u>(20,527)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,872	7,500
Transfers out	-	-	(7,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>5,372</u>	<u>7,500</u>
Net Change in Fund Balances	4,894	27,594	(31,630)	(13,027)
FUND BALANCES - BEGINNING	<u>25,718</u>	<u>76,312</u>	<u>49,979</u>	<u>46,420</u>
FUND BALANCES - ENDING	<u>\$ 30,612</u>	<u>\$ 103,906</u>	<u>\$ 18,349</u>	<u>\$ 33,393</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	-
911 Emergency Services	30,612	103,906	18,349	-
Hospital Operations	-	-	-	-
Debt Service	-	-	-	-
Preservation of Records	-	-	-	-
County Library	-	-	-	-
Road/Bridge Projects	-	-	-	-
Capital Projects	-	-	-	33,393
Committed to:				
Road/Bridge Maintenance	-	-	-	-
Aid and Assistance	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 30,612</u>	<u>\$ 103,906</u>	<u>\$ 18,349</u>	<u>\$ 33,393</u>

(Continued)

ROCK COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Road Bond Fund	Other Capital Projects Fund	Hospital Operating Fund	Hospital Bond Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ 37,178	\$ 67,145	\$ 257,749	\$ 114,971	\$ 700,630
Investment Income	-	-	-	-	845
Intergovernmental	8,585	12,052	38,950	17,067	277,204
Charges for Services	-	-	-	-	1,336
Miscellaneous	-	-	-	-	26,347
TOTAL RECEIPTS	<u>45,763</u>	<u>79,197</u>	<u>296,699</u>	<u>132,038</u>	<u>1,006,362</u>
DISBURSEMENTS					
General Government	-	-	-	-	882
Public Safety	-	-	-	-	274,104
Public Works	-	-	-	-	73,752
Health and Sanitation	-	-	297,074	-	297,074
Culture and Recreation	-	-	-	-	98,235
Debt Service:					
Principal Payments	-	17,491	-	115,000	132,491
Interest and Fiscal Charges	-	6,519	-	15,466	21,985
Capital Projects	-	14,193	-	-	47,149
TOTAL DISBURSEMENTS	<u>-</u>	<u>38,203</u>	<u>297,074</u>	<u>130,466</u>	<u>945,672</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>45,763</u>	<u>40,994</u>	<u>(375)</u>	<u>1,572</u>	<u>60,690</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	20,372
Transfers out	-	(10,405)	-	-	(17,905)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(10,405)</u>	<u>-</u>	<u>-</u>	<u>2,467</u>
Net Change in Fund Balances	45,763	30,589	(375)	1,572	63,157
FUND BALANCES - BEGINNING	<u>-</u>	<u>18,848</u>	<u>1,757</u>	<u>48,937</u>	<u>793,306</u>
FUND BALANCES - ENDING	<u>\$ 45,763</u>	<u>\$ 49,437</u>	<u>\$ 1,382</u>	<u>\$ 50,509</u>	<u>\$ 856,463</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	15,899
911 Emergency Services	-	-	-	-	167,105
Hospital Operations	-	-	1,382	-	1,382
Debt Service	45,763	49,437	-	50,509	145,709
Preservation of Records	-	-	-	-	9,260
County Library	-	-	-	-	20,393
Road/Bridge Projects	-	-	-	-	196,375
Capital Projects	-	-	-	-	67,296
Committed to:					
Road/Bridge Maintenance	-	-	-	-	200,000
Aid and Assistance	-	-	-	-	33,044
TOTAL FUND BALANCES	<u>\$ 45,763</u>	<u>\$ 49,437</u>	<u>\$ 1,382</u>	<u>\$ 50,509</u>	<u>\$ 856,463</u>

(Concluded)

ROCK COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2020

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Veterans' Service Officer	County Planning and Zoning	Emergency Manager	County Library	Total
BALANCES JULY 1, 2019	\$ 9,561	\$ 5,739	\$ 985	\$ -	\$ -	\$ 5,642	\$ 146	\$ 54	\$ 30	\$ 22,157
RECEIPTS										
Property Taxes	-	-	7	-	-	-	-	-	-	7
Licenses and Permits	127	-	245	-	-	-	-	-	-	372
Intergovernmental	-	-	528	-	-	-	-	-	1,909	2,437
Charges for Services	13,668	2,869	7,910	10	2,503	-	-	-	1,217	28,177
Miscellaneous	176	1	52	-	-	1	-	12	92	334
State Fees	14,685	1,160	-	-	-	-	-	-	-	15,845
Other Liabilities	328	103,293	2,134	-	-	-	-	-	-	105,755
TOTAL RECEIPTS	28,984	107,323	10,876	10	2,503	1	-	12	3,218	152,927
DISBURSEMENTS										
Payments to County Treasurer	14,316	8,003	8,222	-	2,503	5,643	146	-	2,141	40,974
Payments to State Treasurer	14,966	1,211	-	-	-	-	-	-	-	16,177
Other Liabilities	5,104	103,312	2,639	-	-	-	-	12	69	111,136
TOTAL DISBURSEMENTS	34,386	112,526	10,861	-	2,503	5,643	146	12	2,210	168,287
BALANCES JUNE 30, 2020	<u>\$ 4,159</u>	<u>\$ 536</u>	<u>\$ 1,000</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 1,038</u>	<u>\$ 6,797</u>
BALANCES CONSIST OF:										
Due to County Treasurer	\$ 1,592	\$ 279	\$ 900	\$ 10	\$ -	\$ -	\$ -	\$ 4	\$ 1,008	\$ 3,793
Petty Cash	-	-	100	-	-	-	-	50	30	180
Due to State Treasurer	2,567	108	-	-	-	-	-	-	-	2,675
Due to Others	-	149	-	-	-	-	-	-	-	149
BALANCES JUNE 30, 2020	<u>\$ 4,159</u>	<u>\$ 536</u>	<u>\$ 1,000</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 1,038</u>	<u>\$ 6,797</u>

ROCK COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2020

Item	2015	2016	2017	2018	2019
Tax Certified by Assessor					
Real Estate	\$ 5,714,960	\$ 5,555,649	\$ 5,496,207	\$ 5,611,455	\$ 5,873,481
Personal and Specials	261,577	240,895	227,477	197,420	198,937
Total	<u>5,976,537</u>	<u>5,796,544</u>	<u>5,723,684</u>	<u>5,808,875</u>	<u>6,072,418</u>
Corrections					
Additions	4,925	4,551	5,700	1,493	2,893
Deductions	(5,238)	(5,441)	(5,643)	(4,195)	(1,246)
Net Additions/ (Deductions)	<u>(313)</u>	<u>(890)</u>	<u>57</u>	<u>(2,702)</u>	<u>1,647</u>
Corrected Certified Tax	<u>5,976,224</u>	<u>5,795,654</u>	<u>5,723,741</u>	<u>5,806,173</u>	<u>6,074,065</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2016	3,690,684	-	-	-	-
June 30, 2017	2,276,675	3,526,062	-	-	-
June 30, 2018	2,636	2,263,395	3,713,284	-	-
June 30, 2019	905	3,732	2,006,861	3,617,762	-
June 30, 2020	5,293	1,375	1,951	2,184,892	3,821,375
Total Net Collections	<u>5,976,193</u>	<u>5,794,564</u>	<u>5,722,096</u>	<u>5,802,654</u>	<u>3,821,375</u>
Total Uncollected Tax	<u>\$ 31</u>	<u>\$ 1,090</u>	<u>\$ 1,645</u>	<u>\$ 3,519</u>	<u>\$ 2,252,690</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.02%</u>	<u>0.03%</u>	<u>0.06%</u>	<u>37.09%</u>

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



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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ROCK 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
Rock 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 Rock County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Rock County's basic financial statements, and have issued our report thereon dated September 17, 2020. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Rock County Hospital, a component unit of Rock County.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rock 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 Rock County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock 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 Rock County in a separate letter dated September 17, 2020.

Rock County's Response to Findings

Rock 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

September 17, 2020



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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September 17, 2020

Board of Commissioners
Rock County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Rock County (County) for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 17, 2020. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY SHERIFF

Accounting Procedures

During our audit, we noted the following issues with the County Sheriff's accounting procedures:

- The office was reconciling to a balance of \$1,000 (\$100 in cash and \$900 in the bank account), but the County Board had authorized a petty cash amount of only \$100.
- The office purchased a vacuum for \$288 with petty cash funds; however, the County Board had authorized a petty cash amount of only \$100.
- Three checks, totaling \$70, were not restrictively endorsed at the time of the auditor's cash count.

Neb. Rev. Stat. § 23-106(2) (Reissue 2012) states the following:

The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message.

Good internal control requires procedures to ensure that all petty cash claims are appropriate and do not exceed the authorized amount. Those same procedures should ensure also that checks are restrictively endorsed immediately upon receipt.

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

We recommend the County Sheriff implement procedures to ensure that either its petty cash balance is reconciled to the amount authorized by the County Board or a request is made to have additional petty cash approved. Those same procedures should ensure also that the County Sheriff makes petty cash purchases only within the authorized amount and restrictively endorses checks immediately upon receipt.

COUNTY LIBRARY

Accounting Procedures

Since October 2019, the County Library has kept a receipt log of all money collected there. A monthly report of the receipts collected is presented to the County Board. The auditor reviewed the receipt log for the months of February and June 2020. For February, the auditor calculated \$21 on the receipt log, but the monthly financial report to the County Board showed \$63 in receipts, which is a variance of (\$42). For June, the auditor calculated \$132 on the receipt log, but the monthly financial report to the County Board showed \$121 in receipts, which is a variance of \$11. Additionally, we noted that the County Library received a grant for \$1,000 in April 2020, but it was still holding on to the check as of July 20, 2020.

Neb. Rev. Stat. § 23-1601 (Reissue 2012) provides, in relevant part, the following:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.

Good internal control requires procedures to ensure that all County Library financial activity is recorded, accounted for, and reported correctly at the time money is received. Those same procedures should ensure also that funds received are remitted to the County Treasurer in a timely (at least monthly) manner.

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

We recommend the County Library implement procedures to ensure all receipt activity is recorded and documented at the time funds are received, and financial reports to the County Board are accurate. Those same procedures should ensure also that receipts are remitted timely (at least monthly) to the County Treasurer.

COUNTY ATTORNEY

Accounting Procedures

During our audit, we noted the following issues regarding the County Attorney's accounting procedures:

- As of June 30, 2020, the County Attorney had one outstanding check dated June 8, 2005, for \$70. Because this check has been outstanding for over three years, it is required to be remitted to the State Treasurer as unclaimed property.
- The County Attorney obtained one check collection fee for \$10 in October 2019, but it had not been remitted to the County Treasurer as of June 30, 2020.

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 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.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) provides 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. § 23-1601 (Reissue 2012) states, in relevant part, the following:

It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.

Additionally, good internal control requires procedures to ensure that unclaimed property is reported appropriately to the State Treasurer, and receipts are remitted to the County Treasurer in a timely manner.

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

We recommend the County Attorney implement procedures to ensure that outstanding checks qualifying as unclaimed property are reported to the State Treasurer in accordance with statute. Those same procedures should ensure also that receipts are remitted to the County Treasurer in a timely manner.

COUNTY EMERGENCY MANAGER

Petty Cash Procedures

During our audit, we noted the following regarding the County Emergency Manager's petty cash procedures:

- Expenses, totaling \$42, incurred by the County Emergency Manager were not filed with the County Clerk within 90 days, as required by State statute. Days late as of June 30, 2020, ranged from 23 to 616 days. The following table summarizes these petty cash expenses:

Date	Vendor	Amount	Days Late
7/25/18	USPS	\$ 2.26	616
7/26/18	USPS	\$ 3.75	615
8/27/18	USPS	\$ 1.84	583
9/11/18	USPS	\$ 9.85	568
11/5/18	USPS	\$ 1.84	513
12/28/18	USPS	\$ 1.42	460
1/7/19	USPS	\$ 1.84	450
2/15/19	USPS	\$ 6.25	411
3/12/19	USPS	\$ 2.15	386
8/22/19	Century Lumber	\$ 1.61	223
1/24/20	USPS	\$ 1.65	68
2/20/20	USPS	\$ 6.39	41
3/9/20	USPS	\$ 0.75	23
	Total	\$ 41.60	

- The petty cash account was not reconciled to the authorized amount during the fiscal year, resulting in an unexplained cash long of \$4.00 as of June 30, 2020.

Neb. Rev. Stat. § 23-135(1) (Reissue 2012) states, in relevant part, the following:

All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed

Additionally, good internal control requires procedures to ensure that all claims are filed timely, and the petty cash account is reconciled to the authorized amount.

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

We recommend the County Emergency Manager implement procedures to ensure each claim for reimbursement of expenses is filed with the County Clerk within 90 days of when the expense was incurred, as required by State statute. Those same procedures should ensure also that the petty cash account is reconciled to the authorized amount.

COUNTY OVERALL

Segregation of Duties

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

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

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

* * * * *

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

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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