

**FRANKLIN COUNTY
NEBRASKA**

**COMBINED FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION, AND
INDEPENDENT AUDITORS' REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2002**

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FRANKLIN COUNTY, NEBRASKA
 COMBINED FINANCIAL STATEMENTS, SUPPLEMENTAL
 INFORMATION, AND INDEPENDENT AUDITORS' REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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FRANKLIN COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2002

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Virgil Juranek	Board of Supervisors	Jan. 2003
Dale Loschen		Jan. 2005
Randolph Groothuis		Jan. 2003
Claudette Russell		Jan. 2005
Wayne Volk		Jan. 2003
David Walton		Jan. 2005
Vernon Ritterbush		Jan. 2003
Ruth Jackson	Assessor	Jan. 2003
Patrick A. Duncan	Attorney	Jan. 2003
Marcia Volk	Clerk Clerk of the District Court Election Commissioner Register of Deeds	Jan. 2003
Jerry Archer	Sheriff	Jan. 2003
Connie Hunt	Treasurer	Jan. 2003
Arnold Johnson	Veterans' Service Officer	Appointed
Mark Goebel	Weed Superintendent	Appointed
Wayne Bach	Highway Superintendent	Appointed

FRANKLIN COUNTY

SUMMARY OF COMMENTS

During our audit of Franklin County, we noted certain matters involving the internal control structure and other operational matters which are presented here. These comments and recommendations are intended to improve the internal control structure or result in operational efficiencies in the following areas:

County Overall

1. **Segregation of Duties:** One individual could handle all aspects of processing transactions from beginning to end.

County Treasurer

2. **Personal Financial Gain:** There existed an appearance of impropriety with a personal real estate tax payment and a motor vehicle registration done by and for a County Treasurer's Office employee.
3. **Cash on Hand:** Cash payments received were accumulated rather than being deposited intact as received. Cash on hand in excess of \$3,000 was observed at times during the audit period.

County Board

4. **Fixed Assets:** A water storage tank purchase in January 2002 for \$4,500 was not added to the Road Department's inventory, and the Weed Superintendent did not have a 2002 inventory statement on file with the County Clerk.
5. **Payment of Claims:** In June 2002 the County Board processed payment for a \$50,000 claim related to the purchase of a motor grader. As of December 10, 2002, the \$50,000 check was still on hand at the County Clerk's Office.
6. **Petty Cash Funds:** Existing petty cash funds on hand at the County Attorney's Office were not authorized as petty cash funds by the County Board, were not maintained on an imprest basis, and were not included in the budget message of the County's budget document. Existing petty cash funds at the County Sheriff's Office were not authorized as petty cash funds by the County Board and were not stated in the County budget document's budget message.

County Sheriff

7. **Balancing Procedures:** Office assets and liabilities did not reconcile.

FRANKLIN COUNTY

**SUMMARY OF COMMENTS
(Concluded)**

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature since 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 various county officials to provide them 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 official declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY OVERALL

1. Segregation of Duties

As noted in prior audits, the offices of the Treasurer, Clerk, Clerk of the District Court, Sheriff, Attorney, Weed Superintendent, Veterans' Service Office, and Highway Superintendent had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost.

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

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

COUNTY TREASURER

2. Personal Financial Gain

Neb. Rev. Stat. Section 49-14,101.01(1) states, in part, "A public official or public employee shall not use or authorize the use of, for personal financial gain, financial gain of a member of his or her immediate family, or financial gain of a business with which he or she is associated, other than compensation provided by law, (a) that person's public office or any confidential information received through the holding of a public office or (b) personnel, resources, property, or funds under that person's official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures."

During the audit, the following was noted:

- A \$32 motor vehicle registration was issued on May 29, 2002, for a vehicle owned by an employee in the Treasurer's Office; however, it appears payment for that registration was not received at the time of issuance. The employee stated the registration was processed with the intent that a family member would come in to pay for the registration later in the day. The family member never came in to pay for the registration. On June 3, 2002, when another family member came in to obtain a driver license, the employee made one check payment, totaling \$50, for the combined total of the two transactions. The employee stated the registration issued on May 29, 2002 never physically left the County Treasurer's Office until it was actually paid for on June 3, 2002; however, that statement could not be verified.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY TREASURER

2. **Personal Financial Gain** (Concluded)

- On August 27, 2002, a real estate receipt totaling \$181 was issued and subsequently voided for property owned by a County Treasurer's Office employee. The computer system used by the County Treasurer's Office does not time stamp transactions; therefore, it could not be determined how long the tax receipt was reflected as paid on the County's tax records prior to being voided. The employee stated the original receipt was voided because of personal financial issues. Inquiries to the County Treasurer's Office to verify the tax status of the employee's real estate on August 27, 2002, between the time of issuance and the time the receipt was voided, may have been told the taxes were paid, even though such transaction was subsequently voided the same day.

Both of these transactions have an appearance of impropriety with the County Treasurer's employee receiving a potential financial benefit, outside of normal compensation, as a result of employment.

This finding has been turned over to the County Attorney for review and consideration. In order to reduce the risk of loss, theft, or misuse of County funds and to further safeguard against the appearance of impropriety, we strongly recommend employees not receipt or void their own personal transactions.

County Treasurer's Response: Your recommendation on the matter of personal financial gain was to not let employees receipt or void their own personal transactions. I believe that your audit report should have contained a note that an office rule was established on August 30, 2002 that no employee in the Treasurer's Office shall handle their own business transactions. This rule was established by me due to the discovery of a voided tax receipt of an employee who had voided their own transaction for their real estate taxes. This was discussed with the auditors at the time of the audit and they were made aware that this rule was established and was part of the office regulations since August.

Auditors' Response: Since this policy change occurred after the period covered by this audit, the new procedures will be examined during the next audit.

3. **Cash on Hand**

Sound accounting practices as well as good internal control require the deposit of cash receipts intact and on a daily basis in order to minimize the risk of loss, theft, or misuse.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY TREASURER

3. **Cash on Hand** (Concluded)

Cash payments received were accumulated rather than being deposited intact daily as received. The Office made cash deposits to its depository institutions in whole dollar, judgmental amounts only as often as the Office felt necessary. The Office's daily balance sheets indicate cash on hand from day-to-day was often in excess of \$2,000 to \$3,000. When large amounts of cash are maintained on hand, not only are such receipts not deposited intact, but there is also an increased risk of loss, theft, or misuse of such receipts.

We recommend the County Treasurer establish a reasonable, set amount to be maintained as a change fund for Office business use. All other cash should be deposited, intact, on a daily basis.

County Treasurer's Response: As for the recommendation for the cash on hand you recommended that a set amount be maintained as a change fund for office business use and all other cash be deposited on a daily basis. The auditors made a suggestion that we keep whatever amount we would feel comfortable with, such as \$500, \$700, etc. We decided to go with \$500 to be maintained as cash on hand and deposit any amount above that on a daily basis. We started this practice the day before the auditing staff left. We did mention this to the auditors so they were aware that this matter had been taken care of.

COUNTY BOARD

4. **Fixed Assets**

Neb. Rev. Stat. Section 23-347, R.R.S. 1997, states, in part, "Within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer."

During the audit, the following was noted:

- A water storage tank purchased in January 2002 for \$4,500 was not added to the Road Department's 2002 inventory statement.
- The Weed Superintendent did not have a 2002 inventory statement on file with the County Clerk.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY BOARD

4. **Fixed Assets** (Concluded)

We recommend all capital outlay purchases be inventoried in accordance with the County's inventory policy. We further recommend that all offices with county property in their possession file inventory statements with the County Board as required by State Statute.

5. **Payment of Claims**

In order to maximize investment returns, sound business practice requires payment only be made for goods/services once such payments are due the vendor.

In June 2002, the County Board approved a \$50,000 claim related to the County's purchase of a motor grader even though the purchase agreement did not require payment until six months following the date of delivery (approximately December 2002). The Board processed this claim in June 2002, the expenditure was reflected in the 2002 budget. As of December 10, 2002, this \$50,000 check had not yet been sent to the vendor and remained on file in the County Clerk's office.

We recommend the County strive to maximize its investment returns by processing and paying claims only when due. By doing this, the County would have more funds available for investment in securities which offer greater interest returns than funds held in the County's imprest bank account awaiting payment.

6. **Petty Cash Funds**

Neb. Rev. Stat. Section 23-106(2) R.R.S. 1997, states, "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."

During our audit, we noted the following:

- The County Attorney's Office maintained a checking account which acted similarly to a petty cash fund. The money in this account was used solely by the Office for costs related to tax foreclosures. However, this account was not authorized by the County Board to be used as a petty cash fund, it was not maintained on an imprest basis, and it was not stated in the County budget document's budget message.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY BOARD

6. **Petty Cash Funds** (Concluded)

- The County Sheriff's Office maintained a \$150 petty cash fund used solely for costs associated with investigations and sting operations. In August 2001, the Sheriff first received this petty cash money by requesting the money from the office of the County Clerk's petty cash fund. While this petty cash fund is maintained on an imprest basis, it was neither authorized by the County Board nor was it stated in the County budget document's budget message.

We recommend the County Board review these accounts and, if authorized as petty cash funds, the Board needs to set the dollar amounts of such funds. Furthermore, if approved as petty cash funds, both need to be stated as such in the County budget document's budget message.

County Sheriff's Response: In August, 2001 \$150.00 was received from the petty cash fund held in the Clerk's Office for the purpose of conducting a "sting" operation involving the sale of alcohol to minors. Sheriff's deputy expended \$20.00 of this \$150.00 for the use of the confidential informants vehicle during the attempts to purchase alcohol from the establishments that sell alcohol within Franklin County.

After completion of the operation the deputy returned \$130.00 and a distribution of funds report to me. The \$130.00 was then placed in a secure place for future sting operations. Knowing that the Clerk's office would replenish their petty cash with the full \$150.00 from my budget I did not convey information to the Clerk's office on the funds still in my possession.

I also did not realize that I needed to go to the County Board for approval of a separate petty cash fund for my office.

After discussion on the 16th of January, 2003, with the Clerk's Office it was decided the best way to correct this was to place the \$130.00 back into the general fund, attach a copy of the distribution report with the county treasurer. When the appropriate time arrives to do the next years budget I will then talk with the County Board about setting up a petty cash fund for the Sheriff's Office.

COUNTY SHERIFF

7. **Balancing Procedures**

The Sheriff's Manual issued by the Auditor of Public Accounts in December 1995 requires the Sheriff's Office to reconcile assets to liabilities on at least a monthly basis. During our review of the Sheriff's Office, we noted even though the Sheriff had a procedure to balance assets and liabilities daily, there were unexplained variances. Furthermore, sound accounting practices require revenues be recognized as they are earned.

FRANKLIN COUNTY

COMMENTS AND RECOMMENDATIONS

COUNTY SHERIFF

7. **Balancing Procedures** (Concluded)

At June 30, 2002, the assets on hand in the Sheriff's Office exceeded liabilities by \$232. We also noted \$53 and \$199 variances for accounts receivable and advanced fees, respectively, between the amounts shown on the daily balance sheets and the total individual balances. This has also been a comment in prior audits.

We recommend the Sheriff reconcile assets to liabilities on a daily basis. Any variance should be investigated. We also recommend the Sheriff maintain detailed listings of accounts receivable and advanced fees and reconcile those listings to the amounts shown on the daily balance sheets.

County Sheriff's Response: Daily balance sheets are completed daily. As per recommendation of the Auditor's Office fees were only paid in quarterly in an effort to find the variance which has existed since 1992 (as near as I can tell from past audit reports). The variance has differed from year to year as based on past audit reports and never have reached a consistent amount. It has been my contention from the time I took office in August of 1993 that in as much as the assets being more than the liabilities I did not feel this was an accurate statement on the part of the auditors office. It has been my contention that it is the opposite.

Since July, 2003 the balancing sheets and practices have once again been modified to prove the point one way or another. I also now have two employees verifying the balancing sheets and different ledgers where before only one employee did this (besides spot checks by myself).

As it has always been, protecting Franklin County is my foremost concern while holding this office and would like the asset/liability issue resolved.

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INDEPENDENT AUDITORS' REPORT

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We have audited the accompanying primary government financial statements of Franklin County as of and for the fiscal year ended June 30, 2002, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the fifth paragraph, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our

opinion, the primary government financial statements present fairly, in all material respects, the fund balances of the primary government of Franklin County as of June 30, 2002, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

However, the primary government financial statements, because they do not include the financial data of the Franklin County Hospital, the component unit of Franklin County, do not purport to, and do not, present fairly the fund balances of Franklin County as of June 30, 2002, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2002 on our consideration of the primary government of Franklin County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

December 12, 2002


Deputy State Auditor

Franklin County, Nebraska
 Combined Statement of Assets, Other Debits, Fund Balances, Liabilities,
 and Other Credits Arising from Cash Transactions-
 All Fund Types and Account Groups
 June 30, 2002

Exhibit A

	Governmental Fund Types		Fiduciary Fund Types	Account Groups		Totals 2002 (Memorandum Only)
	General	Special Revenue	Trust and Agency	General Fixed Assets	General Long-term Debt	
ASSETS AND OTHER DEBITS						
Assets:						
Equity in Pooled Cash and Investments (Note 2)	\$ 227,539	\$ 984,398	\$ 202,919	\$ -	\$ -	\$ 1,414,856
Designated Investments (Note 2)	-	160,971	-	-	-	160,971
Fixed Assets (Note 5)	-	-	-	3,317,291	-	3,317,291
Other Debits:						
Amount to be Provided for Retirement of General Long-term Debt	-	-	-	-	15,937	15,937
Total Assets and Other Debits	\$ 227,539	\$ 1,145,369	\$ 202,919	\$ 3,317,291	\$ 15,937	\$ 4,909,055
LIABILITIES FUND BALANCES AND OTHER CREDITS						
Liabilities:						
Due to Other Governments	\$ -	\$ -	\$ 184,096	\$ -	\$ -	\$ 184,096
Partial Payments-Undistributed Tax	-	-	10,374	-	-	10,374
Capital Leases Payable (Note 10)	-	-	-	-	15,937	15,937
Other Liabilities	-	-	8,449	-	-	8,449
Total Liabilities	-	-	202,919	-	15,937	218,856
Fund Balances and Other Credits:						
Investment in General Fixed Assets	-	-	-	3,317,291	-	3,317,291
Fund Balances:						
Unreserved, Undesignated	227,539	1,129,732	-	-	-	1,357,271
Reserved for Specific Purposes (Note 9)	-	15,637	-	-	-	15,637
Total Fund Balances and Other Credits	227,539	1,145,369	-	3,317,291	-	4,690,199
Total Liabilities, Fund Balances and Other Credits	\$ 227,539	\$ 1,145,369	\$ 202,919	\$ 3,317,291	\$ 15,937	\$ 4,909,055

The accompanying notes are an integral part of the financial statements.

Franklin County, Nebraska
 Combined Statement of Receipts, Disbursements, and
 Changes in Fund Balances-All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002

Exhibit B

	Governmental Fund Types		Totals 2002 (Memorandum Only)
	General	Special Revenue	
Receipts:			
Taxes (Note 3)	\$ 1,261,540	\$ 26,615	\$ 1,288,155
Intergovernmental Revenue	149,344	503,377	652,721
Local Fees, Licenses, Commissions, and Miscellaneous (Note 6)	225,959	269,283	495,242
Total Receipts	1,636,843	799,275	2,436,118
Disbursements:			
Current:			
General Government	782,647	51,292	833,939
Public Safety	264,268	450	264,718
Public Works	2,769	970,313	973,082
Public Health	17,135	-	17,135
Public Welfare and Social Services	35,963	-	35,963
Culture and Recreation	-	-	-
Capital Outlay	38,337	239,468	277,805
Total Disbursements	1,141,119	1,261,523	2,402,642
Excess (Deficiency) of Receipts over Disbursements	495,724	(462,248)	33,476
Other Financing Sources (Uses):			
Transfers from Other Funds	41	712,174	712,215
Transfers to Other Funds	(574,833)	(137,382)	(712,215)
Total Other Financing Sources (Uses)	(574,792)	574,792	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses	(79,068)	112,544	33,476
Fund Balances, July 1	306,607	1,032,825	1,339,432
Fund Balances, June 30	\$ 227,539	\$ 1,145,369	\$ 1,372,908

The accompanying notes are an integral part of the financial statements.

Franklin County, Nebraska
 Combined Statement of Receipts, Disbursements,
 and Changes in Fund Balances of the County Treasurer
 Budget and Actual-Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002

Exhibit C

	General Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes (Note 3)	\$ 1,261,540	\$ 1,223,653	\$ 37,887
Intergovernmental Revenue	149,344	131,000	18,344
Local Fees, Licenses, Commissions, and Miscellaneous (Note 6)	227,790	236,375	(8,585)
Total Receipts	1,638,674	1,591,028	47,646
Disbursements:			
Current:			
General Government	782,647	812,021	29,374
Public Safety	264,268	267,909	3,641
Public Works	2,769	2,500	(269)
Public Health	17,135	12,610	(4,525)
Public Welfare and Social Services	35,963	41,064	5,101
Culture and Recreation	-	-	-
Capital Outlay	38,337	39,500	1,163
Total Disbursements	1,141,119	1,175,604	34,485
Excess (Deficiency) of Receipts over Disbursements	497,555	415,424	82,131
Other Financing Sources (Uses):			
Transfers from Other Funds	41	-	41
Transfers to Other Funds	(574,833)	(572,438)	(2,395)
Total Other Financing Sources (Uses)	(574,792)	(572,438)	(2,354)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	(77,237)	(157,014)	79,777
Fund Balances, July 1	295,380	295,380	-
Fund Balances, June 30	\$ 218,143	\$ 138,366	\$ 79,777

The accompanying notes are an integral part of the financial statements.

Continued

Franklin County, Nebraska
 Combined Statement of Receipts, Disbursements,
 and Changes in Fund Balances of the County Treasurer
 Budget and Actual-Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002

Exhibit C

	Special Revenue Funds		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes (Note 3)	\$ 26,615	\$ 31,540	\$ (4,925)
Intergovernmental Revenue	503,377	491,500	11,877
Local Fees, Licenses, Commissions, and Miscellaneous (Note 6)	265,101	193,000	72,101
Total Receipts	795,093	716,040	79,053
Disbursements:			
Current:			
General Government	51,292	61,700	10,408
Public Safety	450	618	168
Public Works	970,313	1,262,209	291,896
Public Health	-	-	-
Public Welfare and Social Services	-	44,409	44,409
Culture and Recreation	-	-	-
Capital Outlay	239,468	347,060	107,592
Total Disbursements	1,261,523	1,715,996	454,473
Excess (Deficiency) of Receipts over Disbursements	(466,430)	(999,956)	533,526
Other Financing Sources (Uses):			
Transfers from Other Funds	712,174	709,779	2,395
Transfers to Other Funds	(137,382)	(137,341)	(41)
Total Other Financing Sources (Uses)	574,792	572,438	2,354
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	108,362	(427,518)	535,880
Fund Balances, July 1	944,498	944,498	-
Fund Balances, June 30	\$ 1,052,860	\$ 516,980	\$ 535,880

The accompanying notes are an integral part of the financial statements.

Continued

Franklin County, Nebraska
 Combined Statement of Receipts, Disbursements,
 and Changes in Fund Balances of the County Treasurer
 Budget and Actual-Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002

Exhibit C

	2002 Total Governmental Funds (Memorandum Only)		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes (Note 3)	\$ 1,288,155	\$ 1,255,193	\$ 32,962
Intergovernmental Revenue	652,721	622,500	30,221
Local Fees, Licenses, Commissions, and Miscellaneous (Note 6)	492,891	429,375	63,516
Total Receipts	2,433,767	2,307,068	126,699
Disbursements:			
Current:			
General Government	833,939	873,721	39,782
Public Safety	264,718	268,527	3,809
Public Works	973,082	1,264,709	291,627
Public Health	17,135	12,610	(4,525)
Public Welfare and Social Services	35,963	85,473	49,510
Culture and Recreation	-	-	-
Capital Outlay	277,805	386,560	108,755
Total Disbursements	2,402,642	2,891,600	488,958
Excess (Deficiency) of Receipts over Disbursements	31,125	(584,532)	615,657
Other Financing Sources (Uses):			
Transfers from Other Funds	712,215	709,779	2,436
Transfers to Other Funds	(712,215)	(709,779)	(2,436)
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	31,125	(584,532)	615,657
Fund Balances, July 1	1,239,878	1,239,878	-
Fund Balances, June 30	\$ 1,271,003	\$ 655,346	\$ 615,657

The accompanying notes are an integral part of the financial statements.

Concluded

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

For the Year Ended June 30, 2002

1. **Summary of Significant Accounting Policies**

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

A. **Reporting Entity**

Franklin County (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State) on March 3, 1871. As a political subdivision of the State, the County is exempt from State and Federal income taxes. For financial reporting purposes, the County has included all funds and account groups that are not legally separate. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board 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.

These financial statements present the County (the primary government). The Franklin County Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationship 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.

B. **Fund Accounting**

The County uses funds and account groups to report on its financial position and the results of its operations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. A fund is a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which record receipts, disbursements, and fund balances for the purpose of complying with the limitations and restrictions placed on the resources made available to the County. The major fund types used by the County are:

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

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

General Fund - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Trust and Agency - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

C. **Basis of Accounting**

The funds of the County are maintained and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Revenues are taken into account only when received by the County and expenditures are recorded when warrants are issued. Various officers of the County have accounts receivable. These are considered as cash items in the County financial statements. This differs from generally accepted accounting principles which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

D. **Totals Columns - Memorandum Only**

The "Memorandum Only" columns represent an aggregation of individual account balances. The columns are presented for overview informational purposes and do not present consolidated financial information since interfund balances and transactions have not been eliminated.

E. **Budgets and Budgetary Accounting**

The County follows these procedures in establishing the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act:

1. On or before August 1, the County Board prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

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

amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those revenues which have actually been received by the County Treasurer.

2. At least one public hearing must be held by the County Board.
3. At a meeting of the County Board, the budget, as revised, is adopted and the amounts provided therein are appropriated.
4. The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing 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.
5. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.
6. The County Board is authorized to budget for the transfer of money between County funds.

F. **Fixed Assets and Long-Term Obligations**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets on hand as of June 30, 2002, have been recorded at cost or estimated cost by the County.

Assets in the general fixed assets account group are not depreciated. Public domain general fixed assets consisting of roads, bridges, curbs and gutters, and streets and sidewalks, are not capitalized, because these assets are immovable and of value only to the government.

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

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

The County has recognized lease obligations in its General Long-Term Debt Account Group. Since the County reports on a cash basis, these amounts include the current portions which under the modified accrual basis of accounting would normally be accounted for in the fund from which it would be paid.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

G. **Compensated Absences**

Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an expenditure of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under GAAP the vested portion of the employee's compensated absences is recorded in the General Long-Term Debt Account Group for governmental funds. Under the receipts and disbursements basis of accounting, the balances which would be reported in the General Long-Term Debt Account Group are not reported because they do not represent balances arising from cash transactions.

2. **Equity in Pooled Cash and Investments, and Designated Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the Combined Statement of Assets, Other Debits, Fund Balances, Liabilities, and Other Credits Arising from Cash Transactions as "Equity in Pooled Cash and Investments." Investments are stated at cost, which approximates market. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. Section 77-2315 R.R.S. 1996. Investments made specifically from and for a particular fund are summarized as "Designated Investments." Interest on these investments is credited to the fund from which the investment is made, also in accordance with Section 77-2315. Whether funds are commingled or invested separately is at the discretion of the County Board. The types of investments the County is authorized to invest funds in are enumerated in Neb. Rev. Stat. Sections 77-2315 R.R.S. 1996, 77-2340 R.S.Supp., 2002, and 77-2341 R.R.S. 1996, and generally include U.S. government obligations, certificates of deposit, time deposits, and securities which are authorized by the Nebraska Investment Council.

For the following disclosures required by Governmental Accounting Standards Board Statement #3, deposits include checking accounts, savings accounts, money-market accounts, and certificates of deposit. Investments include U.S. government obligations.

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

2. **Equity in Pooled Cash and Investments, and Designated Investments** (Concluded)

	June 30, 2002
	<u>Carrying Amount</u>
Pooled cash and investments consist of:	
Cash on Hand	\$ 85,964
Deposits	1,283,892
Investments	<u>45,000</u>
Total	<u>\$ 1,414,856</u>
Designated investments consist of:	
Deposits	<u>\$ 160,971</u>

The bank balance for all deposits as of June 30 was \$1,447,683 with a carrying amount of \$1,444,863 and was entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

The County's investments, consisting of U.S. Government savings bonds, as of June 30, were held by the County in the name of the County and had a market value of \$45,000.

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 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. They may levy taxes in addition to the 50 cent limitation upon a vote of the people.

The levy set in October, 2001, for the 2001 taxes which will be materially collected in May and September, 2002, was set at \$.465357/\$100 of assessed valuation. The levy set in October, 2000, for the 2000 taxes which were materially collected in May and September, 2001, was set at \$.446341/\$100 of assessed valuation. The amount collected for motor vehicle tax is outlined in State Statute.

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes (Concluded)**

Additionally, there is currently a statutory lid limitation which limits taxation to the prior year's level, with provisions for growth. It may be increased by 1% by a three-fourths majority of the County Board.

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act.

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Membership in the Plan consists of all employees working twenty or more hours per week who have been employed for a period of twelve continuous months. Part-time employees who have attained the age of twenty-five and have been employed for a total of twelve months have the option to join the Plan. Elected officials shall be eligible for membership upon taking office. The plan provisions are established under Neb. Rev. Stat. Sections 23-2301 through 23-2335 and may be amended through legislative action. Employees contribute 4% of their salary and the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by Neb. Rev. Stat. Sections 23-2307 R.S.Supp., 2002 and 23-2308 R.S.Supp., 2002, 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. Prior to April 18, 2002, the employer's account was fully vested after five years participation in the Plan or at retirement. Legislative Bill 687 (2002), effective April 18, 2002, changed the vesting requirement to a total of three years of participation in the system, including the twelve month eligibility period or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee. For the year ended June 30, 2002, 46 employees contributed \$33,869; the County contributed \$50,803, which consisted of cash contributions. Additionally, the County paid \$720 directly to four retired employees for prior service benefits.

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

5. Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002
Land	\$ 51,507	\$ 187	\$ -	\$ 51,694
Buildings	207,153	-	-	207,153
Machinery and Equipment	2,934,886	227,272	103,714	3,058,444
Total General Fixed Assets	\$ 3,193,546	\$ 227,459	\$ 103,714	\$ 3,317,291

6. Budget to Actual Comparison of Local Receipts

Only the County Treasurer's Local Receipts are reflected in the County Budget on Exhibit C. This is a comparison and reconciliation of the County Treasurer's Local Receipts to the County Total Local Receipts, which includes the County portion of receipts on hand at June 30, 2002 held by other County offices.

	General	Special Revenue
Budget (Exhibit C) Reflected Local Receipts:	\$ 227,790	\$ 265,101
Local Receipts in Funds not in Budget:		-
Clerk	3,699	-
Clerk of the District Court	263	-
Sheriff	5,384	-
Attorney	50	-
Veterans' Aid	-	15,637
Noxious Weed	-	11,770
Highway Superintendent	-	65,102
Total Local Receipts in Funds not in Budget	9,396	92,509
Less Local Receipts in Funds not in Budget From Prior Year	(11,227)	(88,327)
Actual Local Receipts (Exhibit B)	\$ 225,959	\$ 269,283

7. Joint Venture

Franklin County has entered into an agreement with the other counties in Region III in conjunction with the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and related alcoholism and drug abuse services and the Developmental Disabilities Services

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

7. **Joint Venture (Concluded)**

Act (Acts). Region III consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls. Separate agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under each of the Acts. The governing board for Region III services are established by Statute and the agreements and include 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 boards and as required by the Acts. Funding is provided by a combination of federal, state, local, and private funding. Franklin County contributed \$9,662 toward the operation of Region III during fiscal year 2002. 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.

8. **County Insurance**

The County is exposed to various risks of loss related to 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 62 counties throughout Nebraska. NIRMA was created as a result of the Intergovernmental Risk Management Act, Neb. Rev. Stat. Sections 44-4301 through 44-4339 which resulted in two programs being established, NIRMA and NIRMA II. The County has the option of participating in one or both of the programs.

The County pays an annual deposit premium as calculated by the administrator of the pool. Nine months following the close of the fiscal year and at annual intervals thereafter, the Pool may calculate each County's retrospective premium or premium credit for the year. The retrospective formula shall be adopted by the Board prior to the beginning of the fiscal year. The formula shall consider the losses and exposures of each County and the entire Pool. The deposit premium paid for the fiscal year shall be applied as a credit against the retrospective premium. If it is determined that the deposit premium paid is in excess of the retrospective premiums calculated, such excess shall be applied as a credit toward the next annual deposit premium. Retrospective premium adjustments for each fiscal year shall continue until all claims are closed or until the Board determines that sufficient facts are known to make a final adjustment for the year.

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

8. County Insurance (Continued)

If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be sent to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each county shall remain liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such county's period of membership, as provided by Neb. Rev. Stat. Section 44-4312 R.R.S. 1998.

The following schedule is a summary of the NIRMA coverage in effect for the period August 1, 2001 through July 31, 2002:

<u>Coverage</u>	<u>NIRMA Member Deductible</u>	<u>Self-Insured Retention</u>	<u>Excess Insurance</u>	<u>Insurance Company</u>
1. General Liability	Zero	300,000	\$5,000,000 per occurrence with no annual aggregate	United National & American Alternative
2. Property/Inland Marine	500	25,000	Replacement value	United National & Travelers Indemnity
3. Auto Physical damage	250	25,000	Replacement value	United National & Travelers Indemnity
4. Crime	500	25,000	\$50,000/100,000 per occurrence and aggregate	United National
5. Public Employee	1,500	None	\$1,000,000 per occurrence and aggregate	Scottsdale Indemnity Blanket Bond
6. Boiler & Machinery	1,000	None	\$50,000,000 per occurrence and aggregate	Hartford Steam Boiler

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

8. County Insurance (Concluded)

In the event of a liability loss exceeding \$5,000,000 per occurrence the County would be responsible for funding the excess amount.

The following schedule is a summary of the self-funded NIRMA II coverage in effect for the period August 1, 2001 through July 31, 2002:

<u>Coverage</u>	<u>Member Deductible</u>	<u>NIRMA II Self-Insured Retention</u>	<u>Excess Insurance</u>
1. Workers' Compensation	N/A	\$300,000 per claim with no annual aggregate	Statutory
2. Employer's Liability	N/A	\$300,000 per claim with no annual aggregate	\$ 2,000,000

The Pool has an annual audit performed of its financial statements. Copies of these reports may be obtained by writing to the NIRMA Board of Directors at 625 S. 14th Street, Suite A, Lincoln, Nebraska 68508.

The County has not paid any additional assessments to the Pool in the last three fiscal years and no assessments are anticipated for fiscal year 2003. The County has not had to pay out any amounts that exceeded coverages provided by the Pool in the last three fiscal years.

9. Reservation of Fund Balance

The fund balance reserved for specific purposes is for the Veterans Service Officer to be used for Veterans' Assistance.

10. Capital Leases Payable

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

	<u>2000 Ford Crown Victoria</u>	<u>2002 Dodge Durango</u>	<u>Total</u>
Balance July 1, 2001	\$ 6,559	\$ -	\$ 6,559
Payments	6,559	-	6,559
Purchases	-	15,937	15,937
Balance June 30, 2002	<u>\$ -</u>	<u>\$ 15,937</u>	<u>\$ 15,937</u>

FRANKLIN COUNTY

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

10. Capital Leases Payable

	<u>2000 Ford Crown Victoria</u>	<u>2002 Dodge Durango</u>	<u>Total</u>
Future Payments:			
Year			
2003	\$ -	\$ 5,800	\$ 5,800
2004	-	5,800	5,800
2005	-	5,771	5,771
2006	-	-	-
2007	-	-	-
Thereafter	-	-	-
Total Payments	<u>-</u>	<u>17,371</u>	<u>17,371</u>
Less Interest	<u>-</u>	<u>1,434</u>	<u>1,434</u>
Present Value of future Minimum lease payments	<u>\$ -</u>	<u>\$ 15,937</u>	<u>\$ 15,937</u>
Carrying Value of the related Fixed asset	<u>\$ 19,727</u>	<u>\$ 26,937</u>	<u>\$ 46,664</u>

11. General Long-Term Debt

The following is a summary of changes in the General Long-Term Debt Account Group during the fiscal year:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Capital Leases	<u>\$ 6,559</u>	<u>\$ 15,937</u>	<u>\$ 6,559</u>	<u>\$ 15,937</u>

Franklin County, Nebraska
Combining Statement of Assets, Liabilities,
and Fund Balances Arising from Cash Transactions
by County Offices
June 30, 2002

Schedule A-1

	Totals by County Offices								TOTAL OF ALL OFFICES
	County Treasurer	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Veterans' Aid	Noxious Weed	Highway Superin- tendent	
ASSETS									
Cash, Deposits, and Cash Items	\$ 1,418,710	\$ 5,426	\$ 7,594	\$ 5,884	\$ 704	\$ 15,637	\$ 11,770	\$ 65,102	\$ 1,530,827
Investments	45,000	-	-	-	-	-	-	-	45,000
Total Assets	\$ 1,463,710	\$ 5,426	\$ 7,594	\$ 5,884	\$ 704	\$ 15,637	\$ 11,770	\$ 65,102	\$ 1,575,827
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to Other Governments	\$ 182,333	\$ 1,727	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,096
Partial Payments-Undistributed Tax	10,374	-	-	-	-	-	-	-	10,374
Other Liabilities	-	-	7,295	500	654	-	-	-	8,449
Total Liabilities	192,707	1,727	7,331	500	654	-	-	-	202,919
Fund Balances:									
Reserved for Specific Purposes, Special Revenue Funds	-	-	-	-	-	15,637	-	-	15,637
General, Unreserved, Undesignated	218,143	3,699	263	5,384	50	-	-	-	227,539
Special Revenue, Unreserved, Undesignated	1,052,860	-	-	-	-	-	11,770	65,102	1,129,732
Total Fund Balances	1,271,003	3,699	263	5,384	50	15,637	11,770	65,102	1,372,908
Total Liabilities and Fund Balances	\$ 1,463,710	\$ 5,426	\$ 7,594	\$ 5,884	\$ 704	\$ 15,637	\$ 11,770	\$ 65,102	\$ 1,575,827

Franklin County, Nebraska
Statement of Disbursements Compared to Budget-By Function
General Fund
For the Fiscal Year Ended June 30, 2002

GENERAL GOVERNMENT

	Board of Supervisors/ Commissioners		Clerk	Treasurer	Assessor	Supt. of Schools
Disbursements:						
Personal Service	\$ 50,567	\$ 61,100	\$ 61,100	\$ 62,495	\$ -	-
Operating Expense	4,251	1,479	1,855	1,842	1,500	1,500
Supplies/Materials	65	3,955	2,565	2,434	-	-
Equipment Rental	-	-	-	-	-	-
Capital Outlay	-	200	1,005	4,182	-	-
Total Disbursements	54,883	66,734	66,525	70,953	1,500	1,500
Budget:						
Budget less Capital Outlay	55,600	67,215	68,925	71,565	2,500	2,500
Budget Adjustments	-	-	-	-	-	-
Budget Capital Outlay	-	500	3,300	3,500	-	-
Total Budget	55,600	67,715	72,225	75,065	2,500	2,500
Favorable (Unfavorable)	\$ 717	\$ 981	\$ 5,700	\$ 4,112	\$ 1,000	1,000

GENERAL GOVERNMENT

PUBLIC SAFETY

	Building and Grounds	Extension Agent	Miscellaneous	Total General Government	Sheriff
Disbursements:					
Personal Service	\$ 21,849	\$ 19,228	\$ 192,487	\$ 493,954	\$ 77,057
Operating Expense	27,093	8,103	183,193	249,926	8,263
Supplies/Materials	5,053	1,188	3,061	23,409	6,292
Equipment Rental	-	-	14,908	15,358	360
Capital Outlay	3,785	42	170	12,963	24,182
Total Disbursements	57,780	28,561	393,819	795,610	116,154
Budget:					
Budget less Capital Outlay	57,125	27,100	390,186	812,271	97,789
Budget Adjustments	-	-	6,500	(250)	(3,000)
Budget Capital Outlay	1,750	1,500	-	11,550	26,900
Total Budget	58,875	28,600	396,686	823,571	121,689
Favorable (Unfavorable)	\$ 1,095	\$ 39	\$ 2,867	\$ 27,961	\$ 5,535

PUBLIC WORKS

PUBLIC HEALTH

	Total Public Safety	Miscellaneous	Total Public Works	Health Miscellaneous	Veterans' Service Officer
Disbursements:					
Personal Service	\$ 208,016	\$ -	\$ -	\$ -	\$ 4,885
Operating Expense	49,139	2,769	2,769	17,135	184
Supplies/Materials	6,753	-	-	-	6
Equipment Rental	360	-	-	-	-
Capital Outlay	25,059	-	-	-	315
Total Disbursements	289,327	2,769	2,769	17,135	5,390
Budget:					
Budget less Capital Outlay	267,659	2,500	2,500	12,610	6,250
Budget Adjustments	250	-	-	-	-
Budget Capital Outlay	27,700	-	-	-	250
Total Budget	295,609	2,500	2,500	12,610	6,500
Favorable (Unfavorable)	\$ 6,282	\$ (269)	\$ (269)	\$ (4,525)	\$ 1,110

GENERAL GOVERNMENT

Election Commissioner	Data Processing Department	Clerk of the District Court	County Court System
\$ 14,206	\$ -	\$ 10,922	\$ -
3,181	12,621	980	3,828
1,281	1,536	567	1,704
450	-	-	-
-	1,211	-	2,368
19,118	15,368	12,469	7,900
24,910	16,600	21,510	9,035
-	-	(6,750)	-
-	-	1,000	-
24,910	16,600	15,760	9,035
\$ 5,792	\$ 1,232	\$ 3,291	\$ 1,135

PUBLIC SAFETY

Attorney	County Jail	Miscellan- eous
\$ 42,221	\$ 88,738	\$ -
7,399	23,129	10,348
-	461	-
-	-	-
-	877	-
49,620	113,205	10,348
49,409	109,461	11,000
250	3,000	-
-	800	-
49,659	113,261	11,000
\$ 39	\$ 56	\$ 652

PUBLIC WELFARE AND
SOCIAL SERVICES

TOTAL ALL
FUNCTIONS

Miscellan- eous	Total Public Welfare and Social Services	2002
\$ -	\$ 4,885	\$ 706,855
30,888	31,072	350,041
-	6	30,168
-	-	15,718
-	315	38,337
30,888	36,278	1,141,119
34,814	41,064	1,136,104
-	-	-
-	250	39,500
34,814	41,314	1,175,604
\$ 3,926	\$ 5,036	\$ 34,485

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-1

	Road Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 10	\$ -	\$ 10
Intergovernmental Revenue	316,871	310,015	6,856
Local Fees, Licenses, Commissions, and Miscellaneous	121,831	113,500	8,331
Total Receipts	438,712	423,515	15,197
Disbursements:			
Personal Services	498,982	520,730	21,748
Operating Expenses	58,273	63,950	5,677
Supplies/Materials	222,999	248,950	25,951
Equipment Rental	-	-	-
Capital Outlay	177,831	174,200	(3,631)
Total Disbursements	958,085	1,007,830	49,745
Excess (Deficiency) of Receipts over Disbursements	(519,373)	(584,315)	64,942
Other Financing Sources (Uses):			
Transfers from Other Funds	591,847	597,226	(5,379)
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	591,847	597,226	(5,379)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	72,474	12,911	59,563
Fund Balances, July 1	98,089	98,089	-
Fund Balances, June 30	\$ 170,563	\$ 111,000	\$ 59,563

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-2

	Bridge Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 5	\$ -	\$ 5
Intergovernmental Revenue	185,311	181,485	3,826
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	185,316	181,485	3,831
Disbursements:			
Personal Services	156	156	-
Operating Expenses	22,560	40,440	17,880
Supplies/Materials	45,380	44,910	(470)
Equipment Rental	-	-	-
Capital Outlay	23,456	22,530	(926)
Total Disbursements	91,552	108,036	16,484
Excess (Deficiency) of Receipts over Disbursements	93,764	73,449	20,315
Other Financing Sources (Uses):			
Transfers from Other Funds	6,794	-	6,794
Transfers to Other Funds	(82,341)	(82,341)	-
Total Other Financing Sources (Uses)	(75,547)	(82,341)	6,794
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	18,217	(8,892)	27,109
Fund Balances, July 1	67,892	67,892	-
Fund Balances, June 30	\$ 86,109	\$ 59,000	\$ 27,109

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-3

	Bridge Escrow Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	3,822	-	3,822
Total Receipts	3,822	-	3,822
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	90,430	90,430
Total Disbursements	-	90,430	90,430
Excess (Deficiency) of Receipts over Disbursements	3,822	(90,430)	94,252
Other Financing Sources (Uses):			
Transfers from Other Funds	15,000	15,000	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	15,000	15,000	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	18,822	(75,430)	94,252
Fund Balances, July 1	75,430	75,430	-
Fund Balances, June 30	\$ 94,252	\$ -	\$ 94,252

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-4

	Historical Bridge Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	-	-	-
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	34,600	34,600
Total Disbursements	-	34,600	34,600
Excess (Deficiency) of Receipts over Disbursements	-	(34,600)	34,600
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	-	(34,600)	34,600
Fund Balances, July 1	34,600	34,600	-
Fund Balances, June 30	\$ 34,600	\$ -	\$ 34,600

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-5

	Reappraisal Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 26,549	\$ 31,540	\$ (4,991)
Intergovernmental Revenue	160	-	160
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	<u>26,709</u>	<u>31,540</u>	<u>(4,831)</u>
Disbursements:			
Personal Services	975	7,500	6,525
Operating Expenses	48,442	51,200	2,758
Supplies/Materials	1,875	3,000	1,125
Equipment Rental	-	-	-
Capital Outlay	25,162	19,300	(5,862)
Total Disbursements	<u>76,454</u>	<u>81,000</u>	<u>4,546</u>
Excess (Deficiency) of Receipts over Disbursements	<u>(49,745)</u>	<u>(49,460)</u>	<u>(285)</u>
Other Financing Sources (Uses):			
Transfers from Other Funds	50,000	50,000	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	<u>255</u>	<u>540</u>	<u>(285)</u>
Fund Balances, July 1	<u>5,460</u>	<u>5,460</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,715</u>	<u>\$ 6,000</u>	<u>\$ (285)</u>

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-6

	Employment Security Act Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 5	\$ -	\$ 5
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	5	-	5
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	-	-
Total Disbursements	-	-	-
Excess (Deficiency) of Receipts over Disbursements	5	-	5
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(5)	-	(5)
Total Other Financing Sources (Uses)	(5)	-	(5)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	-	-	-
Fund Balances, July 1	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-7

	Relief-Medical Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 9	\$ -	\$ 9
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	9	-	9
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	-	-
Total Disbursements	-	-	-
Excess (Deficiency) of Receipts over Disbursements	9	-	9
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(9)	-	(9)
Total Other Financing Sources (Uses)	(9)	-	(9)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	-	-	-
Fund Balances, July 1	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-8

	Institutions Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 27	\$ -	\$ 27
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	-	-	-
Total Receipts	27	-	27
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	-	-
Total Disbursements	-	-	-
Excess (Deficiency) of Receipts over Disbursements	27	-	27
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(27)	-	(27)
Total Other Financing Sources (Uses)	(27)	-	(27)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	-	-	-
Fund Balances, July 1	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-9

	Veterans' Aid Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 1	\$ -	\$ 1
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	3,453	3,000	453
Total Receipts	3,454	3,000	454
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	44,409	44,409
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	-	-
Total Disbursements	-	44,409	44,409
Excess (Deficiency) of Receipts over Disbursements	3,454	(41,409)	44,863
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	3,454	(41,409)	44,863
Fund Balances, July 1	71,409	71,409	-
Fund Balances, June 30	\$ 74,863	\$ 30,000	\$ 44,863

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-10

	Drug Law Enforcement Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	10	-	10
Total Receipts	10	-	10
Disbursements:			
Personal Services	-	-	-
Operating Expenses	450	618	168
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	-	-	-
Total Disbursements	450	618	168
Excess (Deficiency) of Receipts over Disbursements	(440)	(618)	178
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	(440)	(618)	178
Fund Balances, July 1	618	618	-
Fund Balances, June 30	\$ 178	\$ -	\$ 178

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-11

	Law Enforcement Grant Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenue	1,035	-	1,035
Local Fees, Licenses, Commissions, and Miscellaneous	1	1,500	(1,499)
Total Receipts	1,036	1,500	(464)
Disbursements:			
Personal Services	-	-	-
Operating Expenses	-	-	-
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	1,036	1,500	464
Total Disbursements	1,036	1,500	464
Excess (Deficiency) of Receipts over Disbursements	-	-	-
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	-	-	-
Fund Balances, July 1	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-12

	Noxious Weed Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ 9	\$ -	\$ 9
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	27,777	25,000	2,777
Total Receipts	27,786	25,000	2,786
Disbursements:			
Personal Services	36,208	37,000	792
Operating Expenses	18,039	18,960	921
Supplies/Materials	28,916	25,800	(3,116)
Equipment Rental	-	-	-
Capital Outlay	2,778	4,500	1,722
Total Disbursements	85,941	86,260	319
Excess (Deficiency) of Receipts over Disbursements	(58,155)	(61,260)	3,105
Other Financing Sources (Uses):			
Transfers from Other Funds	48,533	47,553	980
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	48,533	47,553	980
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	(9,622)	(13,707)	4,085
Fund Balances, July 1	24,687	24,687	-
Fund Balances, June 30	\$ 15,065	\$ 10,980	\$ 4,085

Franklin County, Nebraska
Statement of Receipts, Disbursements, and Changes in
Special Revenue Fund Balances of the County Treasurer
For the Fiscal Year Ended June 30, 2002

Schedule C-13

	Inheritance Tax Fund		
	Actual	Budget	Favorable (Unfavorable)
Receipts:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-
Local Fees, Licenses, Commissions, and Miscellaneous	108,207	50,000	58,207
Total Receipts	108,207	50,000	58,207
Disbursements:			
Personal Services	-	-	-
Operating Expenses	38,800	261,313	222,513
Supplies/Materials	-	-	-
Equipment Rental	-	-	-
Capital Outlay	9,205	-	(9,205)
Total Disbursements	48,005	261,313	213,308
Excess (Deficiency) of Receipts over Disbursements	60,202	(211,313)	271,515
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(55,000)	(55,000)	-
Total Other Financing Sources (Uses)	(55,000)	(55,000)	-
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disburse- ments and Other Financing Uses	5,202	(266,313)	271,515
Fund Balances, July 1	566,313	566,313	-
Fund Balances, June 30	\$ 571,515	\$ 300,000	\$ 271,515

Franklin County, Nebraska
Statement of Assets and Liabilities -
County Treasurer Trust and Agency Funds
For the Fiscal Year Ended June 30, 2002

Schedule D-1

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 244,334	\$ 4,953,019	\$ 5,004,646	\$ 192,707
Total Assets	\$ 244,334	\$ 4,953,019	\$ 5,004,646	\$ 192,707
LIABILITIES				
Trust and Agency Funds:				
State	\$ 30,899	\$ 559,813	\$ 559,153	\$ 31,559
Schools	51,155	3,298,947	3,305,314	44,788
Educational Service Units	574	51,307	51,352	529
Technical College	1,175	162,640	161,752	2,063
Natural Resource Districts	1,024	96,597	96,593	1,028
Fire Districts	63,543	100,799	123,817	40,525
Municipalities	12,183	337,474	339,600	10,057
Agricultural Society	706	62,986	63,043	649
Partial Payments-				
Undistributed Tax	17,751	28,814	36,191	10,374
Cemetery Districts	3,846	5,821	9,621	46
Townships	60,149	125,361	135,696	49,814
Hospital Operating	1,329	122,460	122,514	1,275
Total Liabilities	\$ 244,334	\$ 4,953,019	\$ 5,004,646	\$ 192,707

Franklin County Clerk
Franklin, Nebraska
Statement of Changes in Assets, Liabilities, and Fund Balances
For the Fiscal Year Ended June 30, 2002

Schedule E-1

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 4,379	\$ 50,580	\$ 49,554	\$ 5,405
Accounts Receivables	98	21	98	21
Total Assets	\$ 4,477	\$ 50,601	\$ 49,652	\$ 5,426
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to State Treasurer:				
Title Fees	\$ 928	\$ 11,055	\$ 11,214	\$ 769
Documentary Stamp Tax	597	12,077	11,730	944
Game and Park Permits	18	441	445	14
Total Liabilities	1,543	23,573	23,389	1,727
Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Recording Fees	726	11,968	11,328	1,366
Title Fees	448	5,678	5,734	392
Photocopies	21	683	641	63
Documentary Stamp Tax	239	4,833	4,694	378
Petty Cash	1,500	3,866	3,866	1,500
Total Fund Balances	2,934	27,028	26,263	3,699
Total Liabilities and Fund Balances	\$ 4,477	\$ 50,601	\$ 49,652	\$ 5,426

Franklin County Clerk of the District Court
Franklin, Nebraska
Statement of Changes in Assets, Liabilities and Fund Balances
For the Fiscal Year Ended June 30, 2002

Schedule E-2

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 4,783	\$ 185,531	\$ 182,720	\$ 7,594
Total Assets	\$ 4,783	\$ 185,531	\$ 182,720	\$ 7,594
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to State Treasurer:				
State Fees	\$ 65	\$ 435	\$ 480	\$ 20
Law Enforcement Fees	4	30	30	4
State Judges Retirement Fund	8	49	53	4
Legal Services Fees	31	186	209	8
Total	108	700	772	36
Trust Fund Benefits:				
Payable	4,285	181,419	178,409	7,295
Total	4,285	181,419	178,409	7,295
Total Liabilities	4,393	182,119	179,181	7,331
Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Regular Fees	370	3,302	3,417	255
Interest	20	110	122	8
Total Fund Balances	390	3,412	3,539	263
 Total Liabilities and Fund Balances	 \$ 4,783	 \$ 185,531	 \$ 182,720	 \$ 7,594

Franklin County Sheriff
Franklin, Nebraska
Statement of Changes in Assets, Liabilities, and Fund Balances
For Fiscal Year Ended June 30, 2002

Schedule E-3

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 9,413	\$ 57,786	\$ 61,684	\$ 5,515
Accounts Receivables	250	369	250	369
Total Assets	\$ 9,663	\$ 58,155	\$ 61,934	\$ 5,884
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Others	\$ 1,810	\$ 26,554	\$ 27,864	\$ 500
Total Liabilities	1,810	26,554	27,864	500
Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Inspection Fees	120	1,630	1,680	70
Petty Cash	-	150	-	150
Fees, Commissions, Mileage	543	5,592	5,234	901
Law Enforcement Contracts	1,107	15,453	15,560	1,000
Gun Permits	15	260	255	20
Work Release	-	2,950	2,675	275
Prisoner Boarding	6,065	4,050	7,460	2,655
Photocopies, Miscellaneous	3	1,516	1,206	313
Total Fund Balances	7,853	31,601	34,070	5,384
Total Liabilities and Fund Balances	\$ 9,663	\$ 58,155	\$ 61,934	\$ 5,884

Franklin County Attorney
 Franklin, Nebraska
 Statement of Changes in Assets, Liabilities and Fund Balances
 For the Fiscal Year Ended June 30, 2002

Schedule E-4

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 1,142	\$ 14	\$ 452	\$ 704
Total Assets	\$ 1,142	\$ 14	\$ 452	\$ 704
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Trust Fund Benefits:				
Restitution Payable	\$ 1,092	\$ 14	\$ 452	\$ 654
Total Liabilities	1,092	14	452	654
 Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Drug Fund	50	-	-	50
Total Fund Balances	50	-	-	50
Total Liabilities and Fund Balances	\$ 1,142	\$ 14	\$ 452	\$ 704

Franklin County Board of Commissioners
 Franklin, Nebraska
 Noxious Weed District
 Statement of Changes in Assets, Liabilities, and Fund Balances
 For the Fiscal Year Ended June 30, 2002

Schedule E-5

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Accounts Receivables	\$ 16,635	\$ 23,218	\$ 28,083	\$ 11,770
Total Assets	\$ 16,635	\$ 23,218	\$ 28,083	\$ 11,770
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Other Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
 Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Service Earnings	16,635	23,218	28,083	11,770
Total Fund Balances	16,635	23,218	28,083	11,770
Total Liabilities and Fund Balances	\$ 16,635	\$ 23,218	\$ 28,083	\$ 11,770

Franklin County Highway Superintendent
 Franklin, Nebraska
 Statement of Changes in Assets, Liabilities, and Fund Balances
 For the Fiscal Year Ended June 30, 2002

Schedule E-6

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash	\$ -	\$ 70,289	\$ 70,289	\$ -
Accounts Receivables	54,201	65,102	54,201	65,102
Total Assets	\$ 54,201	\$ 135,391	\$ 124,490	\$ 65,102
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to State Treasurer:				
Sales Tax	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balances:				
Unreserved, Undesignated				
Consists of:				
Road Maintenance	54,201	126,478	115,577	65,102
Petty Cash	-	8,913	8,913	-
Total Fund Balances	54,201	135,391	124,490	65,102
 Total Liabilities and Fund Balances	 \$ 54,201	 \$ 135,391	 \$ 124,490	 \$ 65,102

Franklin County Veterans' Service Officer
 Franklin, Nebraska
 Statement of Changes in Assets, Liabilities, and Fund Balances
 For the Fiscal Year Ended June 30, 2002

Schedule E-7

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
ASSETS				
Cash and Deposits	\$ 17,491	\$ 271	\$ 2,125	\$ 15,637
Total Assets	\$ 17,491	\$ 271	\$ 2,125	\$ 15,637
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Other Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
 Fund Balances:				
Trust Fund Benefits for Veterans'	17,491	271	2,125	15,637
Total Fund Balances	17,491	271	2,125	15,637
Total Liabilities and Fund Balances	\$ 17,491	\$ 271	\$ 2,125	\$ 15,637

Franklin County
 Comparative Analysis Of Total Tax Certified, Corrections, and
 Collections For Past Five Tax Years
 Of All Political Subdivisions In Franklin County

Schedule F-1

Item	1997	1998	1999	2000	2001
Tax Certified by Assessor					
Real Estate	\$ 5,225,898	\$ 4,678,689	\$ 4,536,634	\$ 4,690,099	\$ 4,675,435
Personal and Specials	424,076	412,274	431,394	428,325	421,460
Total	<u>5,649,974</u>	<u>5,090,963</u>	<u>4,968,028</u>	<u>5,118,424</u>	<u>5,096,895</u>
Corrections					
Additions	812	1,385	3,561	20,283	2,203
Deductions	3,203	1,030	1,860	1,023	964
Net Additions/ (Deductions)	<u>(2,391)</u>	<u>355</u>	<u>1,701</u>	<u>19,260</u>	<u>1,239</u>
Corrected Certified Tax	<u>5,647,583</u>	<u>5,091,318</u>	<u>4,969,729</u>	<u>5,137,684</u>	<u>5,098,134</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 1998	3,318,225	-	-	-	-
June 30, 1999	2,316,634	2,883,440	-	-	-
June 30, 2000	5,725	2,191,381	2,954,142	-	-
June 30, 2001	4,167	12,132	2,002,302	2,964,527	-
June 30, 2002	548	884	6,465	2,158,706	3,000,500
Total Net Collections	<u>5,645,299</u>	<u>5,087,837</u>	<u>4,962,909</u>	<u>5,123,233</u>	<u>3,000,500</u>
Total Uncollected Tax	<u>\$ 2,284</u>	<u>\$ 3,481</u>	<u>\$ 6,820</u>	<u>\$ 14,451</u>	<u>\$ 2,097,634</u>
Percentage Uncollected Tax	<u>0.04%</u>	<u>0.07%</u>	<u>0.14%</u>	<u>0.28%</u>	<u>41.15%</u>

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FRANKLIN COUNTY REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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We have audited the financial statements of Franklin County as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. 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 Franklin County Hospital, a component unit of Franklin County. Except as discussed in the second sentence, 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.

Compliance

As part of obtaining reasonable assurance about whether Franklin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to the management of Franklin County in the Comments Section of this report as Comment Number 2 (Personal Financial Gain), Comment Number 4 (Fixed Assets), and Comment Number 6 (Petty Cash Funds).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Franklin County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide

assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Franklin County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the Comments Section of the report as Comment Number 1 (Segregation of Duties).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, to be a material weakness. We also noted other matters involving internal control over financial reporting that we have reported to the management of Franklin County in the Comments Section of the report as Comment Number 3 (Cash on Hand), Comment Number 5 (Payment of Claims), and Comment Number 7 (Balancing Procedures).

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 is not intended to be and should not be used by anyone other than these specified parties.

December 12, 2002


Deputy State Auditor