

**AUDIT REPORT
OF
ADAMS COUNTY**

JULY 1, 2007 THROUGH JUNE 30, 2008

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the Auditor of Public Accounts.**

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Issued on September 19, 2008

ADAMS COUNTY

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ADAMS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2008

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Larry Woodman	Board of Supervisors	Jan. 2009
Charles Neumann		Jan. 2009
Eldon Orthmann		Jan. 2011
Roger Larson		Jan. 2011
Monte Kehoe		Jan. 2009
Lee Saathoff		Jan. 2011
Jack Hynes		Jan. 2011
Donna Fegler Daiss	Attorney	Jan. 2011
Chris Lewis	Clerk Election Commissioner	Jan. 2011
Diane Hynes	Assessor	Jan. 2011
Jan Johnson	Register of Deeds	Jan. 2011
Chrystine Setlik	Clerk of the District Court	Jan. 2011
Gregg Magee	Sheriff	Jan. 2011
Julia Moeller	Treasurer	Jan. 2011
Joseph Ballweg	Veterans' Service Officer	Appointed
Lynn Hanson	Weed Superintendent	Appointed
Dawn Miller	Highway Superintendent Planning/Zoning	Appointed



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ADAMS COUNTY

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Adams County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. 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 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 opinions.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Adams County, as of June 30, 2008, and the respective changes in cash balances thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2008, on our consideration of Adams 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 should be considered in assessing the results of our audit.

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, nonmajor 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Signed Original on File

September 16, 2008

Assistant Deputy Auditor

ADAMS COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents (Note 1.D)	\$ 1,219,682
Investments (Note 1.D)	<u>1,689,912</u>
TOTAL ASSETS	<u><u>\$ 2,909,594</u></u>
 NET ASSETS	
Restricted for:	
Visitor Promotion	\$ 57,159
911 Emergency Services	51,471
Other Purposes	81,710
Unrestricted	<u>2,719,254</u>
TOTAL NET ASSETS	<u><u>\$ 2,909,594</u></u>

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

ADAMS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2008

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (5,017,327)	\$ 748,175	\$ 113,538	\$ (4,155,614)
Public Safety	(3,930,450)	172,157	316,050	(3,442,243)
Public Works	(3,392,064)	-	1,591,230	(1,800,834)
Health and Sanitation	(139,344)	-	-	(139,344)
Public Assistance	(265,749)	-	155,437	(110,312)
Culture and Recreation	(183,515)	-	-	(183,515)
Debt Payments	(274,387)	-	-	(274,387)
Capital Outlay	(86,411)	68,244	-	(18,167)
Total Governmental Activities	<u><u>\$ (13,289,247)</u></u>	<u><u>\$ 988,576</u></u>	<u><u>\$ 2,176,255</u></u>	<u><u>(10,124,416)</u></u>

General Receipts:

Property Taxes	7,843,897
Grants and Contributions Not Restricted to Specific Programs	983,421
Investment Income	253,144
Miscellaneous	266,644
Total General Receipts	<u><u>9,347,106</u></u>

Change in Net Assets	(777,310)
Net Assets - Beginning	3,686,904
Net Assets - Ending	<u><u>\$ 2,909,594</u></u>

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

ADAMS COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2008

	<u>General Fund</u>	<u>Inheritance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents (Note 1.D)	\$ -	\$ 676,180	\$ 543,502	\$ 1,219,682
Investments (Note 1.D)	1,090,205	599,707	-	1,689,912
TOTAL ASSETS	<u>\$ 1,090,205</u>	<u>\$ 1,275,887</u>	<u>\$ 543,502</u>	<u>\$ 2,909,594</u>
 FUND BALANCES				
Unreserved, reported in:				
General fund	\$ 1,090,205	\$ -	\$ -	\$ 1,090,205
Special revenue funds	-	1,275,887	543,502	1,819,389
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,090,205</u>	<u>\$ 1,275,887</u>	<u>\$ 543,502</u>	<u>\$ 2,909,594</u>

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

ADAMS COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2008

	General Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS				
Property Taxes	\$ 6,540,580	\$ 669,871	\$ 633,446	\$ 7,843,897
Licenses and Permits	137,933	-	-	137,933
Interest	253,144	-	-	253,144
Intergovernmental	3,128,080	-	31,596	3,159,676
Charges for Services	915,589	-	72,987	988,576
Miscellaneous	101,784	23,235	3,692	128,711
TOTAL RECEIPTS	<u>11,077,110</u>	<u>693,106</u>	<u>741,721</u>	<u>12,511,937</u>
DISBURSEMENTS				
General Government	3,421,141	50,635	1,545,551	5,017,327
Public Safety	3,585,131	-	345,319	3,930,450
Public Works	3,392,064	-	-	3,392,064
Health and Sanitation	139,344	-	-	139,344
Public Assistance	227,159	-	38,590	265,749
Culture and Recreation	-	-	183,515	183,515
Debt Service:				
Principal Payments	-	-	270,000	270,000
Interest and Fiscal Charges	-	-	4,387	4,387
Capital Outlay	-	-	86,411	86,411
TOTAL DISBURSEMENTS	<u>10,764,839</u>	<u>50,635</u>	<u>2,473,773</u>	<u>13,289,247</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>312,271</u>	<u>642,471</u>	<u>(1,732,052)</u>	<u>(777,310)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	400,000	-	1,274,937	1,674,937
Transfers out	(1,153,139)	(516,719)	(5,079)	(1,674,937)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(753,139)</u>	<u>(516,719)</u>	<u>1,269,858</u>	<u>-</u>
Net Change in Fund Balances	(440,868)	125,752	(462,194)	(777,310)
CASH BASIS FUND BALANCES - BEGINNING	<u>1,531,073</u>	<u>1,150,135</u>	<u>1,005,696</u>	<u>3,686,904</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 1,090,205</u>	<u>\$ 1,275,887</u>	<u>\$ 543,502</u>	<u>\$ 2,909,594</u>

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

ADAMS COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
June 30, 2008

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 2,395,334
 LIABILITIES	
Due to other governments	
State	436,821
Schools	1,501,759
Educational Service Units	4,321
Technical College	19,344
Natural Resource Districts	7,038
Fire Districts	21,336
Municipalities	181,879
Agricultural Society	6,693
Drainage Districts	
Townships	31,221
Sanitary and Improvement Districts	163,481
Hospital	
Others	21,441
TOTAL LIABILITIES	2,395,334
TOTAL NET ASSETS	\$ -

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2008

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Adams 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 elected 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, and other organizations which are fiscally dependent on the County, or the significance of their relationship with the County is 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.

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

Joint Organization.

Behavioral Health Region III - The County has entered into an agreement with surrounding counties and the Nebraska Health and Human Services System 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. The Region consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of federal, state, local, and private funding. The County contributed \$139,344 toward the operation of the Region during fiscal year 2008.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Health and Human Services System requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in those audit reports.

B. Basis of Presentation

Government-wide Financial Statements. The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County, and are in the format of government-wide statements as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements have not been eliminated. Governmental GAAP would require internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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 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 emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

Inheritance Fund. This fund is used to account for the revenues generated from estate taxes.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County reports the following additional fund types:

Special Revenue Funds. These funds account for the proceeds from a specific revenue source that is restricted to expenditures for a specified purpose.

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

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 Assets - Cash Basis and the Statement of Activities - Cash Basis. Revenues are recognized when received and expenditures 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 revenues are recorded when earned and expenses 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 require 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, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

D. Assets and Net Assets

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

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2003), 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 an expenditure of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Restricted Net Assets. 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 assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$190,340 of restricted net assets, which are restricted by enabling legislation.

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 2003).

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

At year end, the County's carrying amount of deposits was \$1,219,682 for County funds and \$1,585,477 for Fiduciary funds. The bank balances for all funds totaled \$2,771,834. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2008, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments are stated at cost, which approximates market. Investments consisted of \$3,000 in U.S. Government Securities and of \$1,686,912 of County funds and \$809,857 of Fiduciary funds deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name. The U.S. Government Securities were held by the County or its agent in the name of the County.

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 2007, for the 2007 taxes which will be materially collected in May and September, 2008, was set at \$.34093334/\$100 of assessed valuation. The levy set in October 2006, for the 2006 taxes which were materially collected in May and September, 2007, was set at \$.37257261/\$100 of assessed valuation. The amount collected for 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. It may be increased by 1% by a three-fourths majority of the County Board.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 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 20. 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 Neb. Rev. Stat. §§ 23-2307 and 23-2308 (Cum. Supp. 2004), 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, 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.

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, 2008, 147 employees contributed \$202,355; the County contributed \$303,533, which consisted entirely of cash contributions. Additionally, for the year ended June 30, 2008, 18 law enforcement employees and the County contributed \$7,616 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$677 directly to 8 retired employees for prior service benefits.

5. Risk Management

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 77 counties throughout Nebraska.

ADAMS 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 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.

The agreement with NIRMA provides that NIRMA will 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
Worker's Compensation Claim	\$ 300,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

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 2009. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

ADAMS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2008, consisted of the following:

<u>Transfers to</u>	<u>Transfers from</u>			<u>Total</u>
	<u>General Fund</u>	<u>Inheritance Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 400,000	\$ -	\$ 400,000
Nonmajor Funds	1,153,139	116,719	5,079	1,274,937
Total	<u>\$ 1,153,139</u>	<u>\$ 516,719</u>	<u>\$ 5,079</u>	<u>\$ 1,674,937</u>

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

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 6,676,574	\$ 6,676,574	\$ 6,540,580	\$ (135,994)
Licenses and Permits	128,654	128,654	137,933	9,279
Interest	280,000	280,000	253,144	(26,856)
Intergovernmental	3,379,672	3,379,672	3,128,080	(251,592)
Charges for Services	939,678	939,678	915,589	(24,089)
Miscellaneous	117,000	117,000	101,784	(15,216)
TOTAL RECEIPTS	11,521,578	11,521,578	11,077,110	(444,468)
DISBURSEMENTS				
General Government:				
County Board	175,859	179,545	179,545	-
County Clerk	310,251	310,251	296,709	13,542
County Treasurer	515,353	515,353	498,710	16,643
Register of Deeds	186,565	186,565	180,202	6,363
County Assessor	434,765	434,765	417,722	17,043
Planning and Zoning	49,770	49,770	42,903	6,867
Clerk of the District Court	351,494	351,494	316,175	35,319
County Court System	112,250	122,729	122,729	-
District Judge	45,696	45,696	45,186	510
Public Defender	466,065	492,484	492,484	-
Building and Grounds	461,815	461,815	454,642	7,173
Agricultural Extension Agent	117,506	117,506	108,973	8,533
Data Processing	183,332	183,332	182,290	1,042
Microfilm	78,537	78,537	70,576	7,961
Day Care Center	11,000	12,295	12,295	-
Miscellaneous	535,191	535,191	-	535,191
Public Safety				
County Sheriff	1,432,648	1,432,648	1,326,176	106,472
County Attorney	594,850	596,433	596,433	-
Communication Center	60,450	60,920	60,920	-
County Jail	1,405,830	1,405,830	1,215,553	190,277
Emergency Management	155,146	155,146	154,481	665
Adult Probation	33,912	33,912	33,813	99
Juvenile Probation	3,534	3,534	3,507	27
Ambulance	150,000	150,000	150,000	-
Miscellaneous	825,600	781,668	44,248	737,420
Public Works				
County Surveyor	21,343	21,343	16,756	4,587
Noxious Weed Control	72,991	72,991	66,264	6,727
Road Department	3,556,093	3,556,093	3,309,044	247,049
Miscellaneous	25,000	25,000	-	25,000

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS, Concluded				
Public Health				
Miscellaneous	148,534	148,534	139,344	9,190
Public Assistance				
Veterans' Service Officer	114,739	114,739	114,117	622
Miscellaneous	209,277	209,277	113,042	96,235
TOTAL DISBURSEMENTS	<u>12,845,396</u>	<u>12,845,396</u>	<u>10,764,839</u>	<u>2,080,557</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,323,818)	(1,323,818)	312,271	1,636,089
OTHER FINANCING SOURCES (USES)				
Transfers in	407,384	407,384	400,000	(7,384)
Transfers out	-	-	(1,153,139)	(1,153,139)
TOTAL OTHER FINANCING SOURCES (USES)	<u>407,384</u>	<u>407,384</u>	<u>(753,139)</u>	<u>(1,160,523)</u>
Net Change in Fund Balance	(916,434)	(916,434)	(440,868)	475,566
FUND BALANCES - BEGINNING	<u>1,531,073</u>	<u>1,531,073</u>	<u>1,531,073</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 614,639</u>	<u>\$ 614,639</u>	<u>\$ 1,090,205</u>	<u>\$ 475,566</u>

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 600,000	\$ 600,000	\$ 669,871	\$ 69,871
Charges for Services	26,931	26,931	-	(26,931)
Miscellaneous	1,500	1,500	23,235	21,735
TOTAL RECEIPTS	<u>628,431</u>	<u>628,431</u>	<u>693,106</u>	<u>64,675</u>
DISBURSEMENTS	<u>1,261,847</u>	<u>1,261,847</u>	<u>50,635</u>	<u>1,211,212</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(633,416)	(633,416)	642,471	1,275,887
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(516,719)	(516,719)	(516,719)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(516,719)</u>	<u>(516,719)</u>	<u>(516,719)</u>	<u>-</u>
Net Change in Fund Balance	(1,150,135)	(1,150,135)	125,752	1,275,887
FUND BALANCE - BEGINNING	1,150,135	1,150,135	1,150,135	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275,887</u>	<u>\$ 1,275,887</u>

ADAMS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2008

BUDGETARY COMPARISON SCHEDULES

GAAP Requirements

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue fund that has a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the *original budget* and *final budget* amounts. The *original budget* is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes *before* the beginning of the fiscal year. The original budget would also include actual appropriation amounts automatically carried over from prior years when required by law. The *final budget* is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board or otherwise legally authorized.

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 revenues which have actually been 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 revenue 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 shall adopt the budget and appropriate 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 expenditures of any fund, 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. The County Board is also authorized to budget for the transfer of money between County funds.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2008, expenditures exceeded budgeted appropriations in the County Insurance Fund by \$21,787. These over-expenditures were funded by interfund transfers from the General Fund.

ADAMS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

Deficit fund balance

The County Insurance fund had a deficit fund balance of \$8,460 as of June 30, 2008. The fund incurred expenditures that are currently not part of the original costs approved by the County Board, the County plans to authorize additional interfund transfers from the General Fund to cover the expenditures.

ADAMS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	Visitor's Promotion Fund	Employment Security Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund	County Insurance Fund	Library Fund	Drug Law Enforcement Fund
RECEIPTS								
Property Taxes	\$ 91,083	\$ -	\$ 15,721	\$ 15,768	\$ -	\$ -	\$ 128,714	\$ -
Intergovernmental	-	-	1,342	967	1	-	8,513	-
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	3,200	-	-	492	-	-
TOTAL RECEIPTS	91,083	-	20,263	16,735	1	492	137,227	-
DISBURSEMENTS								
General Government	-	1,386	-	-	-	1,044,787	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Assistance	-	-	19,670	14,820	4,100	-	-	-
Culture and Recreation	57,515	-	-	-	-	-	126,000	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	57,515	1,386	19,670	14,820	4,100	1,044,787	126,000	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	33,568	(1,386)	593	1,915	(4,099)	(1,044,295)	11,227	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	7,199	-	-	4,098	1,035,835	-	-
Transfers out	(5,079)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,079)	7,199	-	-	4,098	1,035,835	-	-
Net Change in Fund Balances	28,489	5,813	593	1,915	(1)	(8,460)	11,227	-
FUND BALANCES - BEGINNING	28,670	4,801	26,486	19,789	2	-	37,276	373
FUND BALANCES - ENDING	\$ 57,159	\$ 10,614	\$ 27,079	\$ 21,704	\$ 1	\$ (8,460)	\$ 48,503	\$ 373

(Continued)

ADAMS COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	Community Development Block Grant Fund	Courthouse Bond Fund	Courthouse Building Fund	Escrow Holding Fund	911 Emergency Services Fund	Intensive Supervision Probation Fund	Total Nonmajor Governmental Funds
RECEIPTS							
Property Taxes	\$ -	\$ 270,793	\$ -	\$ -	\$ 111,367	\$ -	\$ 633,446
Intergovernmental	-	20,773	-	-	-	-	31,596
Charges for Services	-	-	68,244	-	-	4,743	72,987
Miscellaneous	-	-	-	-	-	-	3,692
TOTAL RECEIPTS	<u>-</u>	<u>291,566</u>	<u>68,244</u>	<u>-</u>	<u>111,367</u>	<u>4,743</u>	<u>741,721</u>
DISBURSEMENTS							
General Government	-	500	-	498,878	-	-	1,545,551
Public Safety	-	-	-	-	338,812	6,507	345,319
Public Assistance	-	-	-	-	-	-	38,590
Culture and Recreation	-	-	-	-	-	-	183,515
Debt Service:							
Principal Payments	-	270,000	-	-	-	-	270,000
Interest and Fiscal Charges	-	4,387	-	-	-	-	4,387
Capital Projects	-	-	86,411	-	-	-	86,411
TOTAL DISBURSEMENTS	<u>-</u>	<u>274,887</u>	<u>86,411</u>	<u>498,878</u>	<u>338,812</u>	<u>6,507</u>	<u>2,473,773</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>16,679</u>	<u>(18,167)</u>	<u>(498,878)</u>	<u>(227,445)</u>	<u>(1,764)</u>	<u>(1,732,052)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	104,195	122,383	-	1,227	1,274,937
Transfers out	-	-	-	-	-	-	(5,079)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>104,195</u>	<u>122,383</u>	<u>-</u>	<u>1,227</u>	<u>1,269,858</u>
Net Change in Fund Balances	-	16,679	86,028	(376,495)	(227,445)	(537)	(462,194)
FUND BALANCES - BEGINNING	<u>99</u>	<u>16,054</u>	<u>23,605</u>	<u>569,082</u>	<u>278,916</u>	<u>543</u>	<u>1,005,696</u>
FUND BALANCES - ENDING	<u>\$ 99</u>	<u>\$ 32,733</u>	<u>\$ 109,633</u>	<u>\$ 192,587</u>	<u>\$ 51,471</u>	<u>\$ 6</u>	<u>\$ 543,502</u>

(Concluded)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VISITOR'S PROMOTION FUND				
RECEIPTS				
Taxes	\$ 72,000	\$ 72,000	\$ 91,083	\$ 19,083
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>72,000</u>	<u>72,000</u>	<u>91,083</u>	<u>19,083</u>
DISBURSEMENTS	<u>93,286</u>	<u>93,286</u>	<u>57,515</u>	<u>35,771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,384)	(7,384)	(5,079)	2,305
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,384)</u>	<u>(7,384)</u>	<u>(5,079)</u>	<u>2,305</u>
Net Change in Fund Balance	(28,670)	(28,670)	28,489	57,159
FUND BALANCE - BEGINNING	28,670	28,670	28,670	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,159</u>	<u>\$ 57,159</u>
EMPLOYMENT SECURITY FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS	<u>12,000</u>	<u>12,000</u>	<u>1,386</u>	<u>10,614</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,199	7,199	7,199	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,199</u>	<u>7,199</u>	<u>7,199</u>	<u>-</u>
Net Change in Fund Balance	(4,801)	(4,801)	5,813	10,614
FUND BALANCE - BEGINNING	4,801	4,801	4,801	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,614</u>	<u>\$ 10,614</u>

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MEDICAL RELIEF FUND				
RECEIPTS				
Taxes	\$ 18,752	\$ 18,752	\$ 15,721	\$ (3,031)
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	130	130	1,342	1,212
Charges for Services	-	-	-	-
Miscellaneous	-	-	3,200	3,200
TOTAL RECEIPTS	18,882	18,882	20,263	1,381
DISBURSEMENTS	43,000	43,000	19,670	23,330
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(24,118)	(24,118)	593	24,711
FUND BALANCE - BEGINNING	26,486	26,486	26,486	-
FUND BALANCE - ENDING	\$ 2,368	\$ 2,368	\$ 27,079	\$ 24,711
INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ 12,705	\$ 12,705	\$ 15,768	\$ 3,063
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	255	255	967	712
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	12,960	12,960	16,735	3,775
DISBURSEMENTS	30,500	30,500	14,820	15,680
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(17,540)	(17,540)	1,915	19,455
FUND BALANCE - BEGINNING	19,789	19,789	19,789	-
FUND BALANCE - ENDING	\$ 2,249	\$ 2,249	\$ 21,704	\$ 19,455

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	1	1
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	-	1	1
DISBURSEMENTS	4,100	4,100	4,100	-
OTHER FINANCING SOURCES (USES)				
Transfers in	4,098	4,098	4,098	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,098	4,098	4,098	-
Net Change in Fund Balance	(2)	(2)	(1)	1
FUND BALANCE - BEGINNING	2	2	2	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1	\$ 1
COUNTY INSURANCE FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	1,023,000	1,023,000	492	(1,022,508)
TOTAL RECEIPTS	1,023,000	1,023,000	492	(1,022,508)
DISBURSEMENTS	1,023,000	1,023,000	1,044,787	(21,787)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,035,835	1,035,835
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,035,835	1,035,835
Net Change in Fund Balance	-	-	(8,460)	(8,460)
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ (8,460)	\$ (8,460)

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LIBRARY FUND				
RECEIPTS				
Taxes	\$ 132,420	\$ 132,420	\$ 128,714	\$ (3,706)
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	1,900	1,900	8,513	6,613
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	134,320	134,320	137,227	2,907
DISBURSEMENTS	169,000	169,000	126,000	43,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(34,680)	(34,680)	11,227	45,907
FUND BALANCE - BEGINNING	37,276	37,276	37,276	-
FUND BALANCE - ENDING	\$ 2,596	\$ 2,596	\$ 48,503	\$ 45,907
DRUG LAW ENFORCEMENT FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	2,000	2,000	-	(2,000)
TOTAL RECEIPTS	2,000	2,000	-	(2,000)
DISBURSEMENTS	2,373	2,373	-	2,373
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(373)	(373)	-	373
FUND BALANCE - BEGINNING	373	373	373	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 373	\$ 373

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	-	-	-	-
DISBURSEMENTS	99	99	-	99
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(99)	(99)	-	99
FUND BALANCE - BEGINNING	99	99	99	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 99</u>
COURTHOUSE BOND FUND				
RECEIPTS				
Taxes	\$ 274,414	\$ 274,414	\$ 270,793	\$ (3,621)
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	9,300	9,300	20,773	11,473
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	283,714	283,714	291,566	7,852
DISBURSEMENTS	274,387	274,387	274,887	(500)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	9,327	9,327	16,679	7,352
FUND BALANCE - BEGINNING	16,054	16,054	16,054	-
FUND BALANCE - ENDING	<u>\$ 25,381</u>	<u>\$ 25,381</u>	<u>\$ 32,733</u>	<u>\$ 7,352</u>

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COURTHOUSE BUILDING FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	68,000	68,000	68,244	244
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>68,000</u>	<u>68,000</u>	<u>68,244</u>	<u>244</u>
DISBURSEMENTS	<u>195,800</u>	<u>195,800</u>	<u>86,411</u>	<u>109,389</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	104,195	104,195	104,195	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>104,195</u>	<u>104,195</u>	<u>104,195</u>	<u>-</u>
Net Change in Fund Balance	(23,605)	(23,605)	86,028	109,633
FUND BALANCE - BEGINNING	23,605	23,605	23,605	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,633</u>	<u>\$ 109,633</u>
ESCROW HOLDING FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS	<u>569,082</u>	<u>569,082</u>	<u>498,878</u>	<u>70,204</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	122,383	122,383
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>122,383</u>	<u>122,383</u>
Net Change in Fund Balance	(569,082)	(569,082)	(376,495)	192,587
FUND BALANCE - BEGINNING	569,082	569,082	569,082	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,587</u>	<u>\$ 192,587</u>

(Continued)

ADAMS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>911 EMERGENCY SERVICES FUND</u>				
RECEIPTS				
Taxes	\$ 107,650	\$ 107,650	\$ 111,367	\$ 3,717
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	107,650	107,650	111,367	3,717
DISBURSEMENTS	386,566	386,566	338,812	47,754
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(278,916)	(278,916)	(227,445)	51,471
FUND BALANCE - BEGINNING	278,916	278,916	278,916	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 51,471	\$ 51,471
<u>INTENSIVE SUPERVISION PROBATION FUND</u>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	6,637	6,637	4,743	(1,894)
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	6,637	6,637	4,743	(1,894)
DISBURSEMENTS	8,407	8,407	6,507	1,900
OTHER FINANCING SOURCES (USES)				
Transfers in	1,227	1,227	1,227	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,227	1,227	1,227	-
Net Change in Fund Balance	(543)	(543)	(537)	6
FUND BALANCE - BEGINNING	543	543	543	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 6	\$ 6

(Concluded)

ADAMS COUNTY
SCHEDULE OF OFFICE ACTIVITIES

For the Year Ended June 30, 2008

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>
BALANCE JULY 1, 2007	\$ 759	\$ 35,166	\$ 175,845	\$ 77,357	\$ 15,286
RECEIPTS					
Property Taxes	-	-	-	-	-
Licenses and Permits	3,510	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	3,462	141,090	79,392	157,276	-
Miscellaneous	-	-	-	-	-
State Fees	-	146,301	33,313	-	-
Other Liabilities	-	-	1,623,277	132,247	20,956
TOTAL RECEIPTS	<u>6,972</u>	<u>287,391</u>	<u>1,735,982</u>	<u>289,523</u>	<u>20,956</u>
DISBURSEMENTS					
Payments to County Treasurer	6,874	145,387	80,694	143,008	1,890
Payments to State Treasurer	-	155,321	32,896	-	-
Other Liabilities	-	-	1,401,536	136,567	22,238
TOTAL DISBURSEMENTS	<u>6,874</u>	<u>300,708</u>	<u>1,515,126</u>	<u>279,575</u>	<u>24,128</u>
BALANCE JUNE 30, 2008	<u>\$ 857</u>	<u>\$ 21,849</u>	<u>\$ 396,701</u>	<u>\$ 87,305</u>	<u>\$ 12,114</u>
BALANCE CONSISTS OF:					
Due to County Treasurer	\$ 607	\$ 10,847	\$ 3,525	\$ 72,517	\$ 4,274
Petty Cash	250	-	-	12,199	1,607
Due to State Treasurer	-	11,002	3,007	2,589	-
Due to Others	-	-	390,169	-	6,233
BALANCE JUNE 30, 2008	<u>\$ 857</u>	<u>\$ 21,849</u>	<u>\$ 396,701</u>	<u>\$ 87,305</u>	<u>\$ 12,114</u>

(Continued)

**ADAMS COUNTY
SCHEDULE OF OFFICE ACTIVITIES**

For the Year Ended June 30, 2008

	<u>Weed Superintendent</u>	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>County Planning and Zoning</u>	<u>Total</u>
BALANCE JULY 1, 2007	\$ 2,834	\$ 5,397	\$ 1,946	\$ 25	\$ 314,615
RECEIPTS					
Property Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	3,510
Intergovernmental	-	239,393	-	-	239,393
Charges for Services	13,820	825	-	27,384	423,249
Miscellaneous	-	144,129	-	-	144,129
State Fees	-	-	-	-	179,614
Other Liabilities	-	-	4,100	-	1,780,580
TOTAL RECEIPTS	<u>13,820</u>	<u>384,347</u>	<u>4,100</u>	<u>27,384</u>	<u>2,770,475</u>
DISBURSEMENTS					
Payments to County Treasurer	13,853	372,280	-	27,384	791,370
Payments to State Treasurer	-	-	-	-	188,217
Other Liabilities	-	-	3,770	-	1,564,111
TOTAL DISBURSEMENTS	<u>13,853</u>	<u>372,280</u>	<u>3,770</u>	<u>27,384</u>	<u>2,543,698</u>
BALANCE JUNE 30, 2008	<u>\$ 2,801</u>	<u>\$ 17,464</u>	<u>\$ 2,276</u>	<u>\$ 25</u>	<u>\$ 541,392</u>
BALANCE CONSISTS OF:					
Due to County Treasurer	\$ 2,776	\$ 17,264	\$ -	\$ -	\$ 111,810
Petty Cash	25	200	-	25	14,306
Due to State Treasurer	-	-	-	-	16,598
Due to Others	-	-	2,276	-	398,678
BALANCE JUNE 30, 2008	<u>\$ 2,801</u>	<u>\$ 17,464</u>	<u>\$ 2,276</u>	<u>\$ 25</u>	<u>\$ 541,392</u>

(Concluded)

ADAMS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
 June 30, 2008

Item	2003	2004	2005	2006	2007
Tax Certified by Assessor					
Real Estate	\$ 29,179,753	\$ 30,197,264	\$ 31,911,400	\$ 33,197,316	\$ 33,175,945
Personal and Specials	1,836,541	1,820,045	2,011,583	2,034,739	2,202,187
Total	31,016,294	32,017,309	33,922,983	35,232,055	35,378,132
Corrections					
Additions	24,474	39,393	49,528	44,285	13,524
Deductions	(44,272)	(44,579)	(128,868)	(92,455)	(13,102)
Net Additions/ (Deductions)	(19,798)	(5,186)	(79,340)	(48,170)	422
Corrected Certified Tax	30,996,496	32,012,123	33,843,643	35,183,885	35,378,554
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2004	18,296,982	-	-	-	-
June 30, 2005	12,568,975	18,962,798	-	-	-
June 30, 2006	48,755	12,944,675	19,673,529	-	-
June 30, 2007	31,048	45,368	14,088,332	20,671,367	-
June 30, 2008	4,669	8,825	18,351	14,424,932	20,452,926
Total Net Collections	30,950,429	31,961,666	33,780,212	35,096,299	20,452,926
Total Uncollected Tax	\$ 46,067	\$ 50,457	\$ 63,431	\$ 87,586	\$ 14,925,628
Percentage Uncollected Tax	0.15%	0.16%	0.19%	0.25%	42.19%

ADAMS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number		Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Passed through Nebraska State Patrol			
High Intensity Drug	IG-02-0104 17PMWP634Z	\$	43,957
Passed through State Commission on Law Enforcement and Criminal Justice Crime Victim Assistance	16.575		27,331
Total U.S. Department of JUSTICE			71,288
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program)	97.067	*	351,639
Emergency Management Performance Grants	97.042		58,103
Total U.S. Department of Homeland Security			409,742
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services Child Support Enforcement	93.563	*	89,066
Total U.S. Department of Health and Human Services			89,066
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Motor Vehicles Public Transportation Assistance	20.509		136,512
Total U.S. Department of Transportation			136,512
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$	706,608

ADAMS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Adams County (the County), except as noted in Note 2 below. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective federal agency. Due to the operations of the County, the accumulation of amounts passed to subrecipients by the County is not practical.

2. Summary of Significant Accounting Policies

A. Reporting Entity

The County's reporting entity is defined in Note 1.A. to the financial statements. The accompanying Schedule includes the federal awards programs administered by the County for the fiscal year ended June 30, 2008.

B. Basis of Presentation

The accompanying Schedule presents total expenditures for each federal awards program in accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Federal program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

Federal Awards. Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations.

Major Programs. In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are considered major programs.

C. Basis of Accounting

The accompanying schedule was prepared on the cash basis of accounting.

Matching Costs. The Schedule does not include matching expenditures from general revenues of the County.



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

Board of Supervisors
Adams County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County as of and for the year ended June 30, 2008, and have issued our report thereon dated September 16, 2008. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. Except as noted above, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Adams County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Adams County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's

financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting:

- The County offices had a lack of segregation of duties since 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. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams 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*.

We noted certain matters that we reported to management of Adams County in a separate letter dated September 16, 2008.

This report is intended solely for the information and use of management, the County Board, others within the entity, the State Legislature, 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.

Signed Original on File

September 16, 2008

Assistant Deputy Auditor



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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ADAMS COUNTY
**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors
Adams County, Nebraska

Compliance

We have audited the compliance of Adams County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Adams County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Adams County's management. Our responsibility is to express an opinion on Adams County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adams County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Adams County's compliance with those requirements.

In our opinion, Adams County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Adams County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Adams County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the County Board, others within the entity, the State Legislature, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Signed Original on File

September 16, 2008

Assistant Deputy Auditor

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material weaknesses identified? X Yes No

Significant Deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Internal control over major programs:

Material weaknesses identified? Yes X No

Significant Deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133: Yes X No

Major programs: **Homeland Security Cluster, CFDA #97.067**
Child Support Enforcement, CFDA #93.563

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee: Yes X No

SECTION II. FINANCIAL STATEMENT FINDINGS

Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II. FINANCIAL STATEMENT FINDINGS (Concluded)

Effect of the Condition - This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause of the Condition - The County does not employ sufficient office personnel to properly segregate accounting functions.

Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with improper segregation of accounting functions.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.