

**AUDIT REPORT
OF
YORK COUNTY**

JULY 1, 2009 THROUGH JUNE 30, 2010

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the Auditor of Public Accounts.**

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Issued on October 27, 2010

YORK COUNTY

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YORK COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2010

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Eugene Bergen	Board of Commissioners	Jan. 2011
Pat Bredenkamp		Jan. 2013
Augustus Brown Jr.		Jan. 2011
Kurt Bulgrin		Jan. 2013
Steve Neujahr		Jan. 2011
Ann Charlton	Assessor	Jan. 2011
William Sutter	Attorney	Jan. 2011
Cynthia Heine	Clerk Election Commissioner Register of Deeds	Jan. 2011
Sharilyn Ramsey	Clerk of the District Court	Jan. 2011
Dale Radcliff	Sheriff	Jan. 2011
Brenda Scavo	Treasurer	Jan. 2011
Donald Sandman	Veterans' Service Officer	Appointed
Doug Deprez	Weed Superintendent	Appointed
Don Robb	Highway Superintendent	Appointed
Orval Stahr	Planning & Zoning	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
P.O. Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.state.ne.us

YORK COUNTY

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
York County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of York County, as of and for the year ended June 30, 2010, 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 York County, as of June 30, 2010, 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 October 25, 2010, on our consideration of York 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. 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

October 25, 2010

Deann Haeffner, CPA
Assistant Deputy Auditor

YORK COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 2,921,601
Investments (Note 1.D)	693,756
TOTAL ASSETS	\$ 3,615,357
NET ASSETS	
Restricted for:	
Visitors Promotion	\$ 141,536
911 Emergency	55,574
Other Purposes	34,527
Debt Service	21,251
Unrestricted	3,362,469
TOTAL NET ASSETS	\$ 3,615,357

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

YORK COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2010

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities:				
General Government	\$ (2,568,786)	\$ 385,183	\$ 121,636	\$ (2,061,967)
Public Safety	(2,017,951)	128,490	187,762	(1,701,699)
Public Works	(3,353,872)	170	1,229,533	(2,124,169)
Health and Sanitation	(55,320)	-	-	(55,320)
Public Assistance	(402,866)	29,890	134,229	(238,747)
Culture and Recreation	(296,892)	-	-	(296,892)
Debt Payments	(481,670)	-	-	(481,670)
Total Governmental Activities	<u>\$ (9,177,357)</u>	<u>\$ 543,733</u>	<u>\$ 1,673,160</u>	<u>(6,960,464)</u>

General Receipts:

Property Taxes	5,457,665
Grants and Contributions Not Restricted to Specific Programs	507,042
Investment Income	69,070
Miscellaneous	140,635
Total General Receipts	<u>6,174,412</u>
Change in Net Assets	(786,052)
Net Assets - Beginning	4,401,409
Net Assets - Ending	<u>\$ 3,615,357</u>

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

YORK COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2010

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents (Note 1.D)	\$ 399,734	\$ 700,999	\$ 1,317,980	\$ 502,888	\$ 2,921,601
Investments (Note 1.D)	693,756	-	-	-	693,756
TOTAL ASSETS	<u><u>\$ 1,093,490</u></u>	<u><u>\$ 700,999</u></u>	<u><u>\$ 1,317,980</u></u>	<u><u>\$ 502,888</u></u>	<u><u>\$ 3,615,357</u></u>
FUND BALANCES					
Unreserved, reported in:					
General fund	\$ 1,093,490	\$ -	\$ -	\$ -	\$ 1,093,490
Special revenue funds	-	700,999	1,317,980	481,637	2,500,616
Debt service funds	-	-	-	21,251	21,251
TOTAL CASH BASIS FUND BALANCES	<u><u>\$ 1,093,490</u></u>	<u><u>\$ 700,999</u></u>	<u><u>\$ 1,317,980</u></u>	<u><u>\$ 502,888</u></u>	<u><u>\$ 3,615,357</u></u>

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

YORK COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$4,139,721	\$ -	\$ 420,616	\$ 897,328	\$ 5,457,665
Licenses and Permits	57,583	-	-	-	57,583
Interest	69,051	-	-	19	69,070
Intergovernmental	635,462	1,326,218	45,938	172,584	2,180,202
Charges for Services	489,755	170	-	53,808	543,733
Miscellaneous	35,644	37,326	-	10,082	83,052
TOTAL RECEIPTS	<u>5,427,216</u>	<u>1,363,714</u>	<u>466,554</u>	<u>1,133,821</u>	<u>8,391,305</u>
DISBURSEMENTS					
General Government	1,948,420	-	510,942	109,424	2,568,786
Public Safety	1,721,287	-	-	296,664	2,017,951
Public Works	7,419	3,285,123	-	61,330	3,353,872
Health and Sanitation	50,320	-	5,000	-	55,320
Public Assistance	219,114	-	13,392	170,360	402,866
Culture and Recreation	-	-	60,000	236,892	296,892
Debt Service:					
Principal Payments	-	-	-	430,000	430,000
Interest and Fiscal Charges	-	-	-	51,670	51,670
Capital Outlay	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>3,946,560</u>	<u>3,285,123</u>	<u>589,334</u>	<u>1,356,340</u>	<u>9,177,357</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,480,656</u>	<u>(1,921,409)</u>	<u>(122,780)</u>	<u>(222,519)</u>	<u>(786,052)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	57,512	1,670,871	15,500	244,572	1,988,455
Transfers out	(1,839,943)	-	(75,500)	(73,012)	(1,988,455)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,782,431)</u>	<u>1,670,871</u>	<u>(60,000)</u>	<u>171,560</u>	<u>-</u>
Net Change in Fund Balances	(301,775)	(250,538)	(182,780)	(50,959)	(786,052)
CASH BASIS FUND BALANCES - BEGINNING	<u>1,395,265</u>	<u>951,537</u>	<u>1,500,760</u>	<u>553,847</u>	<u>4,401,409</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$1,093,490</u>	<u>\$ 700,999</u>	<u>\$1,317,980</u>	<u>\$ 502,888</u>	<u>\$ 3,615,357</u>

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

YORK COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
 June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 704,076
 LIABILITIES	
Due to other governments	
State	249,409
Schools	335,167
Educational Service Units	2,102
Technical College	9,470
Natural Resource Districts	4,028
Fire Districts	7,961
Municipalities	40,528
Agricultural Society	1,318
Cemetery Districts	207
Historical Society	24
Others	53,862
TOTAL LIABILITIES	704,076
 TOTAL NET ASSETS	 \$ -

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

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2010

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

York 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 V - 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: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

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 \$50,320 toward the operation of the Region during fiscal year 2010. 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.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Four Corners Health Department (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636.

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2010. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is required to be audited annually in accordance with Neb. Rev. Stat. § 84-304. Financial information for the Department is available in that report.

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.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County reports the following major governmental funds:

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

Road Fund. This fund is used to account for costs associated with the repair and maintenance of roads and bridges.

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

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.

Debt Service Funds. These funds account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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 2009), 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.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$252,888 of restricted net assets, of which \$231,637 is 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 2009).

At year end, the County's carrying amount of deposits was \$2,921,601 for County funds and \$704,076 for Fiduciary funds. The bank balances for all funds totaled \$3,581,149. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2010, 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 \$693,756 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.

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.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes (Concluded)

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. They may levy taxes in addition to the 50 cent limitation upon a vote of the people.

The levy set in October 2009, for the 2009 taxes which will be materially collected in May and September, 2010, was set at \$.293104/\$100 of assessed valuation. The levy set in October 2008, for the 2008 taxes which were materially collected in May and September, 2009, was set at \$.297745/\$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.

4. Retirement System

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 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 (Reissue 2007), and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2010, 97 employees contributed \$138,484; the County contributed \$207,731. Additionally, for the year ended June 30, 2010, 10 law enforcement employees and the County contributed \$4,082 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$1,300 directly to 4 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 78 counties throughout Nebraska.

The County pays an annual deposit premium as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire Pool. If the Pool becomes insolvent or 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.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. **Risk Management** (Concluded)

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 500,000	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 2011. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2010, 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	\$ -	\$ -	\$ 57,512	\$ 57,512
Inheritance Fund	-	-	15,500	15,500
Road Fund	1,670,871	-	-	1,670,871
Nonmajor Funds	169,072	75,500	-	244,572
Total	<u>\$ 1,839,943</u>	<u>\$ 75,500</u>	<u>\$ 73,012</u>	<u>\$ 1,988,455</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.

7. **Long Term Debt**

The County issued bonds on May 10, 2006, in the amount of \$2,530,000 for the purpose of paying the costs of constructing improvements to streets and State highway or Federal-aid routes of the County. The bond payable balance as of June 30, 2010, was \$910,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

YORK COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. **Long Term Debt** (Concluded)

Future Payments:

Year	Principal	Interest	Total
2011	\$ 445,000	\$ 26,590	\$ 471,590
2012	465,000	9,067	474,067
Total Payments	<u>\$ 910,000</u>	<u>\$ 35,657</u>	<u>\$ 945,657</u>

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,353,731	\$ 4,353,731	\$ 4,139,721	\$ (214,010)
Licenses and Permits	54,210	54,210	57,583	3,373
Interest	105,000	105,000	69,051	(35,949)
Intergovernmental	337,450	337,450	635,462	298,012
Charges for Services	484,850	484,850	489,755	4,905
Miscellaneous	47,000	47,000	35,644	(11,356)
TOTAL RECEIPTS	5,382,241	5,382,241	5,427,216	44,975
DISBURSEMENTS				
General Government:				
County Board	156,436	156,436	150,498	5,938
County Clerk	156,355	156,355	153,997	2,358
County Treasurer	266,105	266,105	253,537	12,568
Register of Deeds	89,072	89,072	87,853	1,219
County Assessor	219,166	219,366	219,329	37
Election Commissioner	91,093	91,093	65,660	25,433
Building and Zoning	26,514	26,514	25,572	942
Clerk of the District Court	183,473	183,473	160,692	22,781
County Court System	163,150	163,150	118,327	44,823
Public Defender	116,874	116,874	109,695	7,179
Building and Grounds	217,752	217,752	216,823	929
Agricultural Extension Agent	146,535	146,535	142,979	3,556
County Superintendent	1,100	1,100	1,100	-
Child Support/District Court	170,021	170,021	10,261	159,760
Miscellaneous	303,474	378,274	232,097	146,177
Public Safety:				
County Sheriff	1,097,441	1,097,441	1,011,896	85,545
County Attorney	246,361	246,361	221,844	24,517
County Jail	558,121	483,121	436,897	46,224
Child Support/Attorney	59,182	59,182	50,650	8,532
Vehicle Inspection	8,000	8,000	-	8,000
Public Works:				
County Surveyor	8,000	8,000	7,419	581
Public Health:				
Miscellaneous	50,487	50,487	50,320	167

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS, Continued				
Public Assistance:				
Veterans' Service Officer	102,257	102,257	94,613	7,644
Senior Citizen Handi-Bus	111,307	111,307	87,834	23,473
Miscellaneous	22,060	22,060	36,667	(14,607)
TOTAL DISBURSEMENTS	<u>4,570,336</u>	<u>4,570,336</u>	<u>3,946,560</u>	<u>623,776</u>
EXCESS (DEFICIENCY) OF RECEIPTS OF RECEIPTS OVER OVER DISBURSEMENTS	<u>811,905</u>	<u>811,905</u>	<u>1,480,656</u>	<u>668,751</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	57,512	27,512
Transfers out	(1,759,000)	(1,759,000)	(1,839,943)	(80,943)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,729,000)</u>	<u>(1,729,000)</u>	<u>(1,782,431)</u>	<u>(53,431)</u>
Net Change in Fund Balance	(917,095)	(917,095)	(301,775)	615,320
FUND BALANCES - BEGINNING	<u>1,427,699</u>	<u>1,427,699</u>	<u>1,395,265</u>	<u>(32,434)</u>
FUND BALANCES - ENDING	<u>\$ 510,604</u>	<u>\$ 510,604</u>	<u>\$ 1,093,490</u>	<u>\$ 582,886</u>

(Concluded)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,306,843	\$ 1,306,843	\$ 1,326,218	\$ 19,375
Charges for Services	-	-	170	170
Miscellaneous	23,000	23,000	37,326	14,326
TOTAL RECEIPTS	<u>1,329,843</u>	<u>1,329,843</u>	<u>1,363,714</u>	<u>33,871</u>
DISBURSEMENTS	<u>3,766,034</u>	<u>3,766,034</u>	<u>3,285,123</u>	<u>480,911</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,436,191)</u>	<u>(2,436,191)</u>	<u>(1,921,409)</u>	<u>514,782</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500,000	1,500,000	1,670,871	170,871
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,670,871</u>	<u>170,871</u>
Net Change in Fund Balance	(936,191)	(936,191)	(250,538)	685,653
FUND BALANCE - BEGINNING	951,537	951,537	951,537	-
FUND BALANCE - ENDING	<u>\$ 15,346</u>	<u>\$ 15,346</u>	<u>\$ 700,999</u>	<u>\$ 685,653</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 250,500	\$ 250,500	\$ 420,616	\$ 170,116
Intergovernmental	-	-	45,938	45,938
TOTAL RECEIPTS	<u>250,500</u>	<u>250,500</u>	<u>466,554</u>	<u>216,054</u>
DISBURSEMENTS	<u>1,656,260</u>	<u>1,656,260</u>	<u>589,334</u>	<u>1,066,926</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,405,760)</u>	<u>(1,405,760)</u>	<u>(122,780)</u>	<u>1,282,980</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,500	15,500
Transfers out	(95,000)	(95,000)	(75,500)	19,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(95,000)</u>	<u>(95,000)</u>	<u>(60,000)</u>	<u>35,000</u>
Net Change in Fund Balance	(1,500,760)	(1,500,760)	(182,780)	1,317,980
FUND BALANCE - BEGINNING	1,500,760	1,500,760	1,500,760	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,317,980</u>	<u>\$ 1,317,980</u>

YORK COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

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.

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

For the Year Ended June 30, 2010

	Juvenile Diversion Fund	Visitors Promotion Fund	Visitors Improvement Fund	Data Processing Fund	Employment Security Fund	Area Agency on Aging Fund	County Relief Fund	Institutions Fund
RECEIPTS								
Property Taxes	\$ -	\$ 101,442	\$ 101,442	\$ -	\$ 14,806	\$ -	\$ 3,877	\$ 14,945
Interest	-	-	-	-	-	-	-	-
Intergovernmental	14,574	-	-	-	1,305	67,268	466	1,223
Charges for Services	-	-	-	-	-	29,890	-	-
Miscellaneous	-	7,582	275	-	-	420	55	-
TOTAL RECEIPTS	14,574	109,024	101,717	-	16,111	97,578	4,398	16,168
DISBURSEMENTS								
General Government	-	-	-	33,298	14,128	-	-	-
Public Safety	19,123	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	143,121	13,615	11,624
Culture and Recreation	-	136,503	100,389	-	-	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	19,123	136,503	100,389	33,298	14,128	143,121	13,615	11,624
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(4,549)	(27,479)	1,328	(33,298)	1,983	(45,543)	(9,217)	4,544
OTHER FINANCING SOURCES (USES)								
Transfers in	5,000	-	-	35,000	-	58,000	-	10,500
Transfers out	(5,000)	-	-	(5,765)	-	-	-	(10,500)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	29,235	-	58,000	-	-
Net Change in Fund Balances	(4,549)	(27,479)	1,328	(4,063)	1,983	12,457	(9,217)	4,544
FUND BALANCES - BEGINNING	4,944	44,789	122,898	4,063	9,752	4,620	32,672	4,920
FUND BALANCES - ENDING	\$ 395	\$ 17,310	\$ 124,226	\$ -	\$ 11,735	\$ 17,077	\$ 23,455	\$ 9,464

(Continued)

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

For the Year Ended June 30, 2010

	Veteran's Aid Fund	Handi-Bus Fund	Stop Program Fund	Drug Testing Fund	Homeland Security Fund	Debt Services Fund	Community Development Block Grant Fund	Emergency Management Fund
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,229	\$ -	\$ 24,838
Interest	-	19	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	41,234	36,300	1,514
Charges for Services	-	-	4,750	7,146	-	-	-	-
Miscellaneous	-	1,750	-	-	-	-	-	-
TOTAL RECEIPTS	-	1,769	4,750	7,146	-	485,463	36,300	26,352
DISBURSEMENTS								
General Government	-	-	-	-	-	-	1,780	-
Public Safety	-	-	2,246	6,406	-	-	-	42,778
Public Works	-	-	-	-	-	-	-	-
Public Assistance	2,000	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payments	-	-	-	-	-	430,000	-	-
Interest and Fiscal Charges	-	-	-	-	-	51,670	-	-
TOTAL DISBURSEMENTS	2,000	-	2,246	6,406	-	481,670	1,780	42,778
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,000)	1,769	2,504	740	-	3,793	34,520	(16,426)
OTHER FINANCING SOURCES (USES)								
Transfers in	2,000	-	-	-	-	-	-	-
Transfers out	-	-	-	(5,561)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000	-	-	(5,561)	-	-	-	-
Net Change in Fund Balances	-	1,769	2,504	(4,821)	-	3,793	34,520	(16,426)
FUND BALANCES - BEGINNING	-	6,692	8,711	4,821	-	17,458	7	41,269
FUND BALANCES - ENDING	\$ -	\$ 8,461	\$ 11,215	\$ -	\$ -	\$ 21,251	\$ 34,527	\$ 24,843

(Continued)

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

For the Year Ended June 30, 2010

	Law Enforcement Sheriff Fund	County Building Fund	Handi-Cap Accessibilitiy Fund	Noxious Weed	Ambulance Fund	911 Emergency Fund	Total Nonmajor Governmental Funds
RECEIPTS							
Property Taxes	\$ -	\$ 11	\$ 1	\$ -	\$ 162,907	\$ 28,830	\$ 897,328
Interest	-	-	-	-	-	-	19
Intergovernmental	-	-	-	47	8,653	-	172,584
Charges for Services	12,022	-	-	-	-	-	53,808
Miscellaneous	-	-	-	-	-	-	10,082
TOTAL RECEIPTS	<u>12,022</u>	<u>11</u>	<u>1</u>	<u>47</u>	<u>171,560</u>	<u>28,830</u>	<u>1,133,821</u>
DISBURSEMENTS							
General Government	-	60,218	-	-	-	-	109,424
Public Safety	2,841	-	-	-	190,500	32,770	296,664
Public Works	-	-	-	61,330	-	-	61,330
Public Assistance	-	-	-	-	-	-	170,360
Culture and Recreation	-	-	-	-	-	-	236,892
Debt Service:							
Principal Payments	-	-	-	-	-	-	430,000
Interest and Fiscal Charges	-	-	-	-	-	-	51,670
TOTAL DISBURSEMENTS	<u>2,841</u>	<u>60,218</u>	<u>-</u>	<u>61,330</u>	<u>190,500</u>	<u>32,770</u>	<u>1,356,340</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>9,181</u>	<u>(60,207)</u>	<u>1</u>	<u>(61,283)</u>	<u>(18,940)</u>	<u>(3,940)</u>	<u>(222,519)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	60,000	-	74,072	-	-	244,572
Transfers out	(28,906)	(9,090)	(8,190)	-	-	-	(73,012)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(28,906)</u>	<u>50,910</u>	<u>(8,190)</u>	<u>74,072</u>	<u>-</u>	<u>-</u>	<u>171,560</u>
Net Change in Fund Balances	(19,725)	(9,297)	(8,189)	12,789	(18,940)	(3,940)	(50,959)
FUND BALANCES - BEGINNING	<u>19,725</u>	<u>9,297</u>	<u>8,189</u>	<u>37,206</u>	<u>112,300</u>	<u>59,514</u>	<u>553,847</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,995</u>	<u>\$ 93,360</u>	<u>\$ 55,574</u>	<u>\$ 502,888</u>

(Concluded)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE DIVERSION FUND				
RECEIPTS				
Intergovernmental	\$ 14,186	\$ 14,186	\$ 14,574	\$ 388
TOTAL RECEIPTS	14,186	14,186	14,574	388
DISBURSEMENTS	19,130	19,130	19,123	7
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,000	5,000
Transfers out	-	-	(5,000)	(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(4,944)	(4,944)	(4,549)	395
FUND BALANCE - BEGINNING	4,944	4,944	4,944	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 395</u>
VISITORS PROMOTION FUND				
RECEIPTS				
Taxes	\$ 120,000	\$ 120,000	\$ 101,442	\$ (18,558)
Miscellaneous	-	-	7,582	7,582
TOTAL RECEIPTS	120,000	120,000	109,024	(10,976)
DISBURSEMENTS	164,789	164,789	136,503	28,286
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(44,789)	(44,789)	(27,479)	17,310
FUND BALANCE - BEGINNING	44,789	44,789	44,789	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,310</u>	<u>\$ 17,310</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>VISITORS IMPROVEMENT FUND</u>				
RECEIPTS				
Taxes	\$ 120,000	\$ 120,000	\$ 101,442	\$ (18,558)
Miscellaneous	-	-	275	275
TOTAL RECEIPTS	120,000	120,000	101,717	(18,283)
DISBURSEMENTS	242,899	242,899	100,389	142,510
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(122,899)	(122,899)	1,328	124,227
FUND BALANCE - BEGINNING	122,898	122,898	122,898	-
FUND BALANCE - ENDING	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 124,226</u>	<u>\$ 124,227</u>
<u>DATA PROCESSING FUND</u>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-
DISBURSEMENTS	35,000	35,000	33,298	1,702
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	35,000	35,000	-
Transfers out	-	-	(5,765)	(5,765)
TOTAL OTHER FINANCING SOURCES (USES)	35,000	35,000	29,235	(5,765)
Net Change in Fund Balance	-	-	(4,063)	(4,063)
FUND BALANCE - BEGINNING	4,063	4,063	4,063	-
FUND BALANCE - ENDING	<u>\$ 4,063</u>	<u>\$ 4,063</u>	<u>\$ -</u>	<u>\$ (4,063)</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYMENT SECURITY FUND				
RECEIPTS				
Taxes	\$ 14,768	\$ 14,768	\$ 14,806	\$ 38
Intergovernmental	480	480	1,305	825
TOTAL RECEIPTS	15,248	15,248	16,111	863
DISBURSEMENTS	25,000	25,000	14,128	10,872
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(9,752)	(9,752)	1,983	11,735
FUND BALANCE - BEGINNING	9,752	9,752	9,752	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 11,735	\$ 11,735
AREA AGENCY ON AGING FUND				
RECEIPTS				
Intergovernmental	\$ 56,964	\$ 56,964	\$ 67,268	\$ 10,304
Charges for Services	35,300	35,300	29,890	(5,410)
Miscellaneous	12,346	12,346	420	(11,926)
TOTAL RECEIPTS	104,610	104,610	97,578	(7,032)
DISBURSEMENTS	166,936	166,936	143,121	23,815
OTHER FINANCING SOURCES (USES)				
Transfers in	58,000	58,000	58,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	58,000	58,000	58,000	-
Net Change in Fund Balance	(4,326)	(4,326)	12,457	16,783
FUND BALANCE - BEGINNING	4,620	4,620	4,620	-
FUND BALANCE - ENDING	\$ 294	\$ 294	\$ 17,077	\$ 16,783

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY RELIEF FUND				
RECEIPTS				
Taxes	\$ 5,000	\$ 5,000	\$ 3,877	\$ (1,123)
Intergovernmental	90	90	466	376
Miscellaneous	-	-	55	55
TOTAL RECEIPTS	<u>5,090</u>	<u>5,090</u>	<u>4,398</u>	<u>(692)</u>
DISBURSEMENTS	<u>32,498</u>	<u>32,498</u>	<u>13,615</u>	<u>18,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(27,408)	(27,408)	(9,217)	18,191
FUND BALANCE - BEGINNING	<u>32,672</u>	<u>32,672</u>	<u>32,672</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 5,264</u>	<u>\$ 5,264</u>	<u>\$ 23,455</u>	<u>\$ 18,191</u>
INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ 13,671	\$ 13,671	\$ 14,945	\$ 1,274
Intergovernmental	410	410	1,223	813
TOTAL RECEIPTS	<u>14,081</u>	<u>14,081</u>	<u>16,168</u>	<u>2,087</u>
DISBURSEMENTS	<u>19,000</u>	<u>19,000</u>	<u>11,624</u>	<u>7,376</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,500	10,500
Transfers out	-	-	(10,500)	(10,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,919)	(4,919)	4,544	9,463
FUND BALANCE - BEGINNING	<u>4,920</u>	<u>4,920</u>	<u>4,920</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 9,464</u>	<u>\$ 9,463</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERAN'S AID FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-
DISBURSEMENTS	2,000	2,000	2,000	-
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000	2,000	2,000	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
HANDI-BUS FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 19	\$ 19
Intergovernmental	40,000	40,000	-	(40,000)
Miscellaneous	3,500	3,500	1,750	(1,750)
TOTAL RECEIPTS	43,500	43,500	1,769	(41,731)
DISBURSEMENTS	50,000	50,000	-	50,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(6,500)	(6,500)	1,769	8,269
FUND BALANCE - BEGINNING	6,692	6,692	6,692	-
FUND BALANCE - ENDING	\$ 192	\$ 192	\$ 8,461	\$ 8,269

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STOP PROGRAM FUND				
RECEIPTS				
Charges for Services	\$ 5,000	\$ 5,000	\$ 4,750	\$ (250)
TOTAL RECEIPTS	<u>5,000</u>	<u>5,000</u>	<u>4,750</u>	<u>(250)</u>
DISBURSEMENTS	<u>13,711</u>	<u>13,711</u>	<u>2,246</u>	<u>11,465</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(8,711)	(8,711)	2,504	11,215
FUND BALANCE - BEGINNING	<u>8,711</u>	<u>8,711</u>	<u>8,711</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,215</u>	<u>\$ 11,215</u>
DRUG TESTING FUND				
RECEIPTS				
Charges for Services	\$ 5,200	\$ 5,200	\$ 7,146	\$ 1,946
TOTAL RECEIPTS	<u>5,200</u>	<u>5,200</u>	<u>7,146</u>	<u>1,946</u>
DISBURSEMENTS	<u>15,000</u>	<u>15,000</u>	<u>6,406</u>	<u>8,594</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Transfers out	-	-	(5,561)	(5,561)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>5,000</u>	<u>(5,561)</u>	<u>(10,561)</u>
Net Change in Fund Balance	(4,800)	(4,800)	(4,821)	(21)
FUND BALANCE - BEGINNING	<u>4,821</u>	<u>4,821</u>	<u>4,821</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ (21)</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HOMELAND SECURITY FUND				
RECEIPTS				
Intergovernmental	\$ 22,000	\$ 22,000	\$ -	\$ (22,000)
TOTAL RECEIPTS	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>
DISBURSEMENTS	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEBT SERVICES FUND				
RECEIPTS				
Taxes	\$ 470,000	\$ 470,000	\$ 444,229	\$ (25,771)
Intergovernmental	11,200	11,200	41,234	30,034
TOTAL RECEIPTS	<u>481,200</u>	<u>481,200</u>	<u>485,463</u>	<u>4,263</u>
DISBURSEMENTS	<u>481,670</u>	<u>481,670</u>	<u>481,670</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(470)	(470)	3,793	4,263
FUND BALANCE - BEGINNING	17,458	17,458	17,458	-
FUND BALANCE - ENDING	<u>\$ 16,988</u>	<u>\$ 16,988</u>	<u>\$ 21,251</u>	<u>\$ 4,263</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
RECEIPTS				
Intergovernmental	\$ 329,900	\$ 329,900	\$ 36,300	\$ (293,600)
TOTAL RECEIPTS	<u>329,900</u>	<u>329,900</u>	<u>36,300</u>	<u>(293,600)</u>
DISBURSEMENTS	<u>329,900</u>	<u>329,900</u>	<u>1,780</u>	<u>328,120</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	34,520	34,520
FUND BALANCE - BEGINNING	<u>7</u>	<u>7</u>	<u>7</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 34,527</u>	<u>\$ 34,520</u>
EMERGENCY MANAGEMENT FUND				
RECEIPTS				
Taxes	\$ 16,000	\$ 16,000	\$ 24,838	\$ 8,838
Intergovernmental	-	-	1,514	1,514
TOTAL RECEIPTS	<u>16,000</u>	<u>16,000</u>	<u>26,352</u>	<u>10,352</u>
DISBURSEMENTS	<u>55,900</u>	<u>55,900</u>	<u>42,778</u>	<u>13,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(39,900)	(39,900)	(16,426)	23,474
FUND BALANCE - BEGINNING	<u>41,269</u>	<u>41,269</u>	<u>41,269</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,369</u>	<u>\$ 1,369</u>	<u>\$ 24,843</u>	<u>\$ 23,474</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT				
SHERIFF FUND				
RECEIPTS				
Charges for Services	\$ -	\$ -	\$ 12,022	\$ 12,022
TOTAL RECEIPTS	-	-	12,022	12,022
DISBURSEMENTS	19,724	19,724	2,841	16,883
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(28,906)	(28,906)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(28,906)	(28,906)
Net Change in Fund Balance	(19,724)	(19,724)	(19,725)	(1)
FUND BALANCE - BEGINNING	19,725	19,725	19,725	-
FUND BALANCE - ENDING	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>
COUNTY BUILDING FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 11	\$ 11
TOTAL RECEIPTS	-	-	11	11
DISBURSEMENTS	150,000	150,000	60,218	89,782
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	60,000	(90,000)
Transfers out	-	-	(9,090)	(9,090)
TOTAL OTHER FINANCING SOURCES (USES)	150,000	150,000	50,910	(99,090)
Net Change in Fund Balance	-	-	(9,297)	(9,297)
FUND BALANCE - BEGINNING	9,297	9,297	9,297	-
FUND BALANCE - ENDING	<u>\$ 9,297</u>	<u>\$ 9,297</u>	<u>\$ -</u>	<u>\$ (9,297)</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HANDI-CAP ACCESSIBILTIY FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 1	\$ 1
TOTAL RECEIPTS	-	-	1	1
DISBURSEMENTS	8,189	8,189	-	8,189
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(8,190)	(8,190)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(8,190)	(8,190)
Net Change in Fund Balance	(8,189)	(8,189)	(8,189)	-
FUND BALANCE - BEGINNING	8,189	8,189	8,189	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NOXIOUS WEED				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 47	\$ 47
TOTAL RECEIPTS	-	-	47	47
DISBURSEMENTS	69,701	69,701	61,330	8,371
OTHER FINANCING SOURCES (USES)				
Transfers in	74,000	74,000	74,072	72
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	74,000	74,000	74,072	72
Net Change in Fund Balance	4,299	4,299	12,789	8,490
FUND BALANCE - BEGINNING	37,206	37,206	37,206	-
FUND BALANCE - ENDING	<u>\$ 41,505</u>	<u>\$ 41,505</u>	<u>\$ 49,995</u>	<u>\$ 8,490</u>

(Continued)

YORK COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AMBULANCE FUND				
RECEIPTS				
Taxes	\$ 140,700	\$ 140,700	\$ 162,907	\$ 22,207
Intergovernmental	6,000	6,000	8,653	2,653
TOTAL RECEIPTS	<u>146,700</u>	<u>146,700</u>	<u>171,560</u>	<u>24,860</u>
DISBURSEMENTS	<u>194,000</u>	<u>194,000</u>	<u>190,500</u>	<u>3,500</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	-	(65,000)
Transfers out	(65,000)	(65,000)	-	65,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(47,300)	(47,300)	(18,940)	28,360
FUND BALANCE - BEGINNING	112,300	112,300	112,300	-
FUND BALANCE - ENDING	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 93,360</u>	<u>\$ 28,360</u>
911 EMERGENCY FUND				
RECEIPTS				
Taxes	\$ 30,000	\$ 30,000	\$ 28,830	\$ (1,170)
TOTAL RECEIPTS	<u>30,000</u>	<u>30,000</u>	<u>28,830</u>	<u>(1,170)</u>
DISBURSEMENTS	<u>50,000</u>	<u>50,000</u>	<u>32,770</u>	<u>17,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(20,000)	(20,000)	(3,940)	16,060
FUND BALANCE - BEGINNING	59,514	59,514	59,514	-
FUND BALANCE - ENDING	<u>\$ 39,514</u>	<u>\$ 39,514</u>	<u>\$ 55,574</u>	<u>\$ 16,060</u>

(Concluded)

YORK COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2010

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>Area Agency on Aging</u>	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>Total</u>
BALANCE JULY 1, 2009	\$ 17,274	\$ 57,052	\$ 39,756	\$ 904	\$ -	\$ 25,087	\$ 140,073
RECEIPTS							
Licenses and Permits	1,470	-	-	-	170	-	1,640
Intergovernmental	-	-	-	148,145	1,500	-	149,645
Charges for Services	83,904	32,178	111,782	25,598	33	-	253,495
Miscellaneous	8,346	-	-	439	40,622	2,734	52,141
State Fees	95,756	14,900	-	-	-	-	110,656
Other Liabilities	-	242,008	181,123	-	-	-	423,131
TOTAL RECEIPTS	<u>189,476</u>	<u>289,086</u>	<u>292,905</u>	<u>174,182</u>	<u>42,325</u>	<u>2,734</u>	<u>990,708</u>
DISBURSEMENTS							
Payments to County Treasurer	86,003	32,429	115,983	174,256	42,292	-	450,963
Payments to State Treasurer	95,276	14,956	-	-	33	-	110,265
Other Liabilities	8,817	262,626	184,645	-	-	970	457,058
TOTAL DISBURSEMENTS	<u>190,096</u>	<u>310,011</u>	<u>300,628</u>	<u>174,256</u>	<u>42,325</u>	<u>970</u>	<u>1,018,286</u>
BALANCE JUNE 30, 2010	<u>\$ 16,654</u>	<u>\$ 36,127</u>	<u>\$ 32,033</u>	<u>\$ 830</u>	<u>\$ -</u>	<u>\$ 26,851</u>	<u>\$ 112,495</u>
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 7,378	\$ 1,439	\$ 28,501	\$ 830	\$ -	\$ 26,851	\$ 64,999
Petty Cash	1,658	-	100	-	-	-	1,758
Due to State Treasurer	7,618	1,419	-	-	-	-	9,037
Due to Others	-	33,269	3,432	-	-	-	36,701
BALANCE JUNE 30, 2010	<u>\$ 16,654</u>	<u>\$ 36,127</u>	<u>\$ 32,033</u>	<u>\$ 830</u>	<u>\$ -</u>	<u>\$ 26,851</u>	<u>\$ 112,495</u>

YORK COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2010

Item	2006	2007	2008	2009
Tax Certified by Assessor				
Real Estate	\$ 21,098,805	\$ 20,844,272	\$ 21,627,347	\$ 22,282,413
Personal and Specials	1,825,501	1,821,427	1,972,778	2,232,264
Total	<u>22,924,306</u>	<u>22,665,699</u>	<u>23,600,125</u>	<u>24,514,677</u>
Corrections				
Net Additions/ (Deductions)	(12,670)	97,128	12,091	(3,240)
Corrected Certified Tax	<u>22,911,636</u>	<u>22,762,827</u>	<u>23,612,216</u>	<u>24,511,437</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:				
June 30, 2007	12,937,874	-	-	-
June 30, 2008	9,964,092	13,207,094	-	-
June 30, 2009	6,277	9,522,712	13,658,897	-
June 30, 2010	2,845	14,880	9,929,686	14,155,988
Total Net Collections	<u>22,911,088</u>	<u>22,744,686</u>	<u>23,588,583</u>	<u>14,155,988</u>
Total Uncollected Tax	<u>\$ 548</u>	<u>\$ 18,141</u>	<u>\$ 23,633</u>	<u>\$ 10,355,449</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.08%</u>	<u>0.10%</u>	<u>42.25%</u>



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
P.O. Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.state.ne.us

YORK 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 Commissioners
York County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of York County as of and for the year ended June 30, 2010, and have issued our report thereon dated October 25, 2010. 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 York County's internal control over financial reporting (internal control) 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 York County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

- The County offices 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether York 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 also noted certain matters that we reported to management of York County in a separate letter dated October 25, 2010.

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

October 25, 2010

Deann Haeffner, CPA
Assistant Deputy Auditor



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
P.O. Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.state.ne.us

October 25, 2010

Board of Commissioners
York County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of York County (County) for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 25, 2010. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY OVERALL

Segregation of Duties

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

We noted the offices of the County each 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. This was also noted in prior audits.

We also noted the following control issues related to the processing of County claims:

- Claims were stamped by an office clerk with a signature stamp and the claims register was not signed by the County Board; therefore, there was no documentation the County Board actually reviewed the claims approved.
- Signatures were automatically printed on vendor checks and reviewed only by the person who prepared the claims and checks.
- The payroll approved by the Board did not agree to the Payroll Register for seven of eight payroll claims tested.

Additionally, we noted the County Assessor's office had the ability to make changes to the tax valuations in the County Treasurer's system without the County Treasurer being aware such changes were made.

We recommend the County review these situations. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties. Additionally, we recommend the County Board implement control procedures to ensure review of all claims by the County Board is documented, all checks issued are reviewed by someone other than the person preparing them, and all payroll amounts approved by the County Board agree to the Payroll Register. We further recommend controls be put in place to ensure the County Treasurer is aware of all changes to the tax system made by the County Assessor.

Unclaimed Property

Neb. Rev. Stat. § 69-1310 (Reissue 2009), the Unclaimed Property Act, provides any unclaimed property, after three years, is presumed abandoned. Any presumed abandoned property, as of June 30 each year, must be reported and remitted to the State Treasurer by November 1 of such year.

We noted the following offices which had not remitted unclaimed property to the State Treasurer in accordance with the Unclaimed Property Act:

- County Sheriff had 22 checks totaling \$278
- County Treasurer had 4 checks totaling \$2,120

When monies are not remitted to the State Treasurer in accordance with the provisions of the Unclaimed Property Act, there is an increased risk of loss, theft, or misuse.

We recommend the County implement procedures to ensure all unclaimed property be reported and remitted to the State Treasurer in accordance with the Unclaimed Property Act.

COUNTY BOARD

Inventory

Neb. Rev. Stat. § 23-347 (Reissue 2007) states “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. The county board in each county shall examine into each inventory statement so filed, and, if said statement is correct and proper in every particular, the county board shall deliver each of said inventory statements to the clerk of the county for filing as a public record in said county clerk's office in a manner convenient for reference.”

Good internal control requires the County Board develop and adopt an inventory policy outlining types and dollar amounts of assets required to be recorded on inventory statements.

We noted the following during testing of County inventory statements:

- The County does not have an inventory policy.
- One inventory statement filed was not certified by the County Board.
- One of five items selected for list to floor testing was unable to be traced to the physical item.
- One of five items selected for floor to list testing could not be traced back to the inventory list.

When inventory listings are not properly certified or maintained and the County Board does not have an official inventory policy there is an increased risk of loss or misuse of assets as all inventory may not be properly accounted for.

We recommend the County Board develop an inventory policy, and implement procedures to ensure all inventory listings are certified by the County Board and that all inventory statements represent actual inventory on hand.

Publication of Board Minutes

Neb. Rev. Stat. § 23-122 (Reissue 2007) requires the County Board to publish all County Board minutes within ten working days of the County Board meeting date.

For 10 of 28 meeting minutes tested, Board minutes were not published within 10 working days of the meeting, publication dates ranged from 11 - 13 working days after the meeting date.

When County Board minutes are not published timely the County is not in compliance with State statute.

We recommend the County Board implement procedures to ensure all County Board minutes are published as required by State statute.

Interlocal Agreement Form

Neb. Rev. Stat. § 13-513 (Reissue 2007) requires all governing bodies to file a Report of Joint Public Agency and Interlocal Agreements form with the Auditor of Public Accounts outlining all joint public agencies and interlocal agreements which they are a party to by December 31 of each year.

The County did not file the Report of Joint Public Agency and Interlocal Agreements form with the Auditor of Public Accounts.

We recommend the County Board implement procedures to ensure the Report of Joint Public Agency and Interlocal Agreements form is filed with the Auditor of Public Accounts every year by December 31.

Authorized Petty Cash Amounts

Neb. Rev. Stat. § 23-106 (Reissue 2007) requires that when the County Board establishes a petty cash fund, such amount shall be stated in the fiscal policy of the County Board budget message.

During our audit, we noted the budget message did not disclose petty cash amounts had been authorized by the County Board or the amounts which had been authorized. We noted the following petty cash amounts being maintained at June 30, 2010:

- County Clerk - \$1,658
- County Sheriff - \$100

Additionally, the County Clerk's office did not reconcile the petty cash to a specific amount.

When the budget message does not reflect the correct authorized petty cash amounts, the public is not notified of the approved petty cash amounts available to officials and the County is in noncompliance with State statutes.

We recommend the County Board review and authorize the petty cash amounts and ensure they are reflected in the annual budget message.

COUNTY SHERIFF

Sheriff Accounting Procedures

Neb. Rev. Stat. § 23-1601(1) (Supp. 2007) states, in part, "...it is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provisions for payment of county money is otherwise made by law...." In addition, good internal control requires strong basic accounting procedures be implemented to assist in reducing the risk of loss, theft, or misuse of funds.

During our audit, the following was noted:

- Money collected for commissary items and GPS tracking fees were not deposited with the County Treasurer and expensed through the claim and warrant procedures of the County Board. Receipts during fiscal year 2010 totaled \$40,772.
- The County Sheriff received a \$1,000 donation and deposited this in the revolving fund bank account instead of remitting it to the County Treasurer. In addition, it was spent directly from this account instead of going through the claim and warrant procedures.
- The County Sheriff maintains a DARE bank account for expenses related to the DARE program. The balance of this account at June 30, 2010, was \$11,617. This account should be turned over to the County Treasurer and all expenses should be made through the claim and warrant procedures.
- The County Sheriff could not list in detail who the balance of \$9,565 in the commissary bank account belonged to as of June 30, 2010.
- During a cash count we noted the following:
 - \$1,597 in the commissary lock box could not be tied to receipts or other supporting documentation.
 - \$203 in cash on hand could not be tied to receipts.
 - 16 checks totaling \$544 were not restrictively endorsed.
- We noted 1 receipt for \$904 of which only \$844 was paid out, and one disbursement of \$44 which could not be verified to a deposit.

When all monies received are not appropriately accounted for and sound accounting practices and good internal control procedures are not in place, there is an increased risk of loss, theft, or misuse of funds.

We recommend all monies received be deposited with the County Treasurer and all payments for goods and/or services be paid through the County Board's claim and warrant procedures. We also recommend the County Sheriff implement procedures to ensure cash on hand is adequately controlled, all checks received are restrictively endorsed immediately upon receipt, and all receipts are properly disbursed.

Mileage Rate

Per Neb. Rev. Stat. § 33-117 (Supp. 2009) the County Sheriff should charge three cents more per mile than the rate established by the Department of Administrative Services for miles travelled when serving papers. Good internal controls requires that mileage traveled for paper service be adequately documented to ensure charges are proper.

During testing we noted the mileage rate changed from \$.58 to \$.53 effective January 1, 2010. The County Sheriff's office continued to charge the incorrect rate of \$.58 for mileage until the auditor brought this rate change to their attention in September 2010. In addition, for 1 of the 10 receipts tested the mileage amount charged could not be traced to documentation supporting the number of miles charged.

When the correct fees are not charged for mileage, the County Sheriff is not in compliance with State statute. Additionally, when rates charged and mileage traveled are not adequately documented there is an increased risk of loss or misuse of funds.

We recommend the County Sheriff implement procedures to ensure correct rates are documented and that all amounts charged are adequately supported.

COUNTY CLERK

Certification of Unpaid Claims

Neb. Rev. Stat § 23-1302 (Reissue 2007) states, "...the county clerk shall certify to the county treasurer as of June 15 and December 15 of each year the total amount of unpaid claims of the county..."

Unpaid claims were not certified to the County Treasurer as of June 15, 2010, and December 15, 2009. When unpaid claims are not certified to the County Treasurer the County Clerk is not in compliance with State Statute.

We recommend the County Clerk ensure unpaid claims are certified to the County Treasurer as of June 15 and December 15 of each year.

COUNTY TREASURER

Treasurer's Record Keeping Systems

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 process for the review of changes made to the systems to ensure they are correct and accurate.

We noted the following issues relating to the County Treasurer's internal controls:

- The Treasurer does not perform a reconciliation of uncollected taxes to ensure tax collections are correct.
- The Treasurer does not perform a review of the VTR Manual Audit Change List to ensure no unauthorized changes were made to motor vehicle titles or registrations.

When changes to record keeping systems are made without the knowledge of the record keeper, there is an increased risk of loss of County funds due to unauthorized changes.

We recommend the County Treasurer implement controls to ensure that changes are not made to the systems without her knowledge and to ensure all changes are proper. This would include a reconciliation of certified taxes to the system, as well as a documented review of the VTR Manual Audit Change List.

CLERK OF THE DISTRICT COURT

Case Balances

Good internal control requires the District Court have procedures in place which provide ongoing, detailed review of monthly financial reports, including the Monthly Case Balance report and the Report of Non-Case Receipts. Sound accounting practices require procedures be in place to ensure case balances are adequately followed up on and payments are properly posted to their respective cases.

During our testing of June 2010 balances we noted the following:

- Four of five case balances tested, totaling \$7,378, were not active, but balances were being retained by the District Court.
- One non-case receipt tested was receipted in December 2009, but not applied to the case until July 2010.

When the District Court's monthly reports are not consistently reviewed in a timely manner, there is an increased risk of errors, omissions, and/or irregularities which would not be detected and resolved in a timely manner.

We recommend the District Court review the Monthly Case Balance Report, as well as the Report of Non-Case Receipts, in a timely manner to determine the accuracy and validity of the District Court's case balances. Additionally, we recommend timely corrective action be taken, whenever necessary, to resolve any errors, omissions, and/or irregularities that might be determined in such report reviews.

VETERANS' SERVICE OFFICER

Veterans' Service Officer Bank Accounts

Op. Att'y Gen. No. 98028 (June 22, 1998) states "neither the veterans service committee nor the veterans service officer has authority to invest those funds in certificates of deposit or otherwise. That responsibility for county funds rests with the county treasurer." The opinion goes on to instruct "the veterans service committees or veterans service officers in the counties at issue to voluntarily return any excess funds which have accumulated in their veterans aid checking accounts to the county treasurer in their county."

Good internal controls require all money received to be immediately receipted, checks should be prohibited from being signed in advance, and voided checks should be kept on file for subsequent inspection.

During our review of the Veterans' Service Officer bank accounts, it was noted at June 30, 2010, the Veteran's Service Officer had \$3,182 in a savings account, \$8,301 in a checking account, and five certificates of deposits totaling \$15,368. During the fiscal year audited, the office disbursed a total of \$970 providing aid to veterans.

We also noted the following in regards to accounting procedures:

- The office does not issue receipts when money is received and no record is kept of what the money received was for or who it was received from.
- Two checks were signed in advance of being completely filled out.
- Voided checks were not kept on file for subsequent inspection but were instead shredded.

When funds are not properly remitted to the County Treasurer or there is a lack of proper controls over cash and receipting procedures, there is an increased risk of the loss, theft, or misuse of County funds.

We recommend the County Veterans' Service Officer close the certificate of deposits upon maturity and the savings account, and remit all funds to the County Treasurer that is in excess of the needed amount for the fiscal year. We further recommend the Veterans' Service Officer implement procedures to ensure all money received is receipted, checks are not signed before being completely filled out, and voided checks are kept on file.

COUNTY AGING SERVICES

Accounting Procedures

Good internal controls require an accurate accounting record to ensure all monies received are correct and properly remitted to the County Treasurer.

We noted the Aging Services office does not maintain an adequate record of monies received. Variances between office receipts and remittances to the County Treasurer each month were noted during our review. There was \$314 remitted to the County Treasurer over the amount of receipts per the Aging Services office's records.

When accurate records of monies received are not maintained, there is an increased risk of loss or misuse of County funds.

We recommend the County Aging Services implement procedures to ensure all monies collected are properly recorded in the office records to ensure all receipts are properly accounted for and remitted to the County Treasurer.

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 County to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. The County declined to respond.

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

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Signed Original on File

Deann Haeffner, CPA
Assistant Deputy Auditor