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<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

## Financial Section

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<th>Page</th>
</tr>
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<td></td>
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</tr>
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</tbody>
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</thead>
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<tr>
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<td>21</td>
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<thead>
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</tr>
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<tr>
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</tr>
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<td>24 - 30</td>
</tr>
<tr>
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<td>31</td>
</tr>
<tr>
<td>Schedule of Taxes Certified and Collected for All Political Subdivisions in the County</td>
<td>32</td>
</tr>
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</table>

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<table>
<thead>
<tr>
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<th>Page</th>
</tr>
</thead>
<tbody>
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<td>33 - 34</td>
</tr>
</tbody>
</table>
## RICHARDSON COUNTY

### LIST OF COUNTY OFFICIALS
At June 30, 2010

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Sefried</td>
<td>Board of Commissioners</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>David Sickel</td>
<td></td>
<td>Jan. 2013</td>
</tr>
<tr>
<td>Bill Ely</td>
<td></td>
<td>Jan. 2013</td>
</tr>
<tr>
<td>Regina Cummings</td>
<td>Assessor</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>Doug Merz</td>
<td>Attorney</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>Mary Eickhoff</td>
<td>Clerk</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td></td>
<td>Election Commissioner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Register of Deeds</td>
<td></td>
</tr>
<tr>
<td>Pamela Scott</td>
<td>Clerk of the District Court</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>Vernon Buckminster</td>
<td>Sheriff</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>Sherry Huppert</td>
<td>Treasurer</td>
<td>Jan. 2011</td>
</tr>
<tr>
<td>Ralph Huettner</td>
<td>Veterans’ Service Officer</td>
<td>Appointed</td>
</tr>
<tr>
<td>Marvin Palmer</td>
<td>Weed Superintendent</td>
<td>Appointed</td>
</tr>
<tr>
<td>Scott Huppert</td>
<td>Highway Superintendent</td>
<td>Appointed</td>
</tr>
</tbody>
</table>
RICHARDSON COUNTY

INDEPENDENT AUDITORS’ REPORT

Board of Commissioners
Richardson County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson 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 Richardson 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 February 9, 2011, on our consideration of Richardson 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

February 9, 2011

Deann Haeffner, CPA
Assistant Deputy Auditor
RICHARDSON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
June 30, 2010

<table>
<thead>
<tr>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>ASSETS</td>
</tr>
<tr>
<td>Cash and Cash Equivalents (Note 1.D)</td>
</tr>
<tr>
<td>Investments (Note 1.D)</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
</tr>
</tbody>
</table>

|                          |
| NET ASSETS              |
| Restricted for:         |
| Visitor's Promotion     | $ 50,770 |
| Other Purposes          | 5,737    |
| Unrestricted            | 1,138,151|
| TOTAL NET ASSETS        | $ 1,194,658 |

The notes to the financial statements are an integral part of this statement.
RICHARDSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Functions:</th>
<th>Cash Disbursements</th>
<th>Program Cash Receipts</th>
<th>Net (Disbursement)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fees, Fines, and Charges for Services</td>
<td>Operating Grants and Contributions</td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government                     $ (1,902,901)       $ 251,224 $ 64,708  $ (1,586,969)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety                          (1,128,413)         117,478 117,814   (893,121)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works                           (2,766,594)         3,300   922,755 (1,840,539)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Sanitation                  (45,434)            -         -       (45,434)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Assistance                      (85,368)            -         7,121   (78,247)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation                 (20,975)            -         -       (20,975)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay                         (82,061)            -         -       (82,061)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Governmental Activities          $ (6,031,746)       $ 372,002 $1,112,398 (4,547,346)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

General Receipts:

| Property Taxes                        3,300,768 |
| Grants and Contributions Not Restricted to Specific Programs 348,531 |
| Investment Income                     28,321 |
| Licenses and Permits                  33,224 |
| Miscellaneous                         110,881 |
| Total General Receipts                3,821,725 |

Change in Net Assets (725,621)
Net Assets - Beginning 1,920,279
Net Assets - Ending $ 1,194,658

The notes to the financial statements are an integral part of this statement.
### RICHARDSON COUNTY
### STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
### GOVERNMENTAL FUNDS
### June 30, 2010

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Road Fund</th>
<th>Inheritance Fund</th>
<th>Natural Disaster Fund</th>
<th>Federal Matching Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 1.D)</td>
<td>$128,677</td>
<td>$102,444</td>
<td>$13,113</td>
<td>$128,006</td>
<td>$238,841</td>
<td>$147,653</td>
<td>$758,734</td>
</tr>
<tr>
<td>Investments (Note 1.D)</td>
<td>$185,924</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$435,924</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$314,601</strong></td>
<td><strong>$102,444</strong></td>
<td><strong>$263,113</strong></td>
<td><strong>$128,006</strong></td>
<td><strong>$238,841</strong></td>
<td><strong>$147,653</strong></td>
<td><strong>$1,194,658</strong></td>
</tr>
</tbody>
</table>

#### FUND BALANCES

Unreserved, reported in:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Road Fund</th>
<th>Inheritance Fund</th>
<th>Natural Disaster Fund</th>
<th>Federal Matching Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>$314,601</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$314,601</td>
</tr>
<tr>
<td>Special revenue funds</td>
<td>-</td>
<td>102,444</td>
<td>263,113</td>
<td>128,006</td>
<td>238,841</td>
<td>147,653</td>
<td>880,057</td>
</tr>
<tr>
<td><strong>TOTAL CASH BASIS FUND BALANCES</strong></td>
<td><strong>$314,601</strong></td>
<td><strong>$102,444</strong></td>
<td><strong>$263,113</strong></td>
<td><strong>$128,006</strong></td>
<td><strong>$238,841</strong></td>
<td><strong>$147,653</strong></td>
<td><strong>$1,194,658</strong></td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
# STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Road Fund</th>
<th>Inheritance Fund</th>
<th>Natural Disaster Fund</th>
<th>Federal Matching Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Property Taxes</td>
<td>$3,017,004</td>
<td>$ -</td>
<td>$ 245,896</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 37,868</td>
<td>$ 3,300,768</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>33,124</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,224</td>
<td></td>
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<tr>
<td>Interest</td>
<td>28,313</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>28,321</td>
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<td>Intergovernmental</td>
<td>422,298</td>
<td>922,912</td>
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<td>58,429</td>
<td>-</td>
<td>57,290</td>
<td>1,460,929</td>
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<tr>
<td>Charges for Services</td>
<td>365,520</td>
<td>3,300</td>
<td>-</td>
<td>-</td>
<td>3,182</td>
<td>3,182</td>
<td>372,002</td>
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<tr>
<td>Miscellaneous</td>
<td>74,278</td>
<td>18,712</td>
<td>17,891</td>
<td>-</td>
<td>-</td>
<td>110,881</td>
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<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>3,940,537</td>
<td>945,024</td>
<td>263,787</td>
<td>58,429</td>
<td>-</td>
<td>98,348</td>
<td>5,306,125</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General Government</th>
<th>-</th>
<th>Public Safety</th>
<th>-</th>
<th>Public Works</th>
<th>-</th>
<th>Health and Sanitation</th>
<th>-</th>
<th>Public Assistance</th>
<th>-</th>
<th>Culture and Recreation</th>
<th>-</th>
<th>Capital Outlay</th>
<th>-</th>
<th><strong>TOTAL DISBURSEMENTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>1,855,129</td>
<td>-</td>
<td>31,835</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,937</td>
<td>-</td>
<td>1,902,901</td>
<td></td>
<td></td>
<td></td>
<td>2,976,178</td>
<td></td>
<td>2,742,828</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,005,386</td>
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<td>54,589</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>68,438</td>
<td>-</td>
<td>1,128,413</td>
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<td>2,742,828</td>
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<td>101,424</td>
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<td>Public Works</td>
<td>10,442</td>
<td>2,742,828</td>
<td>-</td>
<td>-</td>
<td>13,324</td>
<td>-</td>
<td>2,766,594</td>
<td></td>
<td>45,434</td>
<td></td>
<td></td>
<td></td>
<td>82,061</td>
<td></td>
<td>82,061</td>
</tr>
<tr>
<td>Health and Sanitation</td>
<td>45,434</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,434</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Assistance</td>
<td>59,787</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,581</td>
<td>-</td>
<td>85,368</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>-</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>5,975</td>
<td>-</td>
<td>20,975</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>82,061</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td>2,976,178</td>
<td>2,742,828</td>
<td>101,424</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>211,316</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,031,746</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OVER RECEIPTS**

<table>
<thead>
<tr>
<th></th>
<th>964,359</th>
<th>(1,797,804)</th>
<th>162,363</th>
<th>58,429</th>
<th>-</th>
<th>(112,968)</th>
<th>(725,621)</th>
</tr>
</thead>
</table>

**OTHER FINANCING SOURCES (USES)**

<table>
<thead>
<tr>
<th></th>
<th>283,027</th>
<th>1,399,037</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>4,933</th>
<th>1,686,997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(1,203,970)</td>
<td>-</td>
<td>(185,000)</td>
<td>(251,851)</td>
<td>-</td>
<td>(46,176)</td>
<td>(1,686,997)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(920,943)</td>
<td>1,399,037</td>
<td>(185,000)</td>
<td>(251,851)</td>
<td>-</td>
<td>(41,243)</td>
<td>-</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>43,416</td>
<td>(398,767)</td>
<td>(22,637)</td>
<td>(193,422)</td>
<td>-</td>
<td>(154,211)</td>
<td>(725,621)</td>
</tr>
</tbody>
</table>

## CASH BASIS FUND BALANCES - BEGINNING

<table>
<thead>
<tr>
<th></th>
<th>271,185</th>
<th>501,211</th>
<th>285,750</th>
<th>321,428</th>
<th>238,841</th>
<th>301,864</th>
<th>1,920,279</th>
</tr>
</thead>
</table>

## CASH BASIS FUND BALANCES - ENDING

<table>
<thead>
<tr>
<th></th>
<th>314,601</th>
<th>102,444</th>
<th>263,113</th>
<th>128,006</th>
<th>238,841</th>
<th>147,653</th>
<th>1,194,658</th>
</tr>
</thead>
</table>

The notes to the financial statements are an integral part of this statement.
RICHARDSON COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
June 30, 2010

Agency Funds

ASSETS
Cash and cash equivalents $ 375,392

LIABILITIES
Due to other governments
State 145,134
Schools 162,134
Educational Service Units 2,704
Technical College 4,901
Natural Resource Districts 3,259
Fire Districts 2,003
Municipalities 30,460
Agricultural Society 368
Drainage Districts 6
Others 24,423
TOTAL LIABILITIES 375,392

TOTAL NET ASSETS $ -

The notes to the financial statements are an integral part of this statement.
1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Richardson 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 $32,853 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.
1. **Summary of Significant Accounting Policies** (Continued)

**Health Department** – The County has entered into an agreement with Southeast District 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 contributed no funding 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 was considered immaterial and 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 receipts, 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.
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 receipts generated from estate taxes.

**Natural Disaster Fund.** This fund is used to account for receipts and expenditures related to replacement of damaged infrastructure due to natural disasters.

**Federal Matching Fund.** This fund is used to account for county expenditures for matching on Federal road projects.

The County reports the following additional fund types:

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

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

**Capital Project Funds.** These funds account for all resources received and used for the acquisition or development of major capital improvements.

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. Receipts are recognized when received and disbursements are recognized when warrants are paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting receipts are recorded when earned and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.
1. **Summary of Significant Accounting Policies** (Continued)

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, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements generally are recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences and claims and judgments are recorded only when payment is due.

D. **Assets and Net 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 disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions.
1. **Summary of Significant Accounting Policies** (Concluded)

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 $56,507 of restricted net assets, which 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 $758,734 for County funds and $375,392 for Fiduciary funds. The bank balances for all funds totaled $1,144,728. 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 $435,924 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.
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 $.430733/$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 $.408800/$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.

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
4. **Retirement System** (Concluded)

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, 66 employees contributed $87,569; the County contributed $131,332. Additionally, for the year ended June 30, 2010, 10 law enforcement employees and the County contributed $2,617 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid $1,429 directly to 10 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.

<table>
<thead>
<tr>
<th></th>
<th>NIRMA Coverage</th>
<th>Maximum Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability Claim</td>
<td>$300,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Worker’s Compensation Claim</td>
<td>$500,000</td>
<td>Statutory Limits</td>
</tr>
<tr>
<td>Property Damage Claim</td>
<td>$250,000</td>
<td>Insured Value at Replacement Cost</td>
</tr>
</tbody>
</table>
5. **Risk Management** (Concluded)

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:

<table>
<thead>
<tr>
<th>Transfers to</th>
<th>General Fund</th>
<th>Inheritance Fund</th>
<th>Natural Disaster Fund</th>
<th>Nonmajor Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ -</td>
<td>$ 185,000</td>
<td>$ 51,851</td>
<td>$ 46,176</td>
<td>$ 283,027</td>
</tr>
<tr>
<td>Road Fund</td>
<td>1,199,037</td>
<td>-</td>
<td>200,000</td>
<td>-</td>
<td>1,399,037</td>
</tr>
<tr>
<td>Nonmajor Funds</td>
<td>4,933</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,933</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,203,970</strong></td>
<td><strong>$ 185,000</strong></td>
<td><strong>$ 251,851</strong></td>
<td><strong>$ 46,176</strong></td>
<td><strong>$ 1,686,997</strong></td>
</tr>
</tbody>
</table>

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

7. **Contingent Liabilities**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Taxes</td>
<td>$3,252,391</td>
<td>$3,252,391</td>
<td>$3,017,004</td>
<td>$ (235,387)</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>30,700</td>
<td>30,700</td>
<td>33,124</td>
<td>2,424</td>
</tr>
<tr>
<td>Interest</td>
<td>50,000</td>
<td>50,000</td>
<td>28,313</td>
<td>(21,687)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>371,720</td>
<td>371,720</td>
<td>422,298</td>
<td>50,578</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>281,844</td>
<td>281,844</td>
<td>365,520</td>
<td>83,676</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>31,568</td>
<td>31,568</td>
<td>74,278</td>
<td>42,710</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$4,018,223</td>
<td>$4,018,223</td>
<td>$3,940,537</td>
<td>($77,686)</td>
</tr>
</tbody>
</table>

### DISBURSEMENTS

**General Government:**

- **County Board**: 51,379 51,379 51,379 -
- **County Clerk**: 113,225 113,225 106,801 | 6,424 | 35
- **County Treasurer**: 125,423 125,423 125,388 | 5,421 | 7,672
- **County Assessor**: 164,203 164,203 157,702 | 6,501 | 3,523
- **Election Commissioner**: 63,093 63,093 55,421 | 7,672 | 19,126
- **Clerk of the District Court**: 53,907 53,907 53,907 -
- **County Court System**: 9,000 9,000 5,477 | 3,523 | 2,121
- **CDC - Child Supp Agrmt**: 39,821 39,821 20,695 | 19,126 | 15,149
- **Building and Grounds**: 131,382 131,382 116,233 | 5,149 | 2,121
- **Agricultural Extension Agent**: 48,213 48,213 46,092 | 2,121 | 2,121
- **Miscellaneous**: 1,194,110 1,144,110 1,116,034 | 28,076 | 28,076

**Public Safety:**

- **County Sheriff**: 274,785 274,785 274,785 -
- **County Attorney**: 51,314 51,314 51,240 | 74 |
- **Humboldt Sheriff**: 54,606 54,606 54,606 -
- **County Jail**: 244,255 294,255 294,255 -
- **Emergency Management**: 66,067 66,067 50,619 | 15,448 | 15,448
- **Attorney - Child Supp Agrmt**: 66,705 66,705 66,705 -
- **Attorney Incentive Match**: 18,230 18,230 18,230 -
- **Investigator**: 55,581 55,581 55,581 -
- **Miscellaneous**: 118,568 118,568 86,045 | 32,523 | 32,523
- **Nuclear Accident Emerg Prep**: 53,939 53,939 53,320 | 619 |

**Public Works:**

- **County Surveyor**: 11,829 11,829 10,442 | 1,387 | 8,886
- **Miscellaneous**: 8,886 8,886 - | 8,886 |

(Continued)
## RICHARDSON COUNTY
### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
#### GENERAL FUND
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>DISBURSEMENTS (Continued)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Health:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>58,463</td>
<td>58,463</td>
<td>45,434</td>
<td>13,029</td>
</tr>
<tr>
<td><strong>Public Assistance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans' Service Officer</td>
<td>50,689</td>
<td>50,689</td>
<td>49,827</td>
<td>862</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,828</td>
<td>10,828</td>
<td>9,960</td>
<td>868</td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td>3,138,501</td>
<td>3,138,501</td>
<td>2,976,178</td>
<td>162,323</td>
</tr>
</tbody>
</table>

| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | 879,722 | 879,722 | 964,359 | 84,637 |

### OTHER FINANCING SOURCES (USES)

| Transfers in | 150,000 | 150,000 | 283,027 | 133,027 |
| Transfers out | (1,300,907) | (1,300,907) | (1,203,970) | 96,937 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (1,150,907) | (1,150,907) | (920,943) | 229,964 |

| Net Change in Fund Balance | (271,185) | (271,185) | 43,416 | 314,601 |
| **FUND BALANCES - BEGINNING** | 271,185 | 271,185 | 271,185 | - |
| **FUND BALANCES - ENDING** | $ | - | $ | 314,601 | $ | 314,601 |

(Concluded)
## RICHARDSON COUNTY

### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

### MAJOR FUNDS

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>ROAD FUND</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 100</td>
<td>$ 100</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>925,462</td>
<td>925,462</td>
<td>922,912</td>
<td>(2,550)</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>3,300</td>
<td>3,300</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>21,500</td>
<td>21,500</td>
<td>18,712</td>
<td>(2,788)</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>946,962</td>
<td>946,962</td>
<td>945,024</td>
<td>(1,938)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>2,985,674</td>
<td>2,985,674</td>
<td>2,742,828</td>
<td>242,846</td>
</tr>
<tr>
<td>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</td>
<td>(2,038,712)</td>
<td>(2,038,712)</td>
<td>(1,797,804)</td>
<td>240,908</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,687,501</td>
<td>1,687,501</td>
<td>1,399,037</td>
<td>(288,464)</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>1,687,501</td>
<td>1,687,501</td>
<td>1,399,037</td>
<td>(288,464)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(351,211)</td>
<td>(351,211)</td>
<td>(398,767)</td>
<td>(47,556)</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>501,211</td>
<td>501,211</td>
<td>501,211</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ 150,000</td>
<td>$ 150,000</td>
<td>$ 102,444</td>
<td>$ (47,556)</td>
</tr>
</tbody>
</table>

### INHERITANCE FUND

| RECEIPTS | | | | |
| Taxes | $ 64,250 | $ 64,250 | $ 245,896 | $ 181,646 |
| Miscellaneous | - | - | 17,891 | 17,891 | 17,891 |
| TOTAL RECEIPTS | 64,250 | 64,250 | 263,787 | 199,537 | 199,537 |
| DISBURSEMENTS | 350,000 | 350,000 | 101,424 | 248,576 | 248,576 |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | (285,750) | (285,750) | 162,363 | 448,113 | 448,113 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 150,000 | 150,000 | - | (150,000) | (150,000) |
| Transfers out | (150,000) | (150,000) | (185,000) | (35,000) | (35,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | (185,000) | (185,000) | (185,000) |
| Net Change in Fund Balance | (285,750) | (285,750) | (22,637) | 263,113 | 263,113 |
| FUND BALANCE - BEGINNING | 285,750 | 285,750 | 285,750 | - | - |
| FUND BALANCE - ENDING | $ - | $ - | $ 263,113 | $ 263,113 | $ 263,113 |

(Continued)
RICHARDSON COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR FUNDS  
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NATURAL DISASTER FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 178,572</td>
<td>$ 178,572</td>
<td>$ 58,429</td>
<td>$ (120,143)</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>178,572</td>
<td>178,572</td>
<td>58,429</td>
<td>(120,143)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXCESS (DEFICIENCY) OF RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OVER DISBURSEMENTS</td>
<td>178,572</td>
<td>178,572</td>
<td>58,429</td>
<td>(120,143)</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(500,000)</td>
<td>(500,000)</td>
<td>(251,851)</td>
<td>248,149</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES</td>
<td>(500,000)</td>
<td>(500,000)</td>
<td>(251,851)</td>
<td>248,149</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(321,428)</td>
<td>(321,428)</td>
<td>(193,422)</td>
<td>128,006</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>321,428</td>
<td>321,428</td>
<td>321,428</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 128,006</td>
<td>$ 128,006</td>
</tr>
</tbody>
</table>

| **FEDERAL MATCHING FUND**      |                 |              |        |                           |
| RECEIPTS                       |                 |              |        |                           |
| Taxes                          | $ -             | $ -          | $ -    | -                         |
| TOTAL RECEIPTS                 | $ -             | $ -          | $ -    | -                         |
| DISBURSEMENTS                  | 238,841         | 238,841      | -      | 238,841                   |
| EXCESS (DEFICIENCY) OF RECEIPTS|                 |              |        |                           |
| OVER DISBURSEMENTS             | (238,841)       | (238,841)    | -      | 238,841                   |
| OTHER FINANCING SOURCES (USES) |                 |              |        |                           |
| Transfers in                   |                 |              |        |                           |
| Transfers out                  |                 |              |        |                           |
| TOTAL OTHER FINANCING SOURCES  |                 |              |        |                           |
| Net Change in Fund Balance     | (238,841)       | (238,841)    | -      | 238,841                   |
| FUND BALANCE - BEGINNING       | 238,841         | 238,841      | 238,841| -                         |
| FUND BALANCE - ENDING          | $ -             | $ -          | $ 238,841| $ 238,841 (Concluded)     |
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 receipts 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 receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board 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 disbursements 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.
### RECAPITULATION

#### RECEIPTS

<table>
<thead>
<tr>
<th>Fund</th>
<th>Civil Defense Fund</th>
<th>Chromatograph Fund</th>
<th>Equipment Sinking Fund</th>
<th>Visitor's Promotion Fund</th>
<th>Employment Security Fund</th>
<th>Medical Relief Fund</th>
<th>Institutions Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 23,042</td>
<td>$ 5,898</td>
<td>$ 1,759</td>
<td>$ 4,410</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>13,532</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>579</td>
<td>213</td>
<td>440</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>3,182</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td><strong>13,532</strong></td>
<td><strong>3,182</strong></td>
<td><strong>-</strong></td>
<td><strong>23,042</strong></td>
<td><strong>6,477</strong></td>
<td><strong>1,972</strong></td>
<td><strong>4,850</strong></td>
</tr>
</tbody>
</table>

#### DISBURSEMENTS

<table>
<thead>
<tr>
<th>Fund</th>
<th>General Government</th>
<th>Public Safety</th>
<th>Public Works</th>
<th>Public Assistance</th>
<th>Culture and Recreation</th>
<th>Capital Projects</th>
<th><strong>TOTAL DISBURSEMENTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>13,532</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>13,532</strong></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>2,953</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>2,953</strong></td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td><strong>13,532</strong></td>
<td><strong>2,953</strong></td>
<td><strong>-</strong></td>
<td><strong>5,975</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>18,490</strong></td>
</tr>
</tbody>
</table>

#### EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS

| Fund                  | -                  | 229           | -            | 17,067            | (9,460)               | (16,518)         | **629**               |

#### OTHER FINANCING SOURCES (USES)

| Fund                  | -                  | -             | (46,115)     | -                 | -                     | -                | -                     |
|                       |                    |               | (46,115)     | -                 | -                     | -                | -                     |

| Fund                  | -                  | 229           | (46,115)     | 17,067            | (9,460)               | (16,518)         | **629**               |

| Fund                  | -                  | 6,269         | 46,115       | 33,703            | 16,618                | 78,221           | **14,207**            |

| **FUND BALANCES - BEGINNING** | -                  | 6,269         | 46,115       | 33,703            | 16,618                | 78,221           | **14,207**            |

| **FUND BALANCES - ENDING**   | $ -                | $ 6,498       | $ -          | $ 50,770          | $ 7,158               | $ 61,703         | $ 14,836              |

(Continued)
RICHARDSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Veteran's Aid Fund</th>
<th>County Drug Law Enforcement Fund</th>
<th>Federal Forfeiture Fund</th>
<th>Federal Grant Emergency Management Fund</th>
<th>Juvenile Services Grant Fund</th>
<th>Capital Projects Fund</th>
<th>Noxious Weed Fund</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$2,758</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$37,868</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>222</td>
<td>-</td>
<td>-</td>
<td>42,304</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>57,290</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,182</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>2,980</td>
<td>-</td>
<td>8</td>
<td>42,304</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>98,348</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,937</td>
</tr>
<tr>
<td>Public Safety</td>
<td>-</td>
<td>-</td>
<td>2,912</td>
<td>49,041</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>68,438</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,324</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>2,870</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,581</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,975</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>2,912</td>
<td>49,041</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>68,438</td>
</tr>
<tr>
<td>TOTAL DISBURSEMENTS</td>
<td>2,870</td>
<td>-</td>
<td>2,912</td>
<td>49,041</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>211,316</td>
</tr>
<tr>
<td>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</td>
<td>110</td>
<td>-</td>
<td>(2,904)</td>
<td>(6,737)</td>
<td>(82,060)</td>
<td>(13,324)</td>
<td>(112,968)</td>
<td></td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,933</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(60)</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(46,176)</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(60)</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(41,243)</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>110</td>
<td>-</td>
<td>(2,904)</td>
<td>(6,737)</td>
<td>(82,061)</td>
<td>(8,391)</td>
<td>(154,211)</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCES - BEGINNING</td>
<td>92</td>
<td>873</td>
<td>6,416</td>
<td>7,887</td>
<td>82,061</td>
<td>9,342</td>
<td>301,864</td>
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</tr>
<tr>
<td>FUND BALANCES - ENDING</td>
<td>$202</td>
<td>$873</td>
<td>$3,512</td>
<td>$1,150</td>
<td>$951</td>
<td>$147,653</td>
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</tr>
</tbody>
</table>

(Concluded)
RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>CIVIL DEFENSE FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 300,000</td>
<td>$ 300,000</td>
<td>$ 13,532</td>
<td>$ (286,468)</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>$ 300,000</td>
<td>$ 300,000</td>
<td>$ 13,532</td>
<td>(286,468)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>$ 300,000</td>
<td>$ 300,000</td>
<td>$ 13,532</td>
<td>$ 286,468</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>$ 229</td>
<td>$ 6,498</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>$ 6,269</td>
<td>$ 6,269</td>
<td>$ 6,269</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 6,498</td>
<td>$ 6,498</td>
</tr>
</tbody>
</table>

(Continued)

<table>
<thead>
<tr>
<th>CHROMATOGRAPH FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,182</td>
<td>$ 3,182</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>-</td>
<td>-</td>
<td>$ 3,182</td>
<td>3,182</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>6,269</td>
<td>6,269</td>
<td>2,953</td>
<td>3,316</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(6,269)</td>
<td>(6,269)</td>
<td>229</td>
<td>6,498</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>6,269</td>
<td>6,269</td>
<td>6,269</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 6,498</td>
<td>$ 6,498</td>
</tr>
</tbody>
</table>

(Continued)
RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>EQUIPMENT SINKING FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td></td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td></td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td>(46,115)</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>46,115</td>
<td>46,115</td>
<td>46,115</td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| VISITOR'S PROMOTION FUND |       |              |        |                          |
| RECEIPTS                | $     | $            | $      | $                        |
| Taxes                   | $16,000 | $16,000     | $23,042 | $7,042                   |
| TOTAL RECEIPTS          | 16,000 | 16,000       | 23,042 | 7,042                    |
| DISBURSEMENTS           | 49,703 | 49,703       | 5,975  | 43,728                   |
| OTHER FINANCING SOURCES (USES) |       |              |        |                          |
| Transfers in            | $     | $            | $      | $                        |
| Transfers out           | $     | $            | $      | $                        |
| TOTAL OTHER FINANCING SOURCES (USES) |       |              |        |                          |
| Net Change in Fund Balance | (33,703) | (33,703) | 17,067 | 50,770                   |
| FUND BALANCE - BEGINNING | 33,703 | 33,703       | 33,703 |                          |
| FUND BALANCE - ENDING   | $     | $            | $      | $                        |

(Continued)
RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>EMPLOYMENT SECURITY FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 8,382</td>
<td>$ 8,382</td>
<td>$ 5,898</td>
<td>(2,484)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>579</td>
<td>579</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>8,382</td>
<td>8,382</td>
<td>6,477</td>
<td>(1,905)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>25,000</td>
<td>25,000</td>
<td>15,937</td>
<td>9,063</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(16,618)</td>
<td>(16,618)</td>
<td>(9,460)</td>
<td>7,158</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>16,618</td>
<td>16,618</td>
<td>16,618</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 7,158</td>
<td>$ 7,158</td>
</tr>
</tbody>
</table>

| MEDICAL RELIEF FUND |                |              |        |                           |
| RECEIPTS            |                |              |        |                           |
| Taxes                | $ -            | $ -          | $ 1,759| 1,759                     |
| Intergovernmental   | -              | -            | 213    | 213                       |
| TOTAL RECEIPTS      | -              | -            | 1,972  | 1,972                     |
| DISBURSEMENTS       | 60,000         | 60,000       | 18,490 | 41,510                    |
| OTHER FINANCING SOURCES (USES) |            |              |        |                           |
| Transfers in        | -              | -            | -      | -                         |
| Transfers out       | -              | -            | -      | -                         |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| Net Change in Fund Balance | (60,000)       | (60,000)     | (16,518)| 43,482                   |
| FUND BALANCE - BEGINNING | 78,221         | 78,221       | 78,221 | -                         |
| FUND BALANCE - ENDING | $ 18,221       | $ 18,221     | $ 61,703| $ 43,482                 |

(Continued)
RICHARDSON COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS  
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>INSTITUTIONS FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 3,793</td>
<td>$ 3,793</td>
<td>$ 4,410</td>
<td>$ 617</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>440</td>
<td>440</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>3,793</td>
<td>3,793</td>
<td>4,850</td>
<td>1,057</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td>15,000</td>
<td>15,000</td>
<td>4,221</td>
<td>10,779</td>
</tr>
</tbody>
</table>

| OTHER FINANCING SOURCES (USES) |          |              |        |                           |
| Transfers in                  | -        | -            | -      | -                         |
| Transfers out                 | -        | -            | -      | -                         |
| **TOTAL OTHER FINANCING SOURCES (USES)** | - | - | - | - |

Net Change in Fund Balance (11,207) (11,207) 629 11,836
FUND BALANCE - BEGINNING 14,207 14,207 14,207 -
FUND BALANCE - ENDING $3,000 $3,000 $14,836 $11,836

<table>
<thead>
<tr>
<th>VETERAN'S AID FUND</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 2,908</td>
<td>$ 2,908</td>
<td>$ 2,758</td>
<td>$ (150)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>222</td>
<td>222</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>2,908</td>
<td>2,908</td>
<td>2,980</td>
<td>72</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td>3,000</td>
<td>3,000</td>
<td>2,870</td>
<td>130</td>
</tr>
</tbody>
</table>

| OTHER FINANCING SOURCES (USES) |          |              |        |                           |
| Transfers in                  | -        | -            | -      | -                         |
| Transfers out                 | -        | -            | -      | -                         |
| **TOTAL OTHER FINANCING SOURCES (USES)** | - | - | - | - |

Net Change in Fund Balance (92) (92) 110 202
FUND BALANCE - BEGINNING 92 92 92 -
FUND BALANCE - ENDING $ - $ - $ 202 $ 202

(Continued)
### RICHARDSON COUNTY

#### BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

**NONMAJOR FUNDS**

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>COUNTY DRUG LAW ENFORCEMENT FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>873</td>
<td>873</td>
<td>-</td>
<td>873</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES (USES)**

- Transfers in  -
- Transfers out -

**TOTAL OTHER FINANCING SOURCES (USES)**

- Net Change in Fund Balance  (873) (873) - 873

<table>
<thead>
<tr>
<th>FUND BALANCE - BEGINNING</th>
<th>873</th>
<th>873</th>
<th>873</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 873</td>
<td>$ 873</td>
</tr>
</tbody>
</table>

### FEDERAL FORFEITURE FUND

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 8</td>
<td>$ 8</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>6,416</td>
<td>6,416</td>
<td>2,912</td>
<td>3,504</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES (USES)**

- Transfers in  -
- Transfers out -

**TOTAL OTHER FINANCING SOURCES (USES)**

Net Change in Fund Balance  (6,416) (6,416) (2,904) 3,512

<table>
<thead>
<tr>
<th>FUND BALANCE - BEGINNING</th>
<th>6,416</th>
<th>6,416</th>
<th>6,416</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,512</td>
<td>$ 3,512</td>
</tr>
</tbody>
</table>

(Continued)
RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>FEDERAL GRANT EMERGENCY MANAGEMENT FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>60</td>
<td>60</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>(60)</td>
<td>(60)</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td>(60)</td>
<td>(60)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(60)</td>
<td>(60)</td>
<td>(60)</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - BEGINNING</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE - ENDING</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

| JUVENILE SERVICES GRANT FUND           |                |              |        |                                               |
| RECEIPTS                               |                |              |        |                                               |
| Intergovernmental                      | $ 42,304       | $ 42,304     | $ 42,304 | $ -                                           |
| TOTAL RECEIPTS                         | 42,304         | 42,304       | 42,304 | -                                             |
| DISBURSEMENTS                          | 50,191         | 50,191       | 49,041 | 1,150                                         |
| OTHER FINANCING SOURCES (USES)         |                |              |        |                                               |
| Transfers in                           | -              | -            | -      | -                                             |
| Transfers out                          | -              | -            | -      | -                                             |
| TOTAL OTHER FINANCING SOURCES (USES)   |                |              | -      | -                                             |
| Net Change in Fund Balance             | (7,887)        | (7,887)      | (6,737) | 1,150                                         |
| FUND BALANCE - BEGINNING               | 7,887          | 7,887        | 7,887  | -                                             |
| FUND BALANCE - ENDING                  | $ -            | $ -          | $ 1,150| $ 1,150                                       |

(Continued)
RICHARDSON COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>CAPITAL PROJECTS FUND</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1</td>
<td>$ 1</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>39</td>
<td>39</td>
<td>-</td>
<td>(39)</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>39</td>
<td>39</td>
<td>1</td>
<td>(38)</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>82,100</td>
<td>82,100</td>
<td>82,061</td>
<td>39</td>
</tr>
</tbody>
</table>

| OTHER FINANCING SOURCES (USES) |                |              |        |                            |
| Transfers in              | -              | -            | -      | -                          |
| Transfers out             | -              | -            | (1)    | (1)                        |
| TOTAL OTHER FINANCING SOURCES (USES) | -            | -         | (1)    | (1)                        |

Net Change in Fund Balance  (82,061)  (82,061)  (82,061)  -
FUND BALANCE - BEGINNING  82,061  82,061  82,061  -
FUND BALANCE - ENDING  $ -  $ -  $ -  $ -

| NOXIOUS WEED FUND |                |              |        |                            |
| RECEIPTS          | $ -            | $ -          | $ -    | $ -                        |
| DISBURSEMENTS     | 18,863         | 18,863       | 13,324 | 5,539                      |

| OTHER FINANCING SOURCES (USES) |                |              |        |                            |
| Transfers in         | 9,521          | 9,521        | 4,933  | (4,588)                    |
| Transfers out        | -              | -            | -      | -                          |
| TOTAL OTHER FINANCING SOURCES (USES) | 9,521  | 9,521 | 4,933  | (4,588)                    |

Net Change in Fund Balance  (9,342)  (9,342)  (8,391)  951
FUND BALANCE - BEGINNING  9,342  9,342  9,342  -
FUND BALANCE - ENDING  $ -  $ -  $ 951  $ 951

(Colonized)
### Richardson County Schedule of Office Activities

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>County Clerk</th>
<th>Clerk of the District Court</th>
<th>County Sheriff</th>
<th>County Attorney</th>
<th>Highway Superintendent</th>
<th>Veterans' Service Officer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance July 1, 2009</strong></td>
<td>$ 8,424</td>
<td>$ 21,759</td>
<td>$ 35,734</td>
<td>$ 3,014</td>
<td>$ 2,141</td>
<td>$ 1,857</td>
<td>$ 72,929</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>1,020</td>
<td>-</td>
<td>395</td>
<td>-</td>
<td></td>
<td>-</td>
<td>1,415</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>49,683</td>
<td>10,180</td>
<td>45,991</td>
<td>12,028</td>
<td></td>
<td>-</td>
<td>120,002</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>95</td>
<td>402</td>
<td>-</td>
<td></td>
<td>-</td>
<td>497</td>
</tr>
<tr>
<td>State Fees</td>
<td>60,682</td>
<td>16,199</td>
<td>512</td>
<td>-</td>
<td></td>
<td>-</td>
<td>77,707</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>-</td>
<td>286,123</td>
<td>52,092</td>
<td>45,143</td>
<td>1,053</td>
<td>2,870</td>
<td>387,281</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>111,385</td>
<td>312,597</td>
<td>99,392</td>
<td>47,263</td>
<td>13,395</td>
<td>2,870</td>
<td>586,902</td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to County Treasurer</td>
<td>50,257</td>
<td>9,429</td>
<td>58,416</td>
<td>2,222</td>
<td>12,218</td>
<td>-</td>
<td>132,542</td>
</tr>
<tr>
<td>Payments to State Treasurer</td>
<td>60,211</td>
<td>15,473</td>
<td>505</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76,189</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>600</td>
<td>299,450</td>
<td>55,077</td>
<td>47,716</td>
<td>1,049</td>
<td>2,501</td>
<td>406,393</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td>111,068</td>
<td>324,352</td>
<td>113,998</td>
<td>49,938</td>
<td>13,267</td>
<td>2,501</td>
<td>615,124</td>
</tr>
<tr>
<td><strong>Balance June 30, 2010</strong></td>
<td>$ 8,741</td>
<td>$ 10,004</td>
<td>$ 21,128</td>
<td>$ 339</td>
<td>$ 2,269</td>
<td>$ 2,226</td>
<td>$ 44,707</td>
</tr>
</tbody>
</table>

**Balance Consists Of:**

- Due to County Treasurer: $ 4,127, $ 1,186, $ 20,507, $ 130, $ 1,893, $ 2,226, $ 30,069
- Petty Cash: - $ 287, $ 500, - $ 376, - $ 1,163
- Due to State Treasurer: $ 4,614, $ 1,164, $ 121, - $ 5,899
- Due to Others: - $ 7,367, - $ 209, - $ 7,576

**Balance June 30, 2010:** $ 8,741, $ 10,004, $ 21,128, $ 339, $ 2,269, $ 2,226, $ 44,707
### RICHARDSON COUNTY
### SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR
### ALL POLITICAL SUBDIVISIONS IN THE COUNTY
### June 30, 2010

<table>
<thead>
<tr>
<th>Item</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Certified by Assessor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>$8,803,462</td>
<td>$9,421,705</td>
<td>$9,618,319</td>
<td>$11,011,070</td>
<td>$11,512,313</td>
</tr>
<tr>
<td>Personal and Specials</td>
<td>528,444</td>
<td>549,589</td>
<td>624,237</td>
<td>645,116</td>
<td>751,389</td>
</tr>
<tr>
<td>Total</td>
<td>9,331,906</td>
<td>9,971,294</td>
<td>10,242,556</td>
<td>11,656,186</td>
<td>12,263,702</td>
</tr>
<tr>
<td>Corrections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>573</td>
<td>1,133</td>
<td>3,041</td>
<td>642</td>
<td>2,961</td>
</tr>
<tr>
<td>Deductions</td>
<td>(3,870)</td>
<td>(9,737)</td>
<td>(11,941)</td>
<td>(9,695)</td>
<td>(1,070)</td>
</tr>
<tr>
<td>Net Additions/ (Deductions)</td>
<td>(3,297)</td>
<td>(8,604)</td>
<td>(8,900)</td>
<td>(9,053)</td>
<td>1,891</td>
</tr>
<tr>
<td>Corrected Certified Tax</td>
<td>9,328,609</td>
<td>9,962,690</td>
<td>10,233,656</td>
<td>11,647,133</td>
<td>12,265,593</td>
</tr>
<tr>
<td>Net Tax Collected by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Treasurer during Fiscal Year Ending:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2006</td>
<td>5,452,807</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2007</td>
<td>3,858,807</td>
<td>5,794,539</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2008</td>
<td>12,939</td>
<td>4,144,588</td>
<td>5,990,381</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2009</td>
<td>2,421</td>
<td>15,021</td>
<td>4,201,390</td>
<td>6,929,160</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2010</td>
<td>671</td>
<td>3,511</td>
<td>17,914</td>
<td>4,667,369</td>
<td>7,462,393</td>
</tr>
<tr>
<td>Total Net Collections</td>
<td>9,327,645</td>
<td>9,957,659</td>
<td>10,209,685</td>
<td>11,596,529</td>
<td>7,462,393</td>
</tr>
<tr>
<td>Total Uncollected Tax</td>
<td>$964</td>
<td>$5,031</td>
<td>$23,971</td>
<td>$50,604</td>
<td>$4,803,200</td>
</tr>
<tr>
<td>Percentage Uncollected Tax</td>
<td>0.01%</td>
<td>0.05%</td>
<td>0.23%</td>
<td>0.43%</td>
<td>39.16%</td>
</tr>
</tbody>
</table>
RICHARDSON 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
Richardson County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson County as of and for the year ended June 30, 2010, and have issued our report thereon dated February 9, 2011. 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 Richardson 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 Richardson 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.

County’s Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Richardson 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 Richardson County in a separate letter dated February 9, 2011.

Richardson County’s response to the findings identified in our audit are described above. We did not audit Richardson County’s response and, accordingly, we express no opinion on it.

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

February 9, 2011
Deann Haeffner, CPA
Assistant Deputy Auditor
February 9, 2011

Board of Commissioners
Richardson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Richardson County (County) for the fiscal year ended June 30, 2010, and have issued our report thereon dated February 9, 2011. 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.

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

County Board’s Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

The County Assessor will be contacted and instructed to ensure that the County Treasurer is made aware of all changes to the tax system by the County Assessor.

**Unclaimed Property**

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by public entities or political subdivisions which remained unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items be reported to the Nebraska State Treasurer before November 1st of each year as of June 30 next preceding.

During our audit, we noted the following offices had outstanding checks which had remained unclaimed for more than three years:

- County Board Vendor Imprest Account, three checks totaling $79
- County Treasurer, seven checks totaling $518

We recommend all personal property which remains unclaimed for more than three years be remitted to the Nebraska State Treasurer in accordance with the Unclaimed Property Act.

County Board’s Response: The records of the County Clerk include information that was received from the State Treasurer’s Office and distributed to the County Clerks at a training session/workshop on unclaimed property which indicated that unclaimed property needed to be remitted to the NE State Treasurer if not claimed within five years. The procedures have been corrected and these funds will be remitted to the State Treasurer after three years.

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**COUNTY BOARD**

**Authorized Petty Cash Amounts**

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

During our audit, we noted the following offices petty cash accounts were authorized by the County Board, but amounts were not specified in the budget message: County Court, County Clerk, County Sheriff, and the County Road and Bridge Department.
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.

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

**County Board’s Response:** Petty Cash Accounts are established for the County Clerk -- $200.00, County Sheriff -- $500.00, County Court -- $50.00, Road and Bridge Department -- $500.00 and recently formalized for the Clerk of District Court -- $300.00.

**Unpaid Claims**

Neb. Rev. Stat. § 23-916 (Reissue 2007) states, “after the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money not provided for in the budget, or which involves the expenditure of any money for any of the purposes for which provision is made in the budget in excess of the amounts provided in said budget for such office, department or other expending agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the county, and no money belonging thereto shall be paid thereon.”

During our audit we noted there were 12 unpaid claims, totaling $16,096, which were held at June 30, 2010, due to lack of allowable budgeted expenditures remaining within the County Sheriff and the County Jail Departments’ budget for the fiscal year.

We recommend that claims not be held due to an office expending or contracting the expenditure of money not provided for in the budget or which is made in excess of the amount provided in the budget.

**Inventory Policy and Procedures**

Neb. Rev. Stat. § 23-347 (Reissue 2007) states, “within two calendar months after the close of each fiscal year, each county officer shall make, acknowledge under oath, and file with the county board of his or her county an inventory statement of all county personal property in the custody and possession of said county officer.”  Good accounting procedures require standardized policies be established to ensure all offices use the same guidelines when filing an inventory statement of the personal property in the possession of the officer.

During our audit, we noted:
- The County Board had not established a policy for all officers to follow when completing the annual inventory statements.
- Two of the fifteen inventory statements on file were filed late.  The County Treasurer’s office was filed 42 days late and the County Roads Department was filed 28 days late.
When inventory statements are not filed on time, the county officer is not in compliance with State statute. Additionally, a lack of guidance for completing the inventory statements may lead to an inaccurate accounting of the County’s personal property.

We recommend all county officers file an accurate inventory statement within two calendar months after the close of the fiscal year and the County Board establish a policy for all officers to follow when completing such inventory statements.

*County Board’s Response:* Inventory report forms are provided to each County Official/Department before the end of the fiscal year with instructions that they are to be filed by the end of August for the County Board’s review and approval at their first meeting in September. The inventory report form is that prescribed by the Nebraska State Auditor’s Office.

**Visitor Improvement Fund**

Neb. Rev. Stat. § 81-1254 (Reissue 2008) states, the “county may after a public hearing adopt a resolution to impose an additional sales tax of not to exceed two percent upon the total consideration charged for occupancy of any space furnished by any hotel if such county has created a County Visitors Improvement Fund and a visitors committee pursuant to section 81-1255. The proceeds from such tax shall be paid to the County Visitor Improvement Fund.”

The County is putting both the visitor promotion tax and the visitor improvement tax into a Visitor Promotion Fund, a Visitor Improvement Fund has not been created for the visitor improvement tax. The County collected $11,520 in visitor improvement tax during fiscal year 2010. When taxes are not credited to the correct fund there is a risk of loss, misuse, or that funds will not be used in accordance with State statutes.

We recommend the County Board establish a Visitor Improvement Fund and credit visitor improvement tax collections to that Fund.

**Claim Procedures**

Good internal controls require adequate supporting documentation be maintained to support expenditures approved by the County Board and procedures be in place to ensure reimbursements are requested when agreed upon.

During our audit we noted the following:

- Three claims approved and paid by the County to Pamida, totaling $229, were related to inmates housed for Dodge County. These expenses were not subsequently billed to Dodge County for reimbursement.
- One claim paid to the County Attorney for reimbursement of expenses totaling $112 had no supporting documentation attached.
- One claim paid to Wells Fargo Service Card for purchases made on the County credit card did not have supporting documentation attached for 20 purchases totaling $479.
- One claim paid to the County Sheriff for petty cash reimbursement of $205 did not have adequate supporting documentation for three meal receipts totaling $42.
When documentation is not obtained prior to disbursement of funds and procedures are not in place to request reimbursements, there is an increased risk of loss or misuse of funds.

We recommend procedures be implemented to ensure reimbursement requests to other counties be made in a timely manner. We further recommend the County Board implement procedures to ensure adequate supporting documentation is obtained prior to the approval of claims.

County Board’s Response: The County Board will inform each County Official/Department that claims must have supporting documentation attached which will include detailed receipts for reimbursement of expenses before submitting to the County Clerk’s Office and approval by the Board. If adequate documentation is not included then the claims will be denied.

**Handibus Money**

Neb. Rev. Stat. § 23-109 (Reissue 2007) states “The county board shall have power to examine and settle all accounts against the county and all accounts concerning the receipts and expenditures of the county."

Neb. Rev. Stat. § 23-1601 (Reissue 2007) requires all money belonging to the County, from whatever source, be deposited with the County Treasurer and paid out only on warrants issued by the County Board.

During the fiscal year the County received $38,027 from the State for support of the local Handibus. The checks were endorsed over to Southeast Nebraska Community Action Council (SENC) for deposit, not remitted to the County Treasurer. When money is not remitted to the County Treasurer, the financial statements do not reflect all the County financial information.

We recommend all checks made payable to the County are deposited with the County Treasurer and disbursed through the claim and warrant process.

County Board’s Response: The County has an agreement with Southeast Nebraska Community Action Council (SENC) to administer the program. Contact has been made with NE Dept. of Roads to inquire as to if the payments may be made directly to SENC.

**Contracts**

Good internal control procedures require contracts be updated and maintained to support amounts being collected or paid and that controls are in place to ensure the correct amount is collected.

It was noted during our audit, a contract for providing dispatching services to the City of Humboldt required payments in the amount of $4,288 a month for July through September 2009; the County collected $4,143 a month, a total of $435 less than the contract specified. It was further noted, the contract expired in August 2010 although the County continues to provide dispatching services and receive reimbursement from the City.
We recommend procedures be in place to monitor contracts and ensure the correct amount is collected and provisions are kept current.

*County Board’s Response:* Contract payment receipts issued by the County Treasurer for payments received from the City of Humboldt for the Law Enforcement Agreement are given to the County Sheriff’s Office.

The County Clerk has reviewed the records and submitted a letter to the City of Humboldt requesting the difference and remainder due on the contract. The newly elected Sheriff is working with the City of Humboldt on a new and revised contract.

**Publishing of Board Minutes**

Neb. Rev. Stat. § 23-122 (Reissue 2007) requires the County Board to publish within ten working days after the close of a meeting a brief statement of the proceedings thereof.

During our audit, we noted 3 of the 10 County Board meetings tested were not published within ten working days after the close of the meeting. This results in the public not being made aware of proceedings in the time prescribed by State statute.

We recommend the County Board ensure County Board meeting proceedings are published within ten working days of the close of the meeting.

*County Board’s Response:* The Falls City Journal publishes once a week and at different times it is not possible to achieve this requirement. The County Board Minutes are also posted on the Richardson County website.

**Audit Report**

Neb. Rev. Stat. § 23-1608 (Reissue 2007) states, “(1) Each county board shall cause an examination and a complete and comprehensive annual audit to be made of the books, accounts, records, and affairs of all county officers in the county…An original copy of the audit report shall be filed in the office of the county clerk and in the office of the Auditor of Public Accounts within twelve months after the end of each fiscal year. (2) The county board shall cause to be published in the same manner as the proceedings of the county board a brief statement disclosing the conclusion of the examination and audit and that such audit report is on file with the county clerk.”

The 2009 audit report was not issued within one year after the fiscal year end nor was the report published within ten days after the report was issued.

We recommend the County Board ensure the audit report is released within one year after the fiscal year end. We further recommend the County Board publish the conclusion and release of the audit report within ten days after issuance.
County Board’s Response: After the 2009 audit report was submitted to the County Board on August 3, 2010, from the firm of Prosser & Campbell, PC, the report that the audit has been completed was presented before the legal publication deadline at the Falls City Journal for publication that week on August 12. The local newspaper was going through some major changes with their printing which took effect August 1 and it was inadvertently left out and published the next week, August 19, 2010.

Every effort has been made to meet legal publication deadlines and instruct the local newspaper to publish by a certain date, but with the once a week publication it is sometimes extremely difficult to achieve.

COUNTY SHERIFF

Accounting Procedures

Neb. Rev. Stat. § 33-117 (Cum. Supp. 2010) requires the County Sheriff to submit a report of all fees earned and collected to the County Board on the first Tuesday in January, April, July, and October. Additionally, the County Sheriff is required to pay all fees earned to the County Treasurer.

Good internal control requires procedures be in place to ensure assets (cash on hand, reconciled bank statement, and accounts receivable) are in agreement with office liabilities (fees, trust accounts, and accounts payable), timely and complete bank reconciliations are performed, trust balances can be identified, all money received is recorded on pre-numbered receipts, all records are complete and accurate, and that claims for payment are made timely.

We noted the following:

- At June 30, 2010, office records indicated assets were long $508 compared to office liabilities.
- At December 31, 2010, office records indicated assets were long $493.
- Complete and accurate bank reconciliations were not performed on a monthly basis.
- The office could not identify inmate account balances held at June 30, 2010.
- The County Sheriff remitted collections to the County Treasurer, not earnings as required by State statute.
- Remittances to the County Treasurer were not made timely. Fees were remitted from 1 to 5 months after the date required by State statute.
- Claims for fees due from the County were not made in a timely manner. Noted claims which were submitted up to 14 months after services were performed.
- Noted 3 instances, totaling $1,085, where receipts were not written for bonds and a distress warrant.
- Bank deposits did not reconcile to receipts, which indicates not all receipts were recorded on the fee sheets, variance noted was $1,402.
- Pre-numbered receipts were not used to account for all money received.
- A check to refund an overpayment of service fees was written for $6, but should have been $44.
During a cash count on January 6, 2011:
  o 11 of 12 checks on hand were not restrictively endorsed.
  o $155 in cash and checks on hand had not been receipted.

On January 4, 2011, we requested records for activity through December 31, 2010. We noted the following:
  • The fee book documenting earnings for fees and mileage relating to paper service had not been prepared for October 2010 through December 2010.
  • The monthly ledger of fees collected and checks written had not been prepared for December 2010.
  • No bank reconciliations had been performed for July 2010 through December 2010.
  • When the activity had been prepared (at the request of the auditor) receipt amounts did not reconcile to bank deposits. Variance noted was $146.
  • $1,188 in distress warrant receipts had not been recorded in the monthly ledger.

When earnings are not properly remitted to the County Treasurer, the County Sheriff is not in compliance with State statutes. Additionally, when procedures are not in place to ensure records are completed timely and accurately there is an increased risk of error, loss, theft or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff implement timely documented monthly balancing procedures, including a bank reconciliation, an analysis of bank activity, and a timely follow-up on any unexplained variances. We further recommend the County Sheriff begin remitting earnings to the County Treasurer on a timely basis and in accordance with State statutes.

Jewelry Purchase

Good internal control requires County credit cards be used only for the purchase of goods or services related to County business.

We noted a purchase from Zales.com for $695 made with the County’s credit card. This purchase was not related to County business. The County Sheriff made a payment directly to the credit card company for this amount via a cashier’s check and did not claim it to the County.

When credit card purchases are not limited to County business, there is an increased risk the County will be held liable for non-County purchases.

We recommend the County Sheriff implement procedures to ensure all credit card purchases are for legitimate County business.
**Distress Warrants**

Good internal control and sound business practices require that remittances are made in a timely manner and collections for mileage costs be remitted to the County Treasurer.

During testing of distress warrant collections, we noted the following:

- Collections for distress warrants were remitted to the County Treasurer anywhere from 14 to 77 days after receipt by the County Sheriff’s office.
- The County Sheriff remitted $33 in mileage fees collected on a distress warrant to the County Treasurer as interest on the distress warrant, not mileage fees.

When collections for distress warrants are not remitted timely, taxes remain delinquent in the County Treasurer’s office records which could cause delay of payment of claims, or other actions to be improperly taken.

We recommend the County Sheriff’s office implement procedures to ensure distress warrant receipts are remitted to the County Treasurer on a timely basis, and that mileage amounts collected are not included as interest receipts.

**Vending Machines**

Sound accounting practices require that an entity which allows a company to maintain a vending machine in their office collect a fee or commission from the company maintaining the vending machine.

The County Sheriff’s office contracted with a company to maintain a vending machine in the jail lobby. No commission or fee was received from the company for allowing them to place the vending machine in the jail. The County receives a fee for other vending machines located in the County Courthouse. There is an increased risk of loss or misuse of funds when contracts are not in place to document use of county property.

We recommend the County Sheriff determine possible benefits of requiring the vending machine company to pay a fee or commission for the use of the space for the vending machine.

**Property Tax Credit**

Neb. Rev. Stat. § 77-4212 (Reissue 2009) states, “the amount of the credit which cannot be used by the taxpayer shall be returned to the State Treasurer by July 1 of the year the amount disbursed to the county was disbursed.”

We noted the excess property tax credit in the amount of $4,757 was not returned to the State Treasurer until September 28, 2010. When procedures are not in place to ensure the timely return of funds to the State there is an increased risk of loss or misuse of funds.
We recommend the excess tax credit funds be returned to the State Treasurer by July 1st of each year.

**Unknown and Inactive Accounts**

Good internal controls require trust balances be reviewed on a routine basis to ensure they are active and current, it further requires records be maintained to identify individual accounts which account for summary ledger balances.

During testing, it was noted, trust balances could not be fully identified and some balances were old. These balances included:

- Unknown amount in Tax Sales Redemption Account of $4,847.

We recommend accounts be reviewed and monitored on a routine basis to ensure they are accurate and current.

**Cash Shortage**

Good internal control and sound accounting practices require that shortages and overages be handled properly and not carried in the total County balance indefinitely.

As of June 30, 2010, the County Treasurer is carrying a $161 cash shortage on the daily balance sheet. This figure represents an accumulation of small cash variances over an extended period of time. When overages and shortages are not properly handled, there is an increased risk of loss or misuse of funds.

We recommend the County Treasurer discuss this shortage with the County Board to determine the appropriate action.

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**COUNTY CLERK**

**Certification of Unpaid Claims**

Neb. Rev. Stat. § 23-1302 (Reissue 2007) which outlines the duties of the County Clerk states, in part, “…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 as of December 15, 2009, and June 15, 2010, were not certified to the County Treasurer. When the amount of unpaid claims is not certified by the County Clerk in compliance with State statute, the County Treasurer does not have complete information on file regarding the finances of the County.
We recommend the County Clerk comply with statute by certifying to the County Treasurer the amount of unpaid claims.

*County Clerk’s Response:* The amount of unpaid claims was certified to the County Treasurer as of June 30, 2010 and December 31, 2010. Future certifications will be made to the County Treasurer certifying unpaid claims as of June 15 and December 15 of each year.

**COUNTY HIGHWAY DEPARTMENT**

**Accounting Procedures**

Good internal controls require that the County Board approve all prices charged for sales of surplus property, and that all sales prices agree to the fees approved, or that a reason for deviation from those fees is documented and approved. Good internal controls also require the timely follow-up on delinquent accounts receivables.

During receipt testing in the County Highway Department, we noted one invoice for which the unit prices did not agree to the fee sheet, there was no documentation to support the difference. Additionally, the fee sheet was not approved by the County Board. We also noted two accounts receivables in the amount of $935 and $15, which had originally been billed in 1993 and 2008 respectively, which remained uncollected. When fees charged are not approved by the County Board and accounts receivables are not followed up on in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the County Highway Department have the County Board approve the fee sheet and that those fees be used for all invoices processed, or deviation from those fees are documented.

**COUNTY CLERK OF THE DISTRICT COURT**

**Petty Cash Fund**

Neb. Rev. Stat. § 23-106 (Reissue 2007) states that when the County Board establishes a petty cash fund, such amount should be stated in the fiscal policy of the County Board budget message. Good internal controls require petty cash funds be reconciled to a set amount and reimbursements be requested in a timely manner.

During our audit, we noted the following:

- The County Clerk of the District Court’s petty cash amount was not authorized by the County Board.
- The petty cash fund was not disclosed in the budget message.
- The petty cash fund is not reconciled to a set amount, as of June 30, 2010, the petty cash balance was $288.
- Petty cash expenses were not requested for reimbursement within a timely manner.
When the budget message does not reflect authorized petty cash amounts the public is not notified of the approved petty cash amounts available to officials. When the petty cash fund does not have a set amount, there is an increased risk of loss, theft, or misuse of County funds.

We recommend the petty cash fund of the County Clerk of the District Court be authorized by the County Board, included in the County budget message, be reconciled to a set amount, and have claims for reimbursement submitted in a timely manner.

County Clerk of the District Court’s Response: On the 18th day of January, 2011 the County Board adopted Resolution 2010-2011-36 which authorizes the petty cash fund with a set amount for the office of the Clerk of the District Court.

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. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

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

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