

**AUDIT REPORT
OF
RICHARDSON COUNTY**

JULY 1, 2013 THROUGH JUNE 30, 2014

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The Auditor of Public Accounts.**

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Issued on September 8, 2014

RICHARDSON COUNTY

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RICHARDSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2014

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Myron Davidson	Board of Commissioners	Jan. 2015
David Sickel		Jan. 2017
James Standerford		Jan. 2017
Pamela Vice	Assessor	Jan. 2015
Doug Merz	Attorney	Jan. 2015
Mary Eickhoff	Clerk Election Commissioner Register of Deeds	Jan. 2015
Pamela Scott	Clerk of the District Court	Jan. 2015
Randy Houser	Sheriff	Jan. 2015
Austin Duerfeldt	Treasurer	Jan. 2015
Mona Godemann	Veterans' Service Officer	Appointed
Scott Huppert	Highway Superintendent	Appointed
James Gernweck	Emergency Manager	Appointed



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RICHARDSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Richardson County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Richardson County as of June 30, 2014, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, Pages 20 - 33, is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2014, 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 considering Richardson County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

September 2, 2014

RICHARDSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 2,767,296
Investments (Note 1.D)	436,455
TOTAL ASSETS	<u><u>\$ 3,203,751</u></u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 77,671
Law Enforcement	11,584
Debt Service	298,525
Bridge/Road Projects	238,644
Preservation of Records	6,945
Unrestricted	<u>2,570,382</u>
TOTAL NET POSITION	<u><u>\$ 3,203,751</u></u>

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, 2014

Functions:	Cash	Program Cash Receipts		Net (Disbursement)
Governmental Activities:	Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
General Government	\$ (2,435,524)	\$ 383,792	\$ 127,761	\$ (1,923,971)
Public Safety	(1,242,816)	114,826	114,998	(1,012,992)
Public Works	(3,690,583)	3,600	1,394,316	(2,292,667)
Health and Sanitation	(45,858)	-	-	(45,858)
Public Assistance	(85,468)	-	-	(85,468)
Culture and Recreation	(33,512)	-	-	(33,512)
Debt Payments	(146,818)	-	-	(146,818)
Total Governmental Activities	\$ (7,680,579)	\$ 502,218	\$ 1,637,075	(5,541,286)
General Receipts:				
Property Taxes				4,660,472
Grants and Contributions Not Restricted to Specific Programs				432,429
Investment Income				10,337
Licenses and Permits				27,665
Insurance Settlement				149,000
Miscellaneous				157,392
Total General Receipts				5,437,295
Increase in Net Position				(103,991)
Net Position - Beginning of year				3,307,742
Net Position - End of year				\$ 3,203,751

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, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents (Note 1.D)	\$ 487,524	\$ 472,532	\$ 579,611	\$ 1,227,629	\$ 2,767,296
Investments (Note 1.D)	-	-	436,455	-	436,455
TOTAL ASSETS	<u>\$ 487,524</u>	<u>\$ 472,532</u>	<u>\$ 1,016,066</u>	<u>\$ 1,227,629</u>	<u>\$ 3,203,751</u>
FUND BALANCES					
Restricted for:					
Visitor Promotion	-	-	-	77,671	77,671
Law Enforcement	-	-	-	11,584	11,584
Debt Service	-	-	-	298,525	298,525
Bridge/Road Projects	-	-	-	238,644	238,644
Preservation of Records	-	-	-	6,945	6,945
Committed to:					
Law Enforcement	-	-	-	5,619	5,619
Road Maintenance	-	472,532	-	475,250	947,782
Aid and Assistance	-	-	-	75,273	75,273
Unemployment Benefits	-	-	-	28,410	28,410
Weed Control	-	-	-	9,708	9,708
Assigned to:					
Other Purposes	-	-	1,016,066	-	1,016,066
Unassigned	487,524	-	-	-	487,524
TOTAL CASH BASIS FUND BALANCES	<u>\$ 487,524</u>	<u>\$ 472,532</u>	<u>\$ 1,016,066</u>	<u>\$ 1,227,629</u>	<u>\$ 3,203,751</u>

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

RICHARDSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$ 3,367,542	\$ -	\$ 567,765	\$ 725,165	\$ 4,660,472
Licenses and Permits	27,665	-	-	-	27,665
Interest	10,337	-	-	-	10,337
Intergovernmental	503,066	1,238,657	-	327,781	2,069,504
Charges for Services	488,380	3,600	-	10,238	502,218
Miscellaneous	109,558	194,794	-	2,040	306,392
TOTAL RECEIPTS	<u>4,506,548</u>	<u>1,437,051</u>	<u>567,765</u>	<u>1,065,224</u>	<u>7,576,588</u>
DISBURSEMENTS					
General Government	2,198,016	-	232,935	4,573	2,435,524
Public Safety	1,216,346	-	-	26,470	1,242,816
Public Works	11,749	2,972,084	-	706,750	3,690,583
Health and Sanitation	41,505	-	-	4,353	45,858
Public Assistance	72,814	-	-	12,654	85,468
Culture and Recreation	-	-	-	33,512	33,512
Debt Service:					
Principal Payments	-	-	-	80,000	80,000
Interest and Fiscal Charges	-	-	-	66,818	66,818
TOTAL DISBURSEMENTS	<u>3,540,430</u>	<u>2,972,084</u>	<u>232,935</u>	<u>935,130</u>	<u>7,680,579</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>966,118</u>	<u>(1,535,033)</u>	<u>334,830</u>	<u>130,094</u>	<u>(103,991)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	301,646	1,680,742	-	18,294	2,000,682
Transfers out	(1,309,434)	-	(300,000)	(391,248)	(2,000,682)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,007,788)</u>	<u>1,680,742</u>	<u>(300,000)</u>	<u>(372,954)</u>	<u>-</u>
Net Change in Fund Balances	(41,670)	145,709	34,830	(242,860)	(103,991)
CASH BASIS FUND BALANCES - BEGINNING					
	<u>529,194</u>	<u>326,823</u>	<u>981,236</u>	<u>1,470,489</u>	<u>3,307,742</u>
CASH BASIS FUND BALANCES - ENDING					
	<u>\$ 487,524</u>	<u>\$ 472,532</u>	<u>\$ 1,016,066</u>	<u>\$ 1,227,629</u>	<u>\$ 3,203,751</u>

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, 2014

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 397,771
 LIABILITIES	
Due to other governments	
State	159,394
Schools	169,917
Educational Service Units	1,698
Technical College	7,427
Natural Resource Districts	4,874
Fire Districts	2,427
Municipalities	44,260
Agricultural Society	552
Others	7,222
TOTAL LIABILITIES	397,771
 TOTAL NET ASSETS	 \$ -

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

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

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 Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (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 \$29,771 toward the operation of the Region during fiscal year 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2012).

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 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2012). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions.

The 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 County Board is the highest level of

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

The County reports the following additional non-major governmental fund types:

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

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

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

The County designates fund balances as:

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

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Assigned. The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

Unassigned. This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

C. Measurement Focus, Basis of Accounting

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

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

D. Assets and Net Position

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. §§ 77-2315, 77-2340, and 77-2341 (Reissue 2009) and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$633,369 of restricted net position, of which \$84,616 is restricted by enabling legislation.

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

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$2,767,296 for County funds and \$397,771 for Fiduciary funds. The bank balances for all funds totaled \$3,173,824. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2014, 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 is stated at cost, which approximates market. Investments consisted of \$436,455 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 that 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 participants 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 they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes (Concluded)

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

The levy set in October 2013, for the 2013 taxes, which will be materially collected in May and September 2014, was set at \$.364760/\$100 of assessed valuation. The levy set in October 2012, for the 2012 taxes, which were materially collected in May and September 2013, was set at \$.389684/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

4. Retirement System

The Retirement System for Nebraska Counties (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 23-2334 (Reissue 2012, Supp. 2013) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Retirement System (Concluded)

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2014, 76 employees contributed \$105,037, and the County contributed \$156,133. Contributions included \$2,848 in cash contributions towards the supplemental law enforcement plan for seven law enforcement employees. Lastly, the County paid \$1,093 directly to eight retired employees for prior service benefits.

5. Risk Management

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures. There was no significant reduction of insurance coverage from the prior year, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2014.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
Road Fund	\$ 1,291,629	\$ -	\$ 389,113	\$ 1,680,742
General Fund	-	300,000	1,646	301,646
Nonmajor Funds	17,805	-	489	18,294
Total	\$ 1,309,434	\$ 300,000	\$ 391,248	\$ 2,000,682

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.

In the year ended June 30, 2014, the County made a one-time transfer of \$389,113 from the Natural Disaster Fund to the Road Fund to reimburse that fund for natural disaster expenses.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Capital Leases Payable

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

	Hydra Platform	Ambulance	Motor Grader	International Truck	Total
Balance July 1, 2013	\$ 32,711	\$ 72,474	\$ 78,383	\$ 127,263	\$ 310,831
Purchases	-	-	-	-	-
Payments	32,711	35,859	38,629	127,263	234,462
Balance June 30, 2014	<u>\$ -</u>	<u>\$ 36,615</u>	<u>\$ 39,754</u>	<u>\$ -</u>	<u>\$ 76,369</u>
Future Payments:					
Year					Total
2015	\$ -	\$ 37,193	\$ 40,867	\$ -	\$ 78,060
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020-2024	-	-	-	-	-
Total Payments	-	37,193	40,867	-	78,060
Less Interest	-	578	1,113	-	1,691
Present Value of Future Minimum Lease Payments	<u>\$ -</u>	<u>\$ 36,615</u>	<u>\$ 39,754</u>	<u>\$ -</u>	<u>\$ 76,369</u>
Carrying Value of the Related Fixed Asset	<u>\$ 96,900</u>	<u>\$ 139,625</u>	<u>\$ 165,250</u>	<u>\$ -</u>	<u>\$ 401,755</u>

8. Contingent Liabilities

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. Long-Term Debt

The County issued bonds on May 17, 2011, in the amount of \$2,000,000 for the purpose of paying the costs of construction of certain streets, highways, and roads within Richardson County. The bond payable balance, as of June 30, 2014, was \$1,760,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 80,000	\$ 65,457	\$ 145,457
2016	80,000	64,018	144,018
2017	85,000	62,377	147,377
2018	85,000	60,338	145,338
2019	90,000	58,085	148,085
2020-2024	485,000	245,768	730,768
2025-2029	580,000	143,302	723,302
2030-2031	275,000	19,578	294,578
Total Payments	<u>\$ 1,760,000</u>	<u>\$ 718,923</u>	<u>\$ 2,478,923</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 3,602,908	\$ 3,602,908	\$ 3,367,542	\$ (235,366)
Licenses and Permits	29,600	29,600	27,665	(1,935)
Interest	10,000	10,000	10,337	337
Intergovernmental	295,100	295,100	503,066	207,966
Charges for Services	383,188	383,188	488,380	105,192
Miscellaneous	21,000	21,000	109,558	88,558
TOTAL RECEIPTS	4,341,796	4,341,796	4,506,548	164,752
DISBURSEMENTS				
General Government:				
County Commissioners	59,520	59,520	59,241	279
County Clerk	126,768	126,768	126,472	296
County Treasurer	146,668	146,668	141,660	5,008
County Assessor	197,081	197,081	194,329	2,752
Election Commissioner	64,123	64,123	53,999	10,124
Clerk of the District Court	72,439	72,439	72,439	-
County Court System	9,130	9,130	7,242	1,888
CDC - Child Support Agreement	17,589	17,589	12,792	4,797
Building and Grounds	263,020	263,020	252,214	10,806
Agricultural Extension Agent	51,019	51,019	50,201	818
Miscellaneous	1,233,739	1,233,739	1,227,427	6,312
Public Safety				
County Sheriff	304,804	304,804	298,155	6,649
County Attorney	66,663	66,663	66,581	82
Investigator	57,975	57,975	54,776	3,199
County Jail	279,448	287,055	287,055	-
Emergency Management	83,812	87,348	87,348	-
Humboldt Sheriff	68,375	68,375	67,500	875
Attorney - Child Support Agreement	74,736	74,736	74,364	372
Attorney - Incentive Match	26,638	26,638	25,101	1,537
Nuclear Accident Emergency Prepared	71,365	71,365	71,365	-
Miscellaneous	181,003	202,378	184,101	18,277
Public Works				
County Surveyor	12,812	12,812	11,749	1,063
Public Health				
Miscellaneous	52,771	52,771	41,505	11,266

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
Public Assistance				
Veterans' Service Officer	56,300	56,300	53,203	3,097
Miscellaneous	22,641	22,641	19,611	3,030
TOTAL DISBURSEMENTS	<u>3,600,439</u>	<u>3,632,957</u>	<u>3,540,430</u>	<u>92,527</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>741,357</u>	<u>708,839</u>	<u>966,118</u>	<u>257,279</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	301,646	1,646
Transfers out	(1,270,551)	(1,270,551)	(1,309,434)	(38,883)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(970,551)</u>	<u>(970,551)</u>	<u>(1,007,788)</u>	<u>(37,237)</u>
Net Change in Fund Balance	(229,194)	(261,712)	(41,670)	220,042
FUND BALANCE - BEGINNING	<u>529,194</u>	<u>529,194</u>	<u>529,194</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 300,000</u>	<u>\$ 267,482</u>	<u>\$ 487,524</u>	<u>\$ 220,042</u>

(Concluded)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD/BRIDGE FUND				
RECEIPTS				
Intergovernmental	1,127,360	1,127,360	1,238,657	111,297
Charges for Services	3,600	3,600	3,600	-
Miscellaneous	164,300	164,300	194,794	30,494
TOTAL RECEIPTS	1,295,260	1,295,260	1,437,051	141,791
DISBURSEMENTS	3,276,849	3,276,849	2,972,084	304,765
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,981,589)	(1,981,589)	(1,535,033)	446,556
OTHER FINANCING SOURCES (USES)				
Transfers in	1,654,766	1,654,766	1,680,742	25,976
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,654,766	1,654,766	1,680,742	25,976
Net Change in Fund Balance	(326,823)	(326,823)	145,709	472,532
FUND BALANCE - BEGINNING	326,823	326,823	326,823	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 472,532	\$ 472,532
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 18,764	\$ 18,764	\$ 567,765	\$ 549,001
TOTAL RECEIPTS	18,764	18,764	567,765	549,001
DISBURSEMENTS	700,000	700,000	232,935	467,065
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(681,236)	(681,236)	334,830	1,016,066
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(300,000)	(300,000)	(300,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(300,000)	(300,000)	(300,000)	-
Net Change in Fund Balance	(981,236)	(981,236)	34,830	1,016,066
FUND BALANCE - BEGINNING	981,236	981,236	981,236	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,016,066	\$ 1,016,066

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>FEDERAL MATCHING FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	238,841	238,841	-	238,841
Net Change in Fund Balance	(238,841)	(238,841)	-	238,841
FUND BALANCE - BEGINNING	238,841	238,841	238,841	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,841</u>	<u>\$ 238,841</u>
<u>ROAD BUYBACK PROGRAM FUND</u>				
RECEIPTS	\$ 238,644	\$ 238,644	\$ 238,644	\$ -
DISBURSEMENTS	238,644	238,644	-	238,644
Net Change in Fund Balance	-	-	238,644	238,644
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,644</u>	<u>\$ 238,644</u>
<u>ROAD/BRIDGE CONSTRUCTION HIGHWAY ALLOCATION FUND</u>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	220,086	220,086	175,522	44,564
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(489)	(489)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(489)	(489)
Net Change in Fund Balance	(220,086)	(220,086)	(176,011)	44,075
FUND BALANCE - BEGINNING	220,086	220,086	220,086	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,075</u>	<u>\$ 44,075</u>
<u>ROAD/BRIDGE SINKING FUND</u>				
RECEIPTS	\$ 500,000	\$ 500,000	\$ 466,380	\$ (33,620)
DISBURSEMENTS	744,205	744,205	518,251	225,954
Net Change in Fund Balance	(244,205)	(244,205)	(51,871)	192,334
FUND BALANCE - BEGINNING	244,205	244,205	244,205	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,334</u>	<u>\$ 192,334</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>CIVIL DEFENSE FUND</u>				
RECEIPTS	\$ 515,307	\$ 515,307	\$ -	\$ (515,307)
DISBURSEMENTS	515,307	515,307	-	515,307
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>CHROMATOGRAPH FUND</u>				
RECEIPTS	\$ 73	\$ 73	\$ 4,066	\$ 3,993
DISBURSEMENTS	5,600	5,600	3,974	1,626
Net Change in Fund Balance	(5,527)	(5,527)	92	5,619
FUND BALANCE - BEGINNING	5,527	5,527	5,527	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,619</u>	<u>\$ 5,619</u>
<u>VISITOR'S PROMOTION FUND</u>				
RECEIPTS	\$ 10,585	\$ 10,585	\$ 12,936	\$ 2,351
DISBURSEMENTS	50,000	50,000	20,312	29,688
Net Change in Fund Balance	(39,415)	(39,415)	(7,376)	32,039
FUND BALANCE - BEGINNING	39,415	39,415	39,415	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,039</u>	<u>\$ 32,039</u>
<u>VISITOR'S IMPROVEMENT FUND</u>				
RECEIPTS	\$ 10,104	\$ 10,104	\$ 12,936	\$ 2,832
DISBURSEMENTS	56,000	56,000	13,200	42,800
Net Change in Fund Balance	(45,896)	(45,896)	(264)	45,632
FUND BALANCE - BEGINNING	45,896	45,896	45,896	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,632</u>	<u>\$ 45,632</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>PRESERVATION & MODERNIZATION FUND</u>				
RECEIPTS	\$ 5,924	\$ 5,924	\$ 6,172	\$ 248
DISBURSEMENTS	9,000	9,000	2,303	6,697
Net Change in Fund Balance	(3,076)	(3,076)	3,869	6,945
FUND BALANCE - BEGINNING	3,076	3,076	3,076	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,945</u>	<u>\$ 6,945</u>
<u>EMPLOYMENT SECURITY FUND</u>				
RECEIPTS	\$ 55	\$ 55	\$ 735	\$ 680
DISBURSEMENTS	30,000	30,000	2,270	27,730
Net Change in Fund Balance	(29,945)	(29,945)	(1,535)	28,410
FUND BALANCE - BEGINNING	29,945	29,945	29,945	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,410</u>	<u>\$ 28,410</u>
<u>MEDICAL RELIEF FUND</u>				
RECEIPTS	\$ 895	\$ 895	\$ 545	\$ (350)
DISBURSEMENTS	76,000	76,000	9,654	66,346
Net Change in Fund Balance	(75,105)	(75,105)	(9,109)	65,996
FUND BALANCE - BEGINNING	75,105	75,105	75,105	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,996</u>	<u>\$ 65,996</u>
<u>INSTITUTIONS FUND</u>				
RECEIPTS	\$ 939	\$ 939	\$ 1,037	\$ 98
DISBURSEMENTS	13,000	13,000	4,353	8,647
Net Change in Fund Balance	(12,061)	(12,061)	(3,316)	8,745
FUND BALANCE - BEGINNING	12,061	12,061	12,061	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,745</u>	<u>\$ 8,745</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
RECEIPTS	\$ 2,285	\$ 2,285	\$ 2,817	\$ 532
DISBURSEMENTS	3,000	3,000	3,000	-
Net Change in Fund Balance	(715)	(715)	(183)	532
FUND BALANCE - BEGINNING	715	715	715	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532</u>	<u>\$ 532</u>
COUNTY DRUG LAW ENFORCEMENT FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	609	609	-	609
Net Change in Fund Balance	(609)	(609)	-	609
FUND BALANCE - BEGINNING	609	609	609	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ 609</u>
JUVENILE SERVICES FUND				
RECEIPTS	\$ 25,921	\$ 25,921	\$ 26,521	\$ 600
DISBURSEMENTS	26,198	26,198	22,496	3,702
Net Change in Fund Balance	(277)	(277)	4,025	4,302
FUND BALANCE - BEGINNING	277	277	277	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,302</u>	<u>\$ 4,302</u>
HIGHWAY ALLOCATION BOND FUND				
RECEIPTS	\$ 304,323	\$ 304,323	\$ 285,477	\$ (18,846)
DISBURSEMENTS	464,200	464,200	147,318	316,882
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	489	489
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>489</u>	<u>489</u>
Net Change in Fund Balance	(159,877)	(159,877)	138,648	298,525
FUND BALANCE - BEGINNING	159,877	159,877	159,877	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,525</u>	<u>\$ 298,525</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>NATURAL DISASTER FUND</u>				
RECEIPTS	\$ 9,241	\$ 9,241	\$ -	\$ (9,241)
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(400,000)	(400,000)	(390,759)	9,241
TOTAL OTHER FINANCING SOURCES (USES)	(400,000)	(400,000)	(390,759)	9,241
Net Change in Fund Balance	(390,759)	(390,759)	(390,759)	-
FUND BALANCE - BEGINNING	390,759	390,759	390,759	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NOXIOUS WEED FUND</u>				
RECEIPTS	\$ -	\$ -	\$ 285	\$ 285
DISBURSEMENTS	19,880	19,880	12,477	7,403
OTHER FINANCING SOURCES (USES)				
Transfers in	15,785	15,785	17,805	2,020
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	15,785	15,785	17,805	2,020
Net Change in Fund Balance	(4,095)	(4,095)	5,613	9,708
FUND BALANCE - BEGINNING	4,095	4,095	4,095	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,708</u>	<u>\$ 9,708</u>
<u>FEDERAL FORFEITURE FUND</u>				
RECEIPTS	\$ -	\$ -	\$ 6,673	\$ 6,673
DISBURSEMENTS	-	-	-	-
Net Change in Fund Balance	-	-	6,673	6,673
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,673</u>	<u>\$ 6,673</u>

(Concluded)

RICHARDSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Federal Matching Fund	Road Buyback Program Fund	Road/Bridge Construction Highway Allocation Fund	Road/Bridge Sinking Fund	Chromatograph Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ 432,292	\$ -
Intergovernmental	-	238,644	-	34,088	-
Charges for Services	-	-	-	-	4,066
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>238,644</u>	<u>-</u>	<u>466,380</u>	<u>4,066</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	3,974
Public Works	-	-	175,522	518,251	-
Health and Sanitation	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>175,522</u>	<u>518,251</u>	<u>3,974</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>238,644</u>	<u>(175,522)</u>	<u>(51,871)</u>	<u>92</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(489)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(489)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	238,644	(176,011)	(51,871)	92
FUND BALANCES - BEGINNING	<u>238,841</u>	<u>-</u>	<u>220,086</u>	<u>244,205</u>	<u>5,527</u>
FUND BALANCES - ENDING	<u>\$ 238,841</u>	<u>\$ 238,644</u>	<u>\$ 44,075</u>	<u>\$ 192,334</u>	<u>\$ 5,619</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Bridge/Road Projects	-	238,644	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	5,619
Road Maintenance	238,841	-	44,075	192,334	-
Aid and Assistance	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-
Weed Control	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 238,841</u>	<u>\$ 238,644</u>	<u>\$ 44,075</u>	<u>\$ 192,334</u>	<u>\$ 5,619</u>

(Continued)

RICHARDSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation & Modernization Fund	Employment Security Fund	Medical Relief Fund
RECEIPTS					
Property Taxes	\$ 12,936	\$ 12,936	\$ -	\$ 704	\$ 521
Intergovernmental	-	-	-	31	24
Charges for Services	-	-	6,172	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>12,936</u>	<u>12,936</u>	<u>6,172</u>	<u>735</u>	<u>545</u>
DISBURSEMENTS					
General Government	-	-	2,303	2,270	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Sanitation	-	-	-	-	-
Public Assistance	-	-	-	-	9,654
Culture and Recreation	20,312	13,200	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>20,312</u>	<u>13,200</u>	<u>2,303</u>	<u>2,270</u>	<u>9,654</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(7,376)</u>	<u>(264)</u>	<u>3,869</u>	<u>(1,535)</u>	<u>(9,109)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,376)	(264)	3,869	(1,535)	(9,109)
FUND BALANCES - BEGINNING	<u>39,415</u>	<u>45,896</u>	<u>3,076</u>	<u>29,945</u>	<u>75,105</u>
FUND BALANCES - ENDING	<u>\$ 32,039</u>	<u>\$ 45,632</u>	<u>\$ 6,945</u>	<u>\$ 28,410</u>	<u>\$ 65,996</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	32,039	45,632	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-
Preservation of Records	-	-	6,945	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	65,996
Unemployment Benefits	-	-	-	28,410	-
Weed Control	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 32,039</u>	<u>\$ 45,632</u>	<u>\$ 6,945</u>	<u>\$ 28,410</u>	<u>\$ 65,996</u>

(Continued)

RICHARDSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Institutions Fund	Veterans' Aid Fund	County Drug Law Enforcement Fund	Juvenile Services Fund	Highway Allocation Bond Fund
RECEIPTS					
Property Taxes	\$ 746	\$ 2,338	\$ -	\$ -	\$ 262,692
Intergovernmental	291	199	-	25,046	22,785
Charges for Services	-	-	-	-	-
Miscellaneous	-	280	-	1,475	-
TOTAL RECEIPTS	1,037	2,817	-	26,521	285,477
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	22,496	-
Public Works	-	-	-	-	500
Health and Sanitation	4,353	-	-	-	-
Public Assistance	-	3,000	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	80,000
Interest and Fiscal Charges	-	-	-	-	66,818
TOTAL DISBURSEMENTS	4,353	3,000	-	22,496	147,318
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,316)	(183)	-	4,025	138,159
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	489
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	489
Net Change in Fund Balances	(3,316)	(183)	-	4,025	138,648
FUND BALANCES - BEGINNING	12,061	715	609	277	159,877
FUND BALANCES - ENDING	\$ 8,745	\$ 532	\$ 609	\$ 4,302	\$ 298,525
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Law Enforcement	-	-	609	4,302	-
Debt Service	-	-	-	-	298,525
Bridge/Road Projects	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	8,745	532	-	-	-
Unemployment Benefits	-	-	-	-	-
Weed Control	-	-	-	-	-
TOTAL FUND BALANCES	\$ 8,745	\$ 532	\$ 609	\$ 4,302	\$ 298,525

(Continued)

RICHARDSON COUNTY
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	Natural Disaster Fund	Noxious Weed Fund	Federal Forfeiture Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ 725,165
Intergovernmental	-	-	6,673	327,781
Charges for Services	-	-	-	10,238
Miscellaneous	-	285	-	2,040
TOTAL RECEIPTS	-	285	6,673	1,065,224
DISBURSEMENTS				
General Government	-	-	-	4,573
Public Safety	-	-	-	26,470
Public Works	-	12,477	-	706,750
Health and Sanitation	-	-	-	4,353
Public Assistance	-	-	-	12,654
Culture and Recreation	-	-	-	33,512
Debt Service:				
Principal Payments	-	-	-	80,000
Interest and Fiscal Charges	-	-	-	66,818
TOTAL DISBURSEMENTS	-	12,477	-	935,130
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	-	(12,192)	6,673	130,094
OTHER FINANCING SOURCES (USES)				
Transfers in	-	17,805	-	18,294
Transfers out	(390,759)	-	-	(391,248)
TOTAL OTHER FINANCING SOURCES (USES)	(390,759)	17,805	-	(372,954)
Net Change in Fund Balances	(390,759)	5,613	6,673	(242,860)
FUND BALANCES - BEGINNING	390,759	4,095	-	1,470,489
FUND BALANCES - ENDING	\$ -	\$ 9,708	\$ 6,673	\$ 1,227,629
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	77,671
Law Enforcement	-	-	6,673	11,584
Debt Service	-	-	-	298,525
Bridge/Road Projects	-	-	-	238,644
Preservation of Records	-	-	-	6,945
Committed to:				
Law Enforcement	-	-	-	5,619
Road Maintenance	-	-	-	475,250
Aid and Assistance	-	-	-	75,273
Unemployment Benefits	-	-	-	28,410
Weed Control	-	9,708	-	9,708
TOTAL FUND BALANCES	\$ -	\$ 9,708	\$ 6,673	\$ 1,227,629

(Concluded)

RICHARDSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2014

	County Clerk	County Board	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer	Total
BALANCES JULY 1, 2013	\$ 6,261	\$ 28,772	\$ 23,293	\$ 15,761	\$ 2,746	\$ 1,983	\$ 3,359	\$ 82,175
RECEIPTS								
Licenses and Permits	855	-	-	460	-	-	-	1,315
Charges for Services	51,900	-	11,918	49,913	710	44,283	-	158,724
Miscellaneous	-	38,572	-	420	-	-	-	38,992
State Fees	37,063	-	11,478	238	-	2,271	-	51,050
Other Liabilities	-	-	235,038	110,068	27,110	-	3,000	375,216
TOTAL RECEIPTS	89,818	38,572	258,434	161,099	27,820	46,554	3,000	625,297
DISBURSEMENTS								
Payments to County Treasurer	52,497	29,803	12,418	57,823	710	36,694	-	189,945
Payments to State Treasurer	34,728	-	11,408	216	-	-	-	46,352
Other Liabilities	-	37,541	212,210	79,479	27,024	-	3,680	359,934
TOTAL DISBURSEMENTS	87,225	67,344	236,036	137,518	27,734	36,694	3,680	596,231
BALANCES JUNE 30, 2014	\$ 8,854	\$ -	\$ 45,691	\$ 39,342	\$ 2,832	\$ 11,843	\$ 2,679	\$ 111,241
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 4,666	\$ -	\$ 1,677	\$ 6,133	\$ -	\$ 10,843	\$ 2,679	\$ 25,998
Petty Cash	150	-	300	2,000	-	1,000	-	3,450
Due to State Treasurer	4,038	-	1,110	95	-	-	-	5,243
Due to Others	-	-	42,604	31,114	2,832	-	-	76,550
BALANCES JUNE 30, 2014	\$ 8,854	\$ -	\$ 45,691	\$ 39,342	\$ 2,832	\$ 11,843	\$ 2,679	\$ 111,241

RICHARDSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2014

Item	2009	2010	2011	2012	2013
Tax Certified by Assessor					
Real Estate	\$ 11,512,313	\$ 12,618,090	\$ 14,429,882	\$ 14,875,255	\$ 15,810,356
Personal and Specials	751,389	786,528	966,398	1,032,880	1,127,153
Total	<u>12,263,702</u>	<u>13,404,618</u>	<u>15,396,280</u>	<u>15,908,135</u>	<u>16,937,509</u>
Corrections					
Additions	7,622	8,723	21,359	2,944	438
Deductions	<u>(4,818)</u>	<u>(12,701)</u>	<u>(17,816)</u>	<u>(12,477)</u>	<u>(4,322)</u>
Net Additions/ (Deductions)	<u>2,804</u>	<u>(3,978)</u>	<u>3,543</u>	<u>(9,533)</u>	<u>(3,884)</u>
Corrected Certified Tax	<u>12,266,506</u>	<u>13,400,640</u>	<u>15,399,823</u>	<u>15,898,602</u>	<u>16,933,625</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2010	7,462,393	-	-	-	-
June 30, 2011	4,765,310	8,240,205	-	-	-
June 30, 2012	21,441	5,116,800	9,601,311	-	-
June 30, 2013	14,079	34,546	5,777,776	10,226,730	-
June 30, 2014	<u>2,690</u>	<u>8,363</u>	<u>16,837</u>	<u>5,662,310</u>	<u>10,962,291</u>
Total Net Collections	<u>12,265,913</u>	<u>13,399,914</u>	<u>15,395,924</u>	<u>15,889,040</u>	<u>10,962,291</u>
Total Uncollected Tax	<u>\$ 593</u>	<u>\$ 726</u>	<u>\$ 3,899</u>	<u>\$ 9,562</u>	<u>\$ 5,971,334</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.01%</u>	<u>0.03%</u>	<u>0.06%</u>	<u>35.26%</u>



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

Board of Commissioners
Richardson County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Richardson County's basic financial statements, and have issued our report thereon dated September 2, 2014. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Richardson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not 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 lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

County 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*.

Additional Items

We also noted certain matters that we reported to the management of Richardson County in a separate letter dated September 2, 2014.

Richardson County's Response to Findings

Richardson County's response to the findings identified in our audit is described above. Richardson County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

September 2, 2014



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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September 2, 2014

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, 2014, and have issued our report thereon dated September 2, 2014. 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 lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. This was also noted in prior audits.

We 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.

County 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.

Unclaimed Property

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2012). Section 69-1307.01 of the Act states that personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. In addition, sound accounting practices require that old accounts be followed up on to determine if they should still be active or not.

During our audit, we noted the following offices held funds that had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the Act:

- **County Attorney:** Five checks totaling \$58
- **County Sheriff:** Four checks totaling \$69

We recommend all personal property, including uncashed checks and unclaimed trust balances that remain unclaimed for more than three years be remitted to the State Treasurer in accordance with the Act.

County's Response: We will ascertain that each department is informed that personal property held by public entities of political subdivisions that remains unclaimed for more than three years is presumed abandoned and that in accordance with Neb. Rev. Stat. §§ Section 69-1301 (Reissue 2009, Cum. Supp. 2012) that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding.

COUNTY TREASURER

In Lieu of Tax Distribution

The distribution of the Public Power District In Lieu of Tax payments was not correct for the Village of Barada. The payments were distributed based on a calculation factor of one school district within the village instead of two. This variance caused one entity to be shorted \$464 while the other entities and the County were overpaid by \$356 and \$108, respectively.

Neb. Rev. Stat. § 70-651.04 (Cum. Supp. 2012) states:

All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies

When distributions are not made according to State statute, there is an increased risk of loss or misuse of funds.

We recommend the County Treasurer correct the distribution of the In Lieu of Tax payments and implement procedures to ensure future distributions are correct.

COUNTY SHERIFF

Accounting Procedures

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

- At June 30, 2014, office records indicated assets were \$2,439 long when compared to office liabilities.
- Complete and accurate bank reconciliations were not performed on a monthly basis.
- Errors were noted on the office's fee sheets, including:
 - Multiple discrepancies between the receipts issued and the amount reported on the fee sheet, causing an under-remittance of \$183.
 - The amount remitted to the Treasurer for fees and mileage in February 2014 was the amount collected, not the amount earned, resulting in an under-remittance of \$92.

Neb. Rev. Stat. § 33-117 (Cum. Supp. 2012) requires the County Sheriff to pay all fees earned to the County Treasurer on the first Tuesday in January, April, July, and October. In addition, good internal control requires procedures be in place to ensure assets (cash on hand, reconciled bank statement, and accounts receivable) agree with office liabilities (fees, trust accounts, and accounts payable); bank reconciliations are performed timely and accurately; all monies received are recorded; and all financial records are complete and accurate.

We recommend the County Sheriff implement numerous financial procedures, including complete and accurate recording of all financial activity, as well as timely, documented monthly balancing procedures, including bank reconciliations and analysis of bank activity.

Petty Cash

At June 30, 2014, the County Sheriff's authorized \$2,000 petty cash fund was short by \$221.

Good internal controls and sound accounting practices require that all petty cash funds be reconciled to their authorized amounts. When petty cash funds are not maintained at their authorized amounts, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Sheriff implement procedures to insure the petty cash fund is maintained or reconciled to its authorized amount.

Sheriff Contract

We noted the County did not receive two contract payments totaling \$10,017 from the City of Humboldt for Law Enforcement services.

Good internal controls and sound accounting practices require that contracts be monitored to ensure that all funds due to the County are received. When contracts are not monitored for receipt of funds, there is an increased risk of loss, theft, or misuse of funds.

We recommend monitoring procedures be implemented over contracts to ensure all funds due to the County are received.

* * * * *

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

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next 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 it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Deann Haeffner
Assistant Deputy Auditor