

**AUDIT REPORT  
OF  
RICHARDSON COUNTY**

**JULY 1, 2021, THROUGH JUNE 30, 2022**

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**Issued on May 17, 2023**

RICHARDSON COUNTY

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RICHARDSON COUNTY  
1700 Stone St  
Falls City, NE 68355

**LIST OF COUNTY OFFICIALS**  
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	John Caverzagie David Sickel Rick Karas	Jan. 2023 Jan. 2025 Jan. 2025
Assessor	Kimberly Riggs	Jan. 2023
Attorney	Douglas Merz	Jan. 2023
Clerk Election Commissioner Register of Deeds	Mary Eickhoff	Jan. 2023
Clerk of the District Court	Pamela Scott	Jan. 2023
Sheriff	Richard Hardesty, Jr.	Jan. 2023
Treasurer	Amanda Bartek-Ramsey	Jan. 2023
Surveyor	Robert Tichy	Jan. 2023
Veterans' Service Officer	Mona Godemann	Appointed
Highway Superintendent	Steve Darveau, Jr.	Appointed
Emergency Manager Weed Superintendent	Brian Kirkendall	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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RICHARDSON COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Richardson County, Nebraska

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 the aggregate remaining fund information of Richardson County as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 of the financial statements, which 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.

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

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, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19 - 30, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023, 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 solely 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 effectiveness of the County's internal control over

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Richardson County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mark Avery". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

May 10, 2023

RICHARDSON COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2022

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 5,108,646
Investments (Note 1.D)	3,870,141
<b>TOTAL ASSETS</b>	<b>\$ 8,978,787</b>
<b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 68,887
Drug Education	869
Law Enforcement	3,477
Preservation of Records	4,649
Debt Service	380,909
Natural Disasters	133,669
Aid and Assistance	16,871
Road Maintenance	1,457,253
Federal Relief	1,445,723
Unrestricted	5,466,480
<b>TOTAL NET POSITION</b>	<b>\$ 8,978,787</b>

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, 2022

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (3,009,340)	\$ 313,372	\$ 160,232	\$ (2,535,736)
Public Safety	(2,611,344)	229,136	159,467	(2,222,741)
Public Works	(2,636,738)	5,985	1,962,909	(667,844)
Public Assistance	(75,287)	-	-	(75,287)
Culture and Recreation	(17,100)	-	-	(17,100)
Debt Payments	(416,618)	-	-	(416,618)
<b>Total Governmental Activities</b>	<u><u>\$ (8,766,427)</u></u>	<u><u>\$ 548,493</u></u>	<u><u>\$ 2,282,608</u></u>	<u><u>(5,935,326)</u></u>

General Receipts:

Taxes	7,180,640
Grants and Contributions Not Restricted to Specific Programs	1,368,234
Investment Income	17,587
Licenses and Permits	50,139
Miscellaneous	57,409
<b>Total General Receipts</b>	<u><u>8,674,009</u></u>
 Change in Net Position	 2,738,683
Net Position - Beginning of year	6,240,104
Net Position - End of year	<u><u>\$ 8,978,787</u></u>

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, 2022

	General Fund	Road Fund	Inheritance Fund	Road Buyback Program Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 562,649	\$ 952,388	\$ 1,428,465	\$ 829,131	\$ 822,571	\$ 513,442	\$ 5,108,646
Investments (Note 1.D)	426,244	721,498	1,082,158	628,122	623,152	388,967	3,870,141
<b>TOTAL ASSETS</b>	<b>\$ 988,893</b>	<b>\$ 1,673,886</b>	<b>\$ 2,510,623</b>	<b>\$ 1,457,253</b>	<b>\$ 1,445,723</b>	<b>\$ 902,409</b>	<b>\$ 8,978,787</b>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	68,887	68,887
Drug Education	-	-	-	-	-	869	869
Law Enforcement	-	-	-	-	-	3,477	3,477
Preservation of Records	-	-	-	-	-	4,649	4,649
Debt Service	-	-	-	-	-	380,909	380,909
Natural Disasters	-	-	-	-	-	133,669	133,669
Aid and Assistance	-	-	-	-	-	16,871	16,871
Road Maintenance	-	-	-	1,457,253	-	-	1,457,253
Federal Relief	-	-	-	-	1,445,723	-	1,445,723
Committed to:							
Law Enforcement	-	-	-	-	-	273,271	273,271
Road Maintenance	-	1,673,886	-	-	-	19,807	1,693,693
Assigned to:							
Other Purposes	-	-	2,510,623	-	-	-	2,510,623
Unassigned	988,893	-	-	-	-	-	988,893
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 988,893</b>	<b>\$ 1,673,886</b>	<b>\$ 2,510,623</b>	<b>\$ 1,457,253</b>	<b>\$ 1,445,723</b>	<b>\$ 902,409</b>	<b>\$ 8,978,787</b>

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, 2022

	General Fund	Road Fund	Inheritance Fund	Road Buyback Program Fund	COVID American Rescue Plan Act Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Taxes	\$ 4,434,349	\$ -	\$ 2,321,894	\$ -	\$ -	\$ 424,397	\$ 7,180,640
Licenses and Permits	48,589	1,550	-	-	-	-	50,139
Investment Income	17,558	-	-	-	-	29	17,587
Intergovernmental	840,664	1,610,859	-	358,927	763,842	76,550	3,650,842
Charges for Services	525,776	5,985	-	-	-	16,732	548,493
Miscellaneous	17,899	33,694	4,987	-	-	829	57,409
<b>TOTAL RECEIPTS</b>	<b>5,884,835</b>	<b>1,652,088</b>	<b>2,326,881</b>	<b>358,927</b>	<b>763,842</b>	<b>518,537</b>	<b>11,505,110</b>
<b>DISBURSEMENTS</b>							
General Government	2,958,796	-	44,202	-	-	6,342	(3,009,340)
Public Safety	2,409,223	-	130,383	-	2,939	68,799	(2,611,344)
Public Works	21,471	2,383,667	231,600	-	-	-	(2,636,738)
Public Assistance	74,508	-	-	-	-	779	75,287
Culture and Recreation	-	-	-	-	-	17,100	17,100
Debt Service:							
Principal Payments	-	-	-	-	-	385,000	385,000
Interest and Fiscal Charges	-	-	-	-	-	31,618	31,618
<b>TOTAL DISBURSEMENTS</b>	<b>5,463,998</b>	<b>2,383,667</b>	<b>406,185</b>	<b>-</b>	<b>2,939</b>	<b>509,638</b>	<b>8,766,427</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>420,837</b>	<b>(731,579)</b>	<b>1,920,696</b>	<b>358,927</b>	<b>760,903</b>	<b>8,899</b>	<b>2,738,683</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	479,022	1,174,257	-	-	-	-	1,653,279
Transfers out	(1,174,257)	-	(400,000)	-	(79,022)	-	(1,653,279)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(695,235)</b>	<b>1,174,257</b>	<b>(400,000)</b>	<b>-</b>	<b>(79,022)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(274,398)	442,678	1,520,696	358,927	681,881	8,899	2,738,683
<b>CASH BASIS FUND BALANCES - BEGINNING</b>							
	1,263,291	1,231,208	989,927	1,098,326	763,842	893,510	6,240,104
<b>CASH BASIS FUND BALANCES - ENDING</b>							
	<u>\$ 988,893</u>	<u>\$1,673,886</u>	<u>\$ 2,510,623</u>	<u>\$1,457,253</u>	<u>\$ 1,445,723</u>	<u>\$ 902,409</u>	<u>\$ 8,978,787</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**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2022

	<u>Custodial Fund Balances July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Custodial Fund Balances June 30, 2022</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 764,136	\$ 21,095,342	\$ 21,219,272	\$ 640,206
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	194,841	2,055,041	2,046,301	203,581
State - Collected by Other Offices	7,433	141,376	137,654	11,155
Schools	277,060	14,178,388	14,276,245	179,203
Educational Service Units	3,276	213,973	215,468	1,781
Technical College	20,464	1,340,188	1,349,488	11,164
Natural Resource Districts	5,804	410,346	412,632	3,518
Fire Districts	2,110	154,861	156,057	914
Municipalities	38,243	1,573,977	1,576,169	36,051
Agricultural Society	700	36,776	37,199	277
Drainage Districts	4,070	43,578	47,412	236
Others - Collected by County Treasurer	119,772	41,929	135,718	25,983
Others - Collected by Other Offices	90,363	904,909	828,929	166,343
<b>TOTAL LIABILITIES</b>	<u>764,136</u>	<u>21,095,342</u>	<u>21,219,272</u>	<u>640,206</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022

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. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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 \$34,402 toward the operation of the Region during fiscal year 2022. 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.

**Health Department** – The County has entered into an agreement with the 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 2018).

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2022. 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. 2022). Financial information for the Department is available in that report.

Southeast Nebraska Adult Drug Court (Drug Court) – The County has entered into an agreement with the governing boards of Otoe, Nemaha, Johnson, and Pawnee counties to establish the Southeast Nebraska Adult Drug Court. The intention of the Drug Court is to reduce recidivism, and redirect participants out of the court system. The County was named the fiscal agent for the Drug Court. Each participating county contributes to the operation of the Drug Court based on each county's respective population. The fiscal year 2022 budget for the Drug Court was \$31,400. The County's portion of the budget was \$4,237. The financial activity of the Drug Court is reflected as a non-major fund in this report.

Southeast Region Emergency Management (Southeast Region) – The County has entered into an agreement with the governing boards of Cass County, Gage County, Fillmore County, Johnson County, Lancaster County, Nemaha County, Otoe County, Pawnee County, Jefferson County, Saline County, Seward County, Thayer County, and York County to establish regional emergency management coordination, including planning, exercise, training, interoperable communications, grant funding administration, and mutual aid arrangements among the participating entities.

The governing board is established by interlocal agreement and includes representatives from the participating political subdivisions. Any expenses of the Southeast Region not covered by grant funds would be shared equally among the participating counties. The County did not contribute toward the operation of the Southeast Region during fiscal year 2022. In event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. Jefferson County was named the fiscal agent of the Southeast Region, and all financial activity of the Southeast Region is available in the Jefferson County audit 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 Net Position presents the County's non-fiduciary assets in two categories:

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. 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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

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 the following: 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 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.

**Road Buyback Program Fund.** This fund is used to account for costs incurred for road projects in the County. It is funded by amounts received from the State of Nebraska through the Federal Funds Purchase Program.

**COVID American Rescue Plan Fund.** This fund is used to account for aid received from the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds and will be used for coronavirus aid and assistance in accordance with Federal guidelines.

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.

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

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County designates fund balances as follows:

**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.

**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 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, certificates of deposit, 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 2018) and generally include U.S. Government obligations 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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$3,512,307 of restricted net position which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. 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 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 2018).

At year end, the County's carrying amount of deposits was \$5,108,646 for County funds and \$640,206 for Fiduciary funds. The bank balances for all funds totaled \$5,737,008. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, were either entirely insured or collateralized with securities held by the County's agent in the County's name.



RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of \$3,870,141 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-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. **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.

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 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.348232/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.341406/\$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.

The tax receipts classification also contains collections from the assessment of inheritance taxes, and lodging taxes.

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 2022) 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.

RICHARDSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

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. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan’s administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan’s financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

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, 2022, 108 employees contributed \$155,724, and the County contributed \$230,305. Contributions included \$6,558 in cash contributions towards the supplemental law enforcement plan for 15 law enforcement employees. Lastly, the County paid \$620 directly to 5 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 there is adequate coverage for potential exposures. There were no significant reductions of insurance coverage from the prior year, and the County did not incur any expenses that exceeded the coverage amounts for the fiscal year ended June 30, 2022.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

	<b>Transfers from</b>			
<b>Transfers to</b>	General Fund	Inheritance Fund	COVID American Rescue Plan Act Fund	Total
General Fund	\$ -	\$ 400,000	\$ 79,022	\$ 479,022
Road Fund	1,174,257	-	-	1,174,257
<b>Total</b>	<b>\$ 1,174,257</b>	<b>\$ 400,000</b>	<b>\$ 79,022</b>	<b>\$ 1,653,279</b>

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.

RICHARDSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**6. Interfund Transfers** (Concluded)

In the year ended June 30, 2022, the County made a one-time transfer of \$79,022 from the COVID American Rescue Plan Act Fund to the General Fund to pay the allowable costs of a plumbing project in the courthouse.

**7. Long-Term Obligations**

Lease-Purchase Agreements

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

	Sheriff Camera Equipment	911 Communication Tower Equipment	Total
Balance July 1, 2021	\$ 96,583	\$ -	\$ 96,583
Purchases	-	633,528	633,528
Payments	31,603	45,055	76,658
Balance June 30, 2022	<u>\$ 64,980</u>	<u>\$ 588,473</u>	<u>\$ 653,453</u>
Future Payments:			
<b>Year</b>			
2023	\$ 33,245	\$ 93,250	\$ 126,495
2024	33,244	93,250	126,494
2025	-	93,251	93,251
2026	-	93,251	93,251
2027	-	93,251	93,251
2028-2032	-	139,876	139,876
Total Payments	<u>66,489</u>	<u>606,129</u>	<u>672,618</u>
Less Interest	<u>1,509</u>	<u>17,656</u>	<u>19,165</u>
Present Value of Future Minimum Lease Payments	<u>\$ 64,980</u>	<u>\$ 588,473</u>	<u>\$ 653,453</u>
Carrying Value of the Related Fixed Asset	<u>\$ 140,374</u>	<u>\$ 620,837</u>	<u>\$ 761,211</u>

Bonds

**Highway Allocation Bond.** The County issued bonds on May 17, 2011, in the amount of \$2,000,000 for the purpose of paying the costs of certain streets, highways, and roads within Richardson County. The County issued bonds on March 17, 2016, in the amount of \$1,455,000 for the purpose of refunding the Series 2011 bonds of the County. In March 2021, the 2016 bond issue was refinanced for \$715,000. The bond payable balance, as of June 30, 2022, was \$610,000. 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 and/or highway allocation funds will be used to pay off the bonds.

RICHARDSON COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Concluded)

**7. Long-Term Obligations** (Concluded)

Future Payments:			
<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 110,000	\$ 4,335	\$ 114,335
2024	110,000	3,840	113,840
2025	115,000	3,235	118,235
2026	105,000	2,487	107,487
2027	110,000	1,700	111,700
2028	60,000	600	60,600
Total Payments	<u>\$ 610,000</u>	<u>\$ 16,197</u>	<u>\$ 626,197</u>

**Law Enforcement Center Jail Bond.** The County issued bonds on June 30, 2015, in the amount of \$3,740,000 for the purpose of paying the costs of renovating and improving its existing law enforcement center and constructing an addition thereto, as well as certain costs of issuance related to the bonds. In July 2020, the 2015 bond issue was refinanced for \$2,425,000. The bond payable balance, as of June 30, 2022, was \$2,150,000. 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:			
<b>Year</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 280,000	\$ 25,257	\$ 305,257
2024	280,000	22,738	302,738
2025	280,000	20,077	300,077
2026	285,000	17,278	302,278
2027	290,000	14,142	304,142
2028-2030	735,000	19,445	754,445
Total Payments	<u>\$ 2,150,000</u>	<u>\$ 118,937</u>	<u>\$ 2,268,937</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  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,825,211	\$ 4,825,211	\$ 4,434,349	\$ (390,862)
Licenses and Permits	33,250	33,250	48,589	15,339
Investment Income	10,000	10,000	17,558	7,558
Intergovernmental	415,711	415,711	840,664	424,953
Charges for Services	447,713	447,713	525,776	78,063
Miscellaneous	2,300	2,300	17,899	15,599
TOTAL RECEIPTS	5,734,185	5,734,185	5,884,835	150,650
<b>DISBURSEMENTS</b>				
General Government:				
County Board	75,132	75,132	73,580	1,552
County Clerk	156,763	156,763	152,541	4,222
County Treasurer	178,239	178,239	173,858	4,381
County Assessor	186,452	212,806	212,806	-
Election Commissioner	76,464	76,464	69,473	6,991
Clerk of the District Court	95,154	95,154	94,435	719
County Court System	11,000	11,000	7,727	3,273
Building and Grounds	193,110	233,934	233,934	-
Agricultural Extension Agent	60,009	60,009	57,132	2,877
CDC - Child Support Agreement	15,565	15,565	12,184	3,381
Capital Acquisitions	75,000	76,381	76,381	-
Miscellaneous	1,938,144	1,745,426	1,794,745	(49,319)
Public Safety				
County Sheriff	877,291	918,937	918,937	-
County Attorney	99,900	99,900	94,943	4,957
Communication Center	283,250	349,903	349,903	-
County Jail	764,761	764,761	632,391	132,370
Emergency Management	139,445	139,445	125,008	14,437
Humboldt Sheriff	71,917	87,777	87,777	-
Co Attorney Child Supp	97,300	97,300	94,963	2,337
Co Attorney Incentive	38,300	38,300	32,201	6,099
Nuclear Accident Emerg Prep	73,100	73,100	73,100	-
Public Works				
County Surveyor	14,250	14,250	13,504	746
Noxious Weed Control	9,000	9,000	7,967	1,033
Public Assistance				
Veterans' Service Officer	80,586	80,586	74,508	6,078
TOTAL DISBURSEMENTS	5,610,132	5,610,132	5,463,998	146,134

(Continued)

RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	124,053	124,053	420,837	296,784
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	400,000	400,000	479,022	79,022
Transfers out	(1,387,344)	(1,387,344)	(1,174,257)	213,087
TOTAL OTHER FINANCING SOURCES (USES)	(987,344)	(987,344)	(695,235)	292,109
Net Change in Fund Balance	(863,291)	(863,291)	(274,398)	588,893
<b>FUND BALANCE - BEGINNING</b>	1,263,291	1,263,291	1,263,291	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 988,893</u>	<u>\$ 588,893</u>

(Concluded)

RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Licenses and Permits	\$ 500	\$ 500	\$ 1,550	\$ 1,050
Intergovernmental	1,711,520	1,711,520	1,610,859	(100,661)
Charges for Services	600	600	5,985	5,385
Miscellaneous	61,000	61,000	33,694	(27,306)
<b>TOTAL RECEIPTS</b>	<b>1,773,620</b>	<b>1,773,620</b>	<b>1,652,088</b>	<b>(121,532)</b>
<b>DISBURSEMENTS</b>	<b>4,542,172</b>	<b>4,542,172</b>	<b>2,383,667</b>	<b>2,158,505</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(2,768,552)</b>	<b>(2,768,552)</b>	<b>(731,579)</b>	<b>2,036,973</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,537,344	1,537,344	1,174,257	(363,087)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,537,344</b>	<b>1,537,344</b>	<b>1,174,257</b>	<b>(363,087)</b>
Net Change in Fund Balance	(1,231,208)	(1,231,208)	442,678	1,673,886
FUND BALANCE - BEGINNING	1,231,208	1,231,208	1,231,208	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,673,886</u>	<u>\$ 1,673,886</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 610,073	\$ 610,073	\$2,321,894	\$ 1,711,821
Miscellaneous	-	-	4,987	4,987
<b>TOTAL RECEIPTS</b>	<b>610,073</b>	<b>610,073</b>	<b>2,326,881</b>	<b>1,716,808</b>
<b>DISBURSEMENTS</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>406,185</b>	<b>793,815</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(589,927)</b>	<b>(589,927)</b>	<b>1,920,696</b>	<b>2,510,623</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(400,000)	(400,000)	(400,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>-</b>
Net Change in Fund Balance	(989,927)	(989,927)	1,520,696	2,510,623
FUND BALANCE - BEGINNING	989,927	989,927	989,927	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,510,623</u>	<u>\$ 2,510,623</u>

(Continued)

RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD BUYBACK PROGRAM FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 360,187	\$ 360,187	\$ 358,927	\$ (1,260)
<b>TOTAL RECEIPTS</b>	<u>360,187</u>	<u>360,187</u>	<u>358,927</u>	<u>(1,260)</u>
<b>DISBURSEMENTS</b>	<u>1,458,512</u>	<u>1,458,512</u>	<u>-</u>	<u>1,458,512</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(1,098,325)</u>	<u>(1,098,325)</u>	<u>358,927</u>	<u>1,457,252</u>
Net Change in Fund Balance	(1,098,325)	(1,098,325)	358,927	1,457,252
FUND BALANCE - BEGINNING	<u>1,098,325</u>	<u>1,098,325</u>	<u>1,098,326</u>	<u>1</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,457,253</u>	<u>\$ 1,457,253</u>
<b>COVID AMERICAN RESCUE PLAN ACT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 763,842	\$ 763,842	\$ 763,842	\$ -
<b>TOTAL RECEIPTS</b>	<u>763,842</u>	<u>763,842</u>	<u>763,842</u>	<u>-</u>
<b>DISBURSEMENTS</b>	<u>1,527,684</u>	<u>1,527,684</u>	<u>2,939</u>	<u>1,524,745</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(763,842)</u>	<u>(763,842)</u>	<u>760,903</u>	<u>1,524,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(79,022)	(79,022)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(79,022)</u>	<u>(79,022)</u>
Net Change in Fund Balance	(763,842)	(763,842)	681,881	1,445,723
FUND BALANCE - BEGINNING	<u>763,842</u>	<u>763,842</u>	<u>763,842</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,445,723</u>	<u>\$ 1,445,723</u>

(Concluded)



RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FEDERAL MATCHING FUND</b>				
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>
<b>ROAD/BRIDGE SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(19,807)	(19,807)	-	19,807
Net Change in Fund Balance	(19,807)	(19,807)	-	19,807
Fund Balance - Beginning	19,807	19,807	19,807	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,807</u>	<u>\$ 19,807</u>
<b>VISITOR'S PROMOTION FUND</b>				
Receipts	\$ 6,855	\$ 6,855	\$ 17,936	\$ 11,081
Disbursements	(30,000)	(30,000)	(8,100)	21,900
Net Change in Fund Balance	(23,145)	(23,145)	9,836	32,981
Fund Balance - Beginning	23,145	23,145	23,145	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,981</u>	<u>\$ 32,981</u>
<b>VISITOR'S IMPROVEMENT FUND</b>				
Receipts	\$ 8,327	\$ 8,327	\$ 18,233	\$ 9,906
Disbursements	(35,000)	(35,000)	(9,000)	26,000
Net Change in Fund Balance	(26,673)	(26,673)	9,233	35,906
Fund Balance - Beginning	26,673	26,673	26,673	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,906</u>	<u>\$ 35,906</u>
<b>REGISTER OF DEEDS PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 5,997	\$ 5,997	\$ 6,988	\$ 991
Disbursements	(10,000)	(10,000)	(6,342)	3,658
Net Change in Fund Balance	(4,003)	(4,003)	646	4,649
Fund Balance - Beginning	4,003	4,003	4,003	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,649</u>	<u>\$ 4,649</u>
<b>MEDICAL RELIEF FUND</b>				
Receipts	\$ 3,876	\$ 3,876	\$ 2,841	\$ (1,035)
Disbursements	(15,000)	(15,000)	(248)	14,752
Net Change in Fund Balance	(11,124)	(11,124)	2,593	13,717
Fund Balance - Beginning	11,124	11,124	11,124	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,717</u>	<u>\$ 13,717</u>

(Continued)

RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VETERANS' AID FUND</b>				
Receipts	\$ 926	\$ 926	\$ 1,611	\$ 685
Disbursements	(3,000)	(3,000)	(531)	2,469
Net Change in Fund Balance	(2,074)	(2,074)	1,080	3,154
Fund Balance - Beginning	2,074	2,074	2,074	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,154</u>	<u>\$ 3,154</u>
<b>JUVENILE DIVERSION FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(33,206)	(33,206)	(33,206)	-
Net Change in Fund Balance	(33,206)	(33,206)	(33,206)	-
Fund Balance - Beginning	33,206	33,206	33,206	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DRUG COURT FUND</b>				
Receipts	\$ 26,580	\$ 26,580	\$ 26,580	\$ -
Disbursements	(31,400)	(31,400)	(27,272)	4,128
Net Change in Fund Balance	(4,820)	(4,820)	(692)	4,128
Fund Balance - Beginning	4,820	4,820	4,820	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,128</u>	<u>\$ 4,128</u>
<b>STOP PROGRAM DIVERSION FUND</b>				
Receipts	\$ 2,161	\$ 2,161	\$ 3,900	\$ 1,739
Disbursements	(15,000)	(15,000)	(5,845)	9,155
Net Change in Fund Balance	(12,839)	(12,839)	(1,945)	10,894
Fund Balance - Beginning	12,839	12,839	12,839	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,894</u>	<u>\$ 10,894</u>
<b>COUNTY DRUG LAW ENFORCEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(1,389)	(1,389)	(520)	869
Net Change in Fund Balance	(1,389)	(1,389)	(520)	869
Fund Balance - Beginning	1,389	1,389	1,389	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 869</u>	<u>\$ 869</u>
<b>FEDERAL FORFEITURE FUND</b>				
Receipts	\$ -	\$ -	\$ 29	\$ 29
Disbursements	(3,448)	(3,448)	-	3,448
Net Change in Fund Balance	(3,448)	(3,448)	29	3,477
Fund Balance - Beginning	3,448	3,448	3,448	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,477</u>	<u>\$ 3,477</u>

RICHARDSON COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SHERIFF COMMISSARY FUND</b>				
Receipts	\$ 2,380	\$ 2,380	\$ 9,744	\$ 7,364
Disbursements	(14,000)	(14,000)	(1,956)	12,044
Net Change in Fund Balance	(11,620)	(11,620)	7,788	19,408
Fund Balance - Beginning	11,620	11,620	11,620	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,408</u>	<u>\$ 19,408</u>
<b>JAIL BOND FUND</b>				
Receipts	\$ 275,240	\$ 275,240	\$ 280,162	\$ 4,922
Disbursements	(495,000)	(495,000)	(305,657)	189,343
Net Change in Fund Balance	(219,760)	(219,760)	(25,495)	194,265
Fund Balance - Beginning	219,760	219,760	219,760	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,265</u>	<u>\$ 194,265</u>
<b>HIGHWAY ALLOCATION BOND FUND</b>				
Receipts	\$ 152,908	\$ 152,908	\$ 150,513	\$ (2,395)
Disbursements	(300,000)	(300,000)	(110,961)	189,039
Net Change in Fund Balance	(147,092)	(147,092)	39,552	186,644
Fund Balance - Beginning	147,092	147,092	147,092	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,644</u>	<u>\$ 186,644</u>
<b>NATURAL DISASTER FUND</b>				
Receipts	\$ 16,331	\$ 16,331	\$ -	\$ (16,331)
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(150,000)	(150,000)	-	150,000
Net Change in Fund Balance	(133,669)	(133,669)	-	133,669
Fund Balance - Beginning	133,669	133,669	133,669	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,669</u>	<u>\$ 133,669</u>

(Concluded)

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

For the Year Ended June 30, 2022

	Federal Matching Fund	Road/Bridge Sinking Fund	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preservation & Modernization Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ -	\$ 17,936	\$ 17,936	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	6,988
Miscellaneous	-	-	-	297	-
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>17,936</u>	<u>18,233</u>	<u>6,988</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	6,342
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	8,100	9,000	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>9,000</u>	<u>6,342</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>9,836</u>	<u>9,233</u>	<u>646</u>
Net Change in Fund Balances	-	-	9,836	9,233	646
<b>FUND BALANCES - BEGINNING</b>	<u>238,841</u>	<u>19,807</u>	<u>23,145</u>	<u>26,673</u>	<u>4,003</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 238,841</u>	<u>\$ 19,807</u>	<u>\$ 32,981</u>	<u>\$ 35,906</u>	<u>\$ 4,649</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	32,981	35,906	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	4,649
Debt Service	-	-	-	-	-
Natural Disasters	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	238,841	-	-	-	-
Road Maintenance	-	19,807	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 238,841</u>	<u>\$ 19,807</u>	<u>\$ 32,981</u>	<u>\$ 35,906</u>	<u>\$ 4,649</u>

(Continued)

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

For the Year Ended June 30, 2022

	Medical Relief Fund	Veterans' Aid Fund	Juvenile Diversion Fund	Drug Court Fund	STOP Program Diversion Fund	County Drug Law Enforcement Fund
<b>RECEIPTS</b>						
Taxes	\$ 2,445	\$ 970	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-
Intergovernmental	396	109	-	26,580	3,900	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	532	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>2,841</u>	<u>1,611</u>	<u>-</u>	<u>26,580</u>	<u>3,900</u>	<u>-</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	-
Public Safety	-	-	33,206	27,272	5,845	520
Public Assistance	248	531	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>248</u>	<u>531</u>	<u>33,206</u>	<u>27,272</u>	<u>5,845</u>	<u>520</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>2,593</u>	<u>1,080</u>	<u>(33,206)</u>	<u>(692)</u>	<u>(1,945)</u>	<u>(520)</u>
Net Change in Fund Balances	2,593	1,080	(33,206)	(692)	(1,945)	(520)
<b>FUND BALANCES - BEGINNING</b>	<u>11,124</u>	<u>2,074</u>	<u>33,206</u>	<u>4,820</u>	<u>12,839</u>	<u>1,389</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 13,717</u>	<u>\$ 3,154</u>	<u>\$ -</u>	<u>\$ 4,128</u>	<u>\$ 10,894</u>	<u>\$ 869</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Drug Education	-	-	-	-	-	869
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Natural Disasters	-	-	-	-	-	-
Aid and Assistance	13,717	3,154	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	4,128	10,894	-
Road Maintenance	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 13,717</u>	<u>\$ 3,154</u>	<u>\$ -</u>	<u>\$ 4,128</u>	<u>\$ 10,894</u>	<u>\$ 869</u>

(Continued)

RICHARDSON COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2022

	Federal Forfeiture Fund	Sheriff Commissary Fund	Jail Bond Fund	Highway Allocation Bond Fund	Natural Disaster Fund	Total Nonmajor Funds
<b>RECEIPTS</b>						
Taxes	\$ -	\$ -	\$ 250,837	\$ 134,273	\$ -	\$ 424,397
Investment Income	29	-	-	-	-	29
Intergovernmental	-	-	29,325	16,240	-	76,550
Charges for Services	-	9,744	-	-	-	16,732
Miscellaneous	-	-	-	-	-	829
<b>TOTAL RECEIPTS</b>	<u>29</u>	<u>9,744</u>	<u>280,162</u>	<u>150,513</u>	<u>-</u>	<u>518,537</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	6,342
Public Safety	-	1,956	-	-	-	68,799
Public Assistance	-	-	-	-	-	779
Culture and Recreation	-	-	-	-	-	17,100
Debt Service:						
Principal Payments	-	-	280,000	105,000	-	385,000
Interest and Fiscal Charges	-	-	25,657	5,961	-	31,618
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>1,956</u>	<u>305,657</u>	<u>110,961</u>	<u>-</u>	<u>509,638</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>29</u>	<u>7,788</u>	<u>(25,495)</u>	<u>39,552</u>	<u>-</u>	<u>8,899</u>
Net Change in Fund Balances	29	7,788	(25,495)	39,552	-	8,899
<b>FUND BALANCES - BEGINNING</b>	<u>3,448</u>	<u>11,620</u>	<u>219,760</u>	<u>147,092</u>	<u>133,669</u>	<u>893,510</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,477</u>	<u>\$ 19,408</u>	<u>\$ 194,265</u>	<u>\$ 186,644</u>	<u>\$ 133,669</u>	<u>\$ 902,409</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	68,887
Drug Education	-	-	-	-	-	869
Law Enforcement	3,477	-	-	-	-	3,477
Preservation of Records	-	-	-	-	-	4,649
Debt Service	-	-	194,265	186,644	-	380,909
Natural Disasters	-	-	-	-	133,669	133,669
Aid and Assistance	-	-	-	-	-	16,871
Committed to:						
Law Enforcement	-	19,408	-	-	-	273,271
Road Maintenance	-	-	-	-	-	19,807
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,477</u>	<u>\$ 19,408</u>	<u>\$ 194,265</u>	<u>\$ 186,644</u>	<u>\$ 133,669</u>	<u>\$ 902,409</u>

(Concluded)

**RICHARDSON COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2022

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer	Emergency Manager	Total
BALANCES JULY 1, 2021	\$ 11,768	\$ 87,475	\$ 14,893	\$ 248	\$ 1,000	\$ 2,388	\$ 1,000	\$ 118,772
<b>RECEIPTS</b>								
Taxes	-	-	1,301	-	-	-	-	1,301
Licenses and Permits	1,200	-	340	-	1,450	-	-	2,990
Charges for Services	80,329	28,218	68,983	80	1,981	-	-	179,591
Miscellaneous	2,454	-	15,564	-	27,701	531	7,578	53,828
State Fees	114,365	26,438	-	-	573	-	-	141,376
Other Liabilities	-	499,850	392,740	12,319	-	-	-	904,909
<b>TOTAL RECEIPTS</b>	<b>198,348</b>	<b>554,506</b>	<b>478,928</b>	<b>12,399</b>	<b>31,705</b>	<b>531</b>	<b>7,578</b>	<b>1,283,995</b>
<b>DISBURSEMENTS</b>								
Payments to County Treasurer	82,323	24,617	68,403	80	28,758	-	-	204,181
Payments to State Treasurer	111,155	25,926	-	-	573	-	-	137,654
Petty Cash & Other Payments	897	-	13,699	-	2,374	2,125	7,515	26,610
Other Liabilities	-	423,908	392,699	12,322	-	-	-	828,929
<b>TOTAL DISBURSEMENTS</b>	<b>194,375</b>	<b>474,451</b>	<b>474,801</b>	<b>12,402</b>	<b>31,705</b>	<b>2,125</b>	<b>7,515</b>	<b>1,197,374</b>
BALANCES JUNE 30, 2022	<u>\$ 15,741</u>	<u>\$ 167,530</u>	<u>\$ 19,020</u>	<u>\$ 245</u>	<u>\$ 1,000</u>	<u>\$ 794</u>	<u>\$ 1,063</u>	<u>\$ 205,393</u>
<b>BALANCES CONSIST OF:</b>								
Due to County Treasurer	\$ 6,654	\$ 5,962	\$ 9,272	\$ -	\$ -	\$ 794	\$ 63	\$ 22,745
Petty Cash	150	-	3,000	-	1,000	-	1,000	5,150
Due to State Treasurer	8,937	2,218	-	-	-	-	-	11,155
Due to Others	-	159,350	6,748	245	-	-	-	166,343
BALANCES JUNE 30, 2022	<u>\$ 15,741</u>	<u>\$ 167,530</u>	<u>\$ 19,020</u>	<u>\$ 245</u>	<u>\$ 1,000</u>	<u>\$ 794</u>	<u>\$ 1,063</u>	<u>\$ 205,393</u>

RICHARDSON COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2022

Item	2017	2018	2019	2020	2021
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 19,973,827	\$ 19,185,780	\$ 18,399,609	\$ 17,572,858	\$ 17,576,247
Personal and Specials	1,050,958	958,422	899,503	1,807,625	1,935,683
<b>Total</b>	<b>21,024,785</b>	<b>20,144,202</b>	<b>19,299,112</b>	<b>19,380,483</b>	<b>19,511,930</b>
<b>Corrections</b>					
Additions	2,216	3,888	2,329	13,835	4,423
Deductions	(4,438)	(4,166)	(2,464)	(11,539)	(25,012)
Net Additions/ (Deductions)	(2,222)	(278)	(135)	2,296	(20,589)
<b>Corrected Certified Tax</b>	<b>21,022,563</b>	<b>20,143,924</b>	<b>19,298,977</b>	<b>19,382,779</b>	<b>19,491,341</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2018	13,669,365	-	-	-	-
June 30, 2019	7,338,341	12,950,045	-	-	-
June 30, 2020	7,662	7,184,751	12,793,830	-	-
June 30, 2021	4,621	6,105	6,497,297	13,240,684	-
June 30, 2022	676	1,344	3,752	6,131,155	13,599,177
<b>Total Net Collections</b>	<b>21,020,665</b>	<b>20,142,245</b>	<b>19,294,879</b>	<b>19,371,839</b>	<b>13,599,177</b>
<b>Total Uncollected Tax</b>	<b>\$ 1,898</b>	<b>\$ 1,679</b>	<b>\$ 4,098</b>	<b>\$ 10,940</b>	<b>\$ 5,892,164</b>
<b>Percentage Uncollected Tax</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.06%</b>	<b>30.23%</b>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.





# 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 10, 2023. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

#### **Report on Internal Control Over Financial Reporting**

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

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- 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. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

*County Board 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.*

**Report on 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 financial statements. 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 May 10, 2023.

**Richardson County’s Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the County’s response to the finding identified in our audit and described previously. The County’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 results 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.



Mark Avery, CPA  
Assistant Deputy Auditor  
Lincoln, Nebraska

May 10, 2023



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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May 10, 2023

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, 2022, and have issued our report thereon dated May 10, 2023. 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 following areas:

### **COUNTY ATTORNEY**

#### **Excess Balance**

As of June 30, 2022, the County Attorney had an unknown trust balance of \$245. The County Attorney could not identify the proper recipient(s) of these funds. The unknown trust balance was \$319 as of June 30, 2020, and \$248 as of June 30, 2021, meaning that the balance decreased by \$3 during fiscal year 2022.

Sound accounting practice and good internal controls require procedures to ensure that office assets (cash on hand, reconciled bank balance, etc.) agree with office liabilities (unremitted fees and trust accounts) on, at least, a monthly basis. Those balancing procedures should also include the timely identification and resolution of all variances noted.

Without such procedures, there is an increased risk of loss, theft, or misuse of funds, allowing errors to go undetected more easily.

A similar comment was included in prior audits.

We recommend the County Attorney review monies held in trust and remit any balance that cannot be accounted for to the County Treasurer or State Treasurer, as appropriate.

### **COUNTY SHERIFF**

#### **Balancing Procedures**

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

- A reconciliation of office assets to office liabilities was not performed for the County Sheriff’s Fee Account. We noted bank deposits, totaling \$2,069, that were not recorded in the County Sheriff’s receipt records. At June 30, 2022, office records indicated office assets (e.g., cash on hand, reconciled bank balance, accounts receivable, etc.) exceeded office liabilities (e.g., fees, trust accounts, accounts payable, etc.), resulting in an unexplained cash long of \$580 in the Operating Account.
- A reconciliation of office assets to office liabilities was not performed for two of the County Sheriff’s three commissary accounts, resulting in an unknown balance of \$4,687 in the Lockdown Commissary Account and \$328 in the Tiger Commissary Account as of June 30, 2022. The County Sheriff was unable to identify to whom these excess funds were owed.
- We noted the following bank charges were withdrawn from two of the three commissary bank accounts but were not submitted to the County Board for reimbursement as of June 30, 2022. All funds in the commissary bank accounts were owed to specific parties. Therefore, it is necessary to submit bank charges for reimbursement to the County.

<b>Lockdown Commissary Account</b>		
<b>Date</b>	<b>Amount</b>	<b>Description</b>
FY17	\$ 231	Various Charges noted in Prior Year Audits
FY18	\$ 422	Various Charges noted in Prior Year Audits
FY19	\$ 91	Various Charges noted in Prior Year Audits
FY20	\$ 331	Various Charges noted in Prior Year Audits
FY21	\$ 235	Various Charges noted in Prior Year Audits
<b>Total</b>	<b>\$ 1,310</b>	

<b>Tiger Commissary Account</b>		
<b>Date</b>	<b>Amount</b>	<b>Description</b>
2/8/2022	\$ 8	Account Analysis Charge
3/9/2022	\$ 9	Account Analysis Charge
4/8/2022	\$ 8	Account Analysis Charge
5/9/2022	\$ 26	Account Analysis Charge
6/8/2022	\$ 5	Account Analysis Charge
<b>Total</b>	<b>\$ 56</b>	

A similar comment has been noted in prior reports, and prior year discrepancies have not been corrected, contributing to the balancing issues.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) requires the County Treasurer to receive all money belonging to the County and to disburse such funds only upon approval from the County Board.

In addition, good internal control requires procedures to ensure the following: 1) office assets (e.g., cash on hand, reconciled bank balance, and accounts receivable) agree to office liabilities (e.g., unremitted fees, trust accounts, and accounts payable); and 2) bank charges are submitted timely for reimbursement.

Without such procedures, there is an increased risk for errors or irregularities to occur and remain undetected, further increasing the risk for the loss or misuse of funds.

We recommend the County Sheriff implement procedures to ensure office assets (e.g., cash on hand, reconciled bank balance, and accounts receivable) agree to office liabilities (e.g., unremitted fees, trust accounts, and accounts payable). Those same procedures should ensure also that bank charges are submitted timely for reimbursement.

**Purchases Made with Fee Collections**

During the audit, we noted the County Sheriff made purchases using office commissary fee collections without going through the claim and warrant process in all three of the commissary accounts, as follows:

<b>Lockdown Commissary Account</b>			
<b>Date</b>	<b>Payee</b>	<b>Check Register Description</b>	<b>Amount</b>
07/14/21-02/16/22	Combined Public Communications	Phone Time	\$ 8,010
09/01/21-12/14/21	Summit Food Service LLC	Commissary	\$ 8,399
<b>Total</b>			<b>\$ 16,409</b>

<b>Tiger Commissary Account</b>			
<b>Date</b>	<b>Payee</b>	<b>Check Register Description</b>	<b>Amount</b>
01/10/22-04/14/22	Combined Public Communications	Phone Time	\$ 3,297
01/04/22-04/14/22	Tiger Commissary Services	Commissary	\$ 3,542
<b>Total</b>			<b>\$ 6,839</b>

<b>Victus Commissary Account</b>			
<b>Date</b>	<b>Payee</b>	<b>Check Register Description</b>	<b>Amount</b>
04/27/22-06/23/22	Combined Public Communications	Phone Time & Commissary	\$ 3,077
<b>Total</b>			<b>\$ 3,077</b>

Additionally, the County Sheriff held \$1,364 of known commissions, collected during the fiscal year, in the Victus Commissary Account, that had not been remitted to the County Treasurer as of June 30, 2022.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2022) states the following:

*It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.*

Neb. Rev. Stat. § 23-3106 (Reissue 2022) states the following, in relevant part:

*The purchasing agent, under the supervision of the county board, or the county board, if there is no purchasing agent, shall purchase all personal property and services required by any office, officer, department, or agency of the county government in the county, subject to the County Purchasing Act.*

Good internal control and sound business practices require procedures to ensure that public funds held by a County officer are remitted timely to the County Treasurer, and no expenditure of such money occurs without the proper approval of the County Board.

Without such procedures, there is an increased risk for not only the loss, theft, or misuse of funds but also noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure all public funds held by a County officer are remitted to the County Treasurer, and all purchases and expenditures are made through the claims process for inclusion in the budget.

## COUNTY BOARD

### Lack of Bidding for Gravel Purchases

We noted that the County Board did not obtain bids for the purchase of gravel for county roads. However, the County paid a total of \$512,248 to Martin-Marietta Materials Inc., and \$42,204 to Hamm Inc., during the fiscal year for the purchase of gravel.

Neb. Rev. Stat. § 39-810(1)(c) (Cum. Supp. 2022) states the following:

*All contracts for materials for repairing, erecting, and constructing bridges and approaches thereto or culverts or for the purchase of gravel for roads, the cost and expense of which exceed twenty thousand dollars, shall be let to the lowest responsible bidder, but the board may reject any and all bids submitted for such materials.*

Additionally, good internal control requires procedures to ensure adherence to applicable statutory bidding requirements for County purchases.

Without such procedures, there is an increased risk of not only loss or misuse of County funds but also noncompliance with State statute.

We recommend the County Board implement procedures to ensure applicable statutory bidding requirements are followed for road gravel purchases.

*County Board Response: Each year the County Road Department receives an updated pricing list of gravel from the local quarry in Richardson County, Martin-Marietta from DuBois, NE. This is the only local supplier in Nebraska. The County can also obtain gravel from the Hamm, Inc. quarry located near Troy, KS when supply is low or unavailable at the quarry in DuBois. The Highway Superintendent contacted the surrounding counties of Johnson and Pawnee and learned that they do not advertise for sealed bids for gravel but work from the quote sheet that is provided from the quarry at DuBois as they are the only provider. Richardson County will move forward to advertise for sealed bids for the gravel materials for county roads and plan to purchase from the lowest responsible bidder as per Neb. Rev. Stat. §39-810(1)(c).*

## COUNTY OVERALL

### Segregation of Duties

We noted that 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. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

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

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 Board 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.*

\* \* \* \* \*

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.

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.

Sincerely,

A handwritten signature in black ink that reads "Mark Avery". The signature is written in a cursive style with a long, sweeping underline.

Mark Avery, CPA  
Assistant Deputy Auditor