

**AUDIT REPORT
OF
RICHARDSON COUNTY
JULY 1, 2022, THROUGH JUNE 30, 2023**

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the Auditor of Public Accounts.**

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Issued on January 22, 2024

RICHARDSON COUNTY

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RICHARDSON COUNTY
1700 Stone St.
Falls City, NE 68355

LIST OF COUNTY OFFICIALS
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	John Caverzagie	Jan. 2027
	David Sickel	Jan. 2025
	Rick Karas	Jan. 2025
Assessor	Kimberly Riggs	Jan. 2027
Attorney	Samantha Scheitel	Jan. 2027
Clerk	Mary Eickhoff	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court	Pamela Scott	Jan. 2027
Sheriff	Richard Hardesty, Jr.	Jan. 2027
Treasurer	Amanda Bartek-Ramsey	Jan. 2027
Surveyor	Robert Tichy	Jan. 2027
Veterans' Service Officer	Mona Godemann	Appointed
Highway Superintendent	Steve Darveau, Jr.	Appointed
Emergency Manager	Brian Kirkendall	Appointed
Weed Superintendent		



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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, 2023, 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, 2023, 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, schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of taxes certified and collected, pages 19-33, 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 January 10, 2024, 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 "Dakota Christensen". The signature is written in a cursive, flowing style.

Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

January 10, 2024

RICHARDSON COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2023

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 3,734,603
Investments (Note 1.D)	3,906,327
TOTAL ASSETS	<u>\$ 7,640,930</u>
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 92,360
Drug Education / Enforcement	15,968
Law Enforcement	3,444
Preservation of Records	2,402
Debt Service	360,011
Aid and Assistance	16,257
Federal Relief	367,981
Road Maintenance	1,328,076
Unrestricted	5,454,431
TOTAL NET POSITION	<u>\$ 7,640,930</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, 2023

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (3,154,812)	\$ 447,453	\$ 170,698	\$ (2,536,661)
Public Safety	(3,156,428)	213,200	129,989	(2,813,239)
Public Works	(5,429,134)	15,926	2,249,876	(3,163,332)
Public Assistance	(89,558)	-	-	(89,558)
Culture and Recreation	(11,315)	-	-	(11,315)
Debt Payments	(417,873)	-	-	(417,873)
Capital Outlay	(395,417)	-	-	(395,417)
Total Governmental Activities	<u>\$ (12,654,537)</u>	<u>\$ 676,579</u>	<u>\$ 2,550,563</u>	<u>(9,427,395)</u>

General Receipts:

Taxes:

Property	5,575,183
Motor Vehicle	354,507
Inheritance	1,603,506
Other	172,906

Grants and Contributions Not Restricted to

Specific Programs	107,626
Investment Income	174,265
Miscellaneous	101,545

Total General Receipts	<u>8,089,538</u>
------------------------	------------------

Change in Net Position	(1,337,857)
Net Position - Beginning of year	8,978,787
Net Position - End of year	<u>\$ 7,640,930</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, 2023

	General Fund	Road Fund	Inheritance Fund	Road Buyback Program Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 154,894	\$ 1,089,132	\$ -	\$ 1,328,076	\$ 1,162,501	\$ 3,734,603
Investments (Note 1.D)	776,344	-	3,129,983	-	-	3,906,327
TOTAL ASSETS	<u>\$ 931,238</u>	<u>\$ 1,089,132</u>	<u>\$ 3,129,983</u>	<u>\$ 1,328,076</u>	<u>\$ 1,162,501</u>	<u>\$ 7,640,930</u>
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	92,360	92,360
Drug Education / Enforcement	-	-	-	-	15,968	15,968
Law Enforcement	-	-	-	-	3,444	3,444
Preservation of Records	-	-	-	-	2,402	2,402
Debt Service	-	-	-	-	360,011	360,011
Aid and Assistance	-	-	-	-	16,257	16,257
Federal Relief	-	-	-	-	367,981	367,981
Road Maintenance	-	-	-	1,328,076	-	1,328,076
Committed to:						
Law Enforcement	-	-	-	-	284,271	284,271
Road Maintenance	-	1,089,132	-	-	19,807	1,108,939
Assigned to:						
Other Purposes	-	-	3,129,983	-	-	3,129,983
Unassigned	931,238	-	-	-	-	931,238
TOTAL CASH BASIS FUND BALANCES	<u>\$ 931,238</u>	<u>\$ 1,089,132</u>	<u>\$ 3,129,983</u>	<u>\$ 1,328,076</u>	<u>\$ 1,162,501</u>	<u>\$ 7,640,930</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, 2023

	General Fund	Road Fund	Inheritance Fund	Road Buyback Program Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes:						
Property	\$ 5,185,770	\$ -	\$ -	\$ -	\$ 389,413	\$ 5,575,183
Motor Vehicle	354,507	-	-	-	-	354,507
Inheritance	-	-	1,603,506	-	-	1,603,506
Other	130,371	157	-	-	42,378	172,906
Investment Income	174,258	-	-	-	7	174,265
Intergovernmental	241,003	1,678,644	82,052	526,676	129,814	2,658,189
Charges for Services	644,799	15,926	-	-	15,854	676,579
Miscellaneous	58,035	22,889	5,000	-	15,621	101,545
TOTAL RECEIPTS	<u>6,788,743</u>	<u>1,717,616</u>	<u>1,690,558</u>	<u>526,676</u>	<u>593,087</u>	<u>11,316,680</u>
DISBURSEMENTS						
General Government	3,071,057	-	75,781	-	7,974	3,154,812
Public Safety	2,992,642	-	-	-	163,786	3,156,428
Public Works	24,642	4,548,161	-	655,853	200,478	5,429,134
Public Assistance	87,036	-	-	-	2,522	89,558
Culture and Recreation	-	-	-	-	11,315	11,315
Debt Service:						
Principal Payments	-	-	-	-	390,000	390,000
Interest and Fiscal Charges	-	-	-	-	27,873	27,873
Capital Outlay	-	-	395,417	-	-	395,417
TOTAL DISBURSEMENTS	<u>6,175,377</u>	<u>4,548,161</u>	<u>471,198</u>	<u>655,853</u>	<u>803,948</u>	<u>12,654,537</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>613,366</u>	<u>(2,830,545)</u>	<u>1,219,360</u>	<u>(129,177)</u>	<u>(210,861)</u>	<u>(1,337,857)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	600,000	2,245,791	-	-	-	2,845,791
Transfers out	(1,271,021)	-	(600,000)	-	(974,770)	(2,845,791)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(671,021)</u>	<u>2,245,791</u>	<u>(600,000)</u>	<u>-</u>	<u>(974,770)</u>	<u>-</u>
Net Change in Fund Balances	(57,655)	(584,754)	619,360	(129,177)	(1,185,631)	(1,337,857)
CASH BASIS FUND BALANCES - BEGINNING	<u>988,893</u>	<u>1,673,886</u>	<u>2,510,623</u>	<u>1,457,253</u>	<u>2,348,132</u>	<u>8,978,787</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 931,238</u>	<u>\$ 1,089,132</u>	<u>\$ 3,129,983</u>	<u>\$ 1,328,076</u>	<u>\$ 1,162,501</u>	<u>\$ 7,640,930</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, 2023

	Custodial Fund Balances July 1, 2022	Receipts	Disbursements	Custodial Fund Balances June 30, 2023
ASSETS				
Cash and Cash Equivalents	\$ 640,206	\$ 21,419,620	\$ 21,221,701	\$ 838,125
LIABILITIES				
Due to other governments				
State - Collected by County Treasurer	203,581	2,327,848	2,317,798	213,631
State - Collected by Other Offices	11,155	140,197	141,438	9,914
Schools	179,203	14,430,154	14,290,233	319,124
Educational Service Units	1,781	221,156	218,914	4,023
Technical College	11,164	1,382,903	1,368,934	25,133
Natural Resource Districts	3,518	435,844	431,442	7,920
Fire Districts	914	198,236	196,141	3,009
Municipalities	36,051	1,497,421	1,497,746	35,726
Agricultural Society	277	39,966	39,477	766
Drainage Districts	236	49,860	48,087	2,009
Others - Collected by County Treasurer	25,983	155,645	97,097	84,531
Others - Collected by Other Offices	166,343	540,390	574,394	132,339
TOTAL LIABILITIES	<u>640,206</u>	<u>21,419,620</u>	<u>21,221,701</u>	<u>838,125</u>
TOTAL NET POSITION	<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, 2023

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 \$47,355 toward the operation of the Region during fiscal year 2023. 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 2023. 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) (Supp. 2023). 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 2023 budget for the Drug Court was \$38,028. The County's portion of the budget was \$6,491. 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 2023. 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.

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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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.

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

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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$2,186,499 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 30, 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 \$3,734,603 for County funds and \$838,125 for Fiduciary funds. The bank balances for all funds totaled \$4,578,805. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, 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 \$3,906,327 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 20 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 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.393977/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.348232/\$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 (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.

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. Retirement System (Concluded)

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, 2023, 91 employees contributed \$177,557, and the County contributed \$262,175. Contributions included \$8,320 in cash contributions towards the supplemental law enforcement plan for 14 law enforcement employees. Lastly, the County paid \$620 directly to five 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, 2023.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following:

<u>Transfers to</u>	<u>Transfers from</u>			<u>Total</u>
	<u>General Fund</u>	<u>Inheritance Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 600,000	\$ -	\$ 600,000
Road Fund	1,271,021	-	974,770	2,245,791
Total	<u>\$ 1,271,021</u>	<u>\$ 600,000</u>	<u>\$ 974,000</u>	<u>\$ 2,845,791</u>

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, 2023, the County made a one-time transfer of \$178,225 from the Natural Disaster Fund to the Road Fund to reimburse for expenses that were originally incurred and paid out of the Road Fund. Also, during fiscal year 2023, the County made two transfers, totaling \$796,545, from the COVID American Rescue Plan Act Fund to the Road Fund to reimburse for eligible expenses incurred and paid out of the Road Fund.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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, 2022	\$ 64,980	\$ 588,473	\$ 653,453
Purchases	-	-	-
Payments	32,191	88,436	120,627
Balance June 30, 2023	<u>\$ 32,789</u>	<u>\$ 500,037</u>	<u>\$ 532,826</u>
Future Payments:			
Year			
2024	\$ 33,244	\$ 93,250	\$ 126,494
2025	-	93,251	93,251
2026	-	93,251	93,251
2027	-	93,251	93,251
2028	-	93,250	93,250
2029	-	46,625	46,625
Total Payments	<u>33,244</u>	<u>512,878</u>	<u>546,122</u>
Less Interest	455	12,841	13,296
Present Value of Future Minimum Lease Payments	<u>\$ 32,789</u>	<u>\$ 500,037</u>	<u>\$ 532,826</u>
Carrying Value of the Related Fixed Asset	<u>\$ 140,374</u>	<u>\$ 620,837</u>	<u>\$ 761,2111</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 the County. The County issued bonds on May 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, 2023, was \$500,000. 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.

Future Payments:			
Year	Principal	Interest	Total
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>\$ 500,000</u>	<u>\$ 11,862</u>	<u>\$ 511,862</u>

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Concluded)

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

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, 2023, was \$1,870,000. 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	Principal	Interest	Total
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	290,000	10,518	300,518
2029-2030	445,000	8,928	453,928
Total Payments	<u>\$ 1,870,000</u>	<u>\$ 93,681</u>	<u>\$ 1,963,681</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 5,783,215	\$ 5,783,215	\$ 5,670,648	\$ (112,567)
Investment Income	10,000	10,000	174,258	164,258
Intergovernmental	319,799	319,799	241,003	(78,796)
Charges for Services	534,590	534,590	644,799	110,209
Miscellaneous	40,550	40,550	58,035	17,485
TOTAL RECEIPTS	6,688,154	6,688,154	6,788,743	100,589
DISBURSEMENTS				
General Government:				
County Board	92,566	92,566	92,566	-
County Clerk	178,888	178,888	176,036	2,852
County Treasurer	201,795	201,795	195,317	6,478
County Assessor	207,923	207,923	202,891	5,032
Election Commissioner	82,947	82,947	75,766	7,181
Clerk of the District Court	107,599	107,599	107,043	556
County Court System	11,000	11,000	6,460	4,540
Building and Grounds	218,760	225,719	225,719	-
Agricultural Extension Agent	64,277	64,277	64,022	255
CDC - Child Support Agreement	20,340	20,340	16,912	3,428
Capital Acquisitions	215,000	215,000	13,199	201,801
Miscellaneous	2,003,210	1,903,977	1,895,126	8,851
Public Safety				
County Sheriff	1,269,903	1,269,903	1,193,833	76,070
County Attorney	131,820	131,820	120,947	10,873
Communication Center	278,900	280,902	280,902	-
County Jail	856,296	936,971	936,971	-
Emergency Management	198,388	198,388	160,345	38,043
Humboldt Sheriff	77,695	87,292	87,292	-
County Attorney Child Support	102,700	102,700	99,729	2,971
County Attorney Incentive Match	40,200	40,200	40,200	-
Nuclear Accident Emergency Preparedness	75,300	75,300	72,423	2,877
Public Works				
County Surveyor	17,160	17,160	15,743	1,417
Noxious Weed Control	23,400	23,400	8,899	14,501
Public Assistance				
Veterans' Service Officer	90,356	90,356	87,036	3,320
TOTAL DISBURSEMENTS	6,566,423	6,566,423	6,175,377	391,046

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	121,731	121,731	613,366	491,635
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	600,000	(150,000)
Transfers out	(1,458,309)	(1,458,309)	(1,271,021)	187,288
TOTAL OTHER FINANCING SOURCES (USES)	(708,309)	(708,309)	(671,021)	37,288
Net Change in Fund Balance	(586,578)	(586,578)	(57,655)	528,923
FUND BALANCE - BEGINNING	986,578	986,578	988,893	2,315
FUND BALANCE - ENDING	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 931,238</u>	<u>\$ 531,238</u>

(Concluded)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Taxes	\$ 140	\$ 140	\$ 157	\$ 17
Intergovernmental	1,637,100	1,637,100	1,678,644	41,544
Charges for Services	500	500	15,926	15,426
Miscellaneous	13,750	13,750	22,889	9,139
TOTAL RECEIPTS	1,651,490	1,651,490	1,717,616	66,126
 DISBURSEMENTS	 5,783,685	 5,783,685	 4,548,161	 1,235,524
 EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	 (4,132,195)	 (4,132,195)	 (2,830,545)	 1,301,650
 OTHER FINANCING SOURCES (USES)				
Transfers in	2,458,309	2,458,309	2,245,791	(212,518)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,458,309	2,458,309	2,245,791	(212,518)
 Net Change in Fund Balance	 (1,673,886)	 (1,673,886)	 (584,754)	 1,089,132
FUND BALANCE - BEGINNING	1,673,886	1,673,886	1,673,886	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,089,132	\$ 1,089,132
 INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 179,744	\$ 179,744	\$ 1,603,506	\$ 1,423,762
Intergovernmental	80,633	80,633	82,052	1,419
Miscellaneous	-	-	5,000	5,000
TOTAL RECEIPTS	260,377	260,377	1,690,558	1,430,181
 DISBURSEMENTS	 2,171,000	 2,171,000	 471,198	 1,699,802
 EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	 (1,910,623)	 (1,910,623)	 1,219,360	 3,129,983
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(600,000)	(600,000)	(600,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(600,000)	(600,000)	(600,000)	-
 Net Change in Fund Balance	 (2,510,623)	 (2,510,623)	 619,360	 3,129,983
FUND BALANCE - BEGINNING	2,510,623	2,510,623	2,510,623	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,129,983	\$ 3,129,983

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD BUYBACK PROGRAM FUND				
RECEIPTS				
Intergovernmental	\$ 519,017	\$ 519,017	\$ 526,676	\$ 7,659
TOTAL RECEIPTS	519,017	519,017	526,676	7,659
DISBURSEMENTS	1,976,270	1,976,270	655,853	1,320,417
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,457,253)	(1,457,253)	(129,177)	1,328,076
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(1,457,253)	(1,457,253)	(129,177)	1,328,076
FUND BALANCE - BEGINNING	1,457,253	1,457,253	1,457,253	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,328,076	\$ 1,328,076

(Concluded)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL MATCHING FUND				
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>
ROAD/BRIDGE SINKING FUND				
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>
VISITORS PROMOTION FUND				
Receipts	\$ 2,019	\$ 2,019	\$ 17,394	\$ 15,375
Disbursements	(35,000)	(35,000)	(11,315)	23,685
Net Change in Fund Balance	(32,981)	(32,981)	6,079	39,060
Fund Balance - Beginning	32,981	32,981	32,981	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,060</u>	<u>\$ 39,060</u>
VISITORS IMPROVEMENT FUND				
Receipts	\$ 2,094	\$ 2,094	\$ 17,394	\$ 15,300
Disbursements	(38,000)	(38,000)	-	38,000
Net Change in Fund Balance	(35,906)	(35,906)	17,394	53,300
Fund Balance - Beginning	35,906	35,906	35,906	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,300</u>	<u>\$ 53,300</u>
REGISTER OF DEEDS PRESERVATION & MODERNIZATION FUND				
Receipts	\$ 5,351	\$ 5,351	\$ 5,008	\$ (343)
Disbursements	(10,000)	(10,000)	(7,255)	2,745
Net Change in Fund Balance	(4,649)	(4,649)	(2,247)	2,402
Fund Balance - Beginning	4,649	4,649	4,649	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,402</u>	<u>\$ 2,402</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MEDICAL RELIEF FUND				
Receipts	\$ -	\$ -	\$ 1,116	\$ 1,116
Disbursements	(13,717)	(13,717)	-	13,717
Net Change in Fund Balance	(13,717)	(13,717)	1,116	14,833
Fund Balance - Beginning	13,717	13,717	13,717	-
Fund Balance - Ending	\$ -	\$ -	\$ 14,833	\$ 14,833
VETERANS' AID FUND				
Receipts	\$ 346	\$ 346	\$ 792	\$ 446
Disbursements	(3,500)	(3,500)	(2,522)	978
Net Change in Fund Balance	(3,154)	(3,154)	(1,730)	1,424
Fund Balance - Beginning	3,154	3,154	3,154	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,424	\$ 1,424
DRUG COURT FUND				
Receipts	\$ 33,900	\$ 33,900	\$ 33,900	\$ -
Disbursements	(38,028)	(38,028)	(31,216)	6,812
Net Change in Fund Balance	(4,128)	(4,128)	2,684	6,812
Fund Balance - Beginning	4,128	4,128	4,128	-
Fund Balance - Ending	\$ -	\$ -	\$ 6,812	\$ 6,812
STOP PROGRAM DIVERSION FUND				
Receipts	\$ 4,106	\$ 4,106	\$ 3,800	\$ (306)
Disbursements	(15,000)	(15,000)	(105)	14,895
Net Change in Fund Balance	(10,894)	(10,894)	3,695	14,589
Fund Balance - Beginning	10,894	10,894	10,894	-
Fund Balance - Ending	\$ -	\$ -	\$ 14,589	\$ 14,589
COUNTY DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(869)	(869)	-	869
Net Change in Fund Balance	(869)	(869)	-	869
Fund Balance - Beginning	869	869	869	-
Fund Balance - Ending	\$ -	\$ -	\$ 869	\$ 869

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL FORFEITURE FUND				
Receipts	\$ -	\$ -	\$ 7	\$ 7
Disbursements	(3,477)	(3,477)	(40)	3,437
Net Change in Fund Balance	(3,477)	(3,477)	(33)	3,444
Fund Balance - Beginning	3,477	3,477	3,477	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,444</u>	<u>\$ 3,444</u>
SHERIFF COMMISSARY FUND				
Receipts	\$ -	\$ -	\$ 7,046	\$ 7,046
Disbursements	(19,408)	(19,408)	(2,425)	16,983
Net Change in Fund Balance	(19,408)	(19,408)	4,621	24,029
Fund Balance - Beginning	19,408	19,408	19,408	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,029</u>	<u>\$ 24,029</u>
JAIL BOND FUND				
Receipts	\$ 305,735	\$ 305,735	\$ 302,926	\$ (2,809)
Disbursements	(500,000)	(500,000)	(303,138)	196,862
Net Change in Fund Balance	(194,265)	(194,265)	(212)	194,053
Fund Balance - Beginning	194,265	194,265	194,265	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,053</u>	<u>\$ 194,053</u>
HIGHWAY ALLOCATION BOND FUND				
Receipts	\$ 69,756	\$ 69,756	\$ 94,049	\$ 24,293
Disbursements	(256,400)	(256,400)	(114,735)	141,665
Net Change in Fund Balance	(186,644)	(186,644)	(20,686)	165,958
Fund Balance - Beginning	186,644	186,644	186,644	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,958</u>	<u>\$ 165,958</u>
NATURAL DISASTER FUND				
Receipts	\$ 44,556	\$ 44,556	\$ 44,556	\$ -
Disbursements	(28,225)	(28,225)	-	28,225
Transfers in	-	-	-	-
Transfers out	(150,000)	(150,000)	(178,225)	(28,225)
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>\$ -</u>	<u>\$ -</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COVID AMERICAN RESCUE PLAN ACT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(445,723)	(445,723)	(331,197)	114,526
Transfers in	-	-	-	-
Transfers out	(1,000,000)	(1,000,000)	(796,545)	203,455
Net Change in Fund Balance	(1,445,723)	(1,445,723)	(1,127,742)	317,981
Fund Balance - Beginning	1,445,723	1,445,723	1,445,723	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,981</u>	<u>\$ 317,981</u>
OPIOID SETTLEMENT FUND				
Receipts	\$ 19,747	\$ 19,747	\$ 15,099	\$ (4,648)
Disbursements	(19,747)	(19,747)	-	19,747
Net Change in Fund Balance	-	-	15,099	15,099
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,099</u>	<u>\$ 15,099</u>
LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND				
Receipts	\$ -	\$ -	\$ 50,000	\$ 50,000
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	50,000	50,000
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

(Concluded)

RICHARDSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR FUNDS
For the Year Ended June 30, 2023

	Federal Matching Fund	Road/Bridge Sinking Fund	Visitors Promotion Fund	Visitors Improvement Fund	Register of Deeds Preservation & Modernization Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	17,394	17,394	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	5,008
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>17,394</u>	<u>17,394</u>	<u>5,008</u>
DISBURSEMENTS					
General Government	-	-	-	-	7,255
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	11,315	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>11,315</u>	<u>-</u>	<u>7,255</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>6,079</u>	<u>17,394</u>	<u>(2,247)</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	-	-	6,079	17,394	(2,247)
FUND BALANCES - BEGINNING	<u>238,841</u>	<u>19,807</u>	<u>32,981</u>	<u>35,906</u>	<u>4,649</u>
FUND BALANCES - ENDING	<u><u>\$ 238,841</u></u>	<u><u>\$ 19,807</u></u>	<u><u>\$ 39,060</u></u>	<u><u>\$ 53,300</u></u>	<u><u>\$ 2,402</u></u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	39,060	53,300	-
Drug Education / Enforcement	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	2,402
Debt Service	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	238,841	-	-	-	-
Road Maintenance	-	19,807	-	-	-
TOTAL FUND BALANCES	<u><u>\$ 238,841</u></u>	<u><u>\$ 19,807</u></u>	<u><u>\$ 39,060</u></u>	<u><u>\$ 53,300</u></u>	<u><u>\$ 2,402</u></u>

(Continued)

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

For the Year Ended June 30, 2023

	Medical Relief Fund	Veterans' Aid Fund	Drug Court Fund	STOP Program Diversion Fund	County Drug Law Enforcement Fund
RECEIPTS					
Taxes:					
Property	\$ 1,086	\$ 257	\$ -	\$ -	\$ -
Other	25	12	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	5	1	33,900	-	-
Charges for Services	-	-	-	3,800	-
Miscellaneous	-	522	-	-	-
TOTAL RECEIPTS	<u>1,116</u>	<u>792</u>	<u>33,900</u>	<u>3,800</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	31,216	105	-
Public Works	-	-	-	-	-
Public Assistance	-	2,522	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>2,522</u>	<u>31,216</u>	<u>105</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,116</u>	<u>(1,730)</u>	<u>2,684</u>	<u>3,695</u>	<u>-</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	1,116	(1,730)	2,684	3,695	-
FUND BALANCES - BEGINNING	<u>13,717</u>	<u>3,154</u>	<u>4,128</u>	<u>10,894</u>	<u>869</u>
FUND BALANCES - ENDING	<u>\$ 14,833</u>	<u>\$ 1,424</u>	<u>\$ 6,812</u>	<u>\$ 14,589</u>	<u>\$ 869</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education / Enforcement	-	-	-	-	869
Law Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	-	-	-
Aid and Assistance	14,833	1,424	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	6,812	14,589	-
Road Maintenance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 14,833</u>	<u>\$ 1,424</u>	<u>\$ 6,812</u>	<u>\$ 14,589</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, 2023

	Federal Forfeiture Fund	Sheriff Commissary Fund	Jail Bond Fund	Highway Allocation Bond Fund	Natural Disaster Fund
RECEIPTS					
Taxes:					
Property	\$ -	\$ -	\$ 296,226	\$ 91,844	\$ -
Other	-	-	5,700	1,853	-
Investment Income	7	-	-	-	-
Intergovernmental	-	-	1,000	352	44,556
Charges for Services	-	7,046	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL RECEIPTS	<u>7</u>	<u>7,046</u>	<u>302,926</u>	<u>94,049</u>	<u>44,556</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	40	2,425	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	280,000	110,000	-
Interest and Fiscal Charges	-	-	23,138	4,735	-
TOTAL DISBURSEMENTS	<u>40</u>	<u>2,425</u>	<u>303,138</u>	<u>114,735</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(33)</u>	<u>4,621</u>	<u>(212)</u>	<u>(20,686)</u>	<u>44,556</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(178,225)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(178,225)</u>
Net Change in Fund Balances	(33)	4,621	(212)	(20,686)	(133,669)
FUND BALANCES - BEGINNING	<u>3,477</u>	<u>19,408</u>	<u>194,265</u>	<u>186,644</u>	<u>133,669</u>
FUND BALANCES - ENDING	<u>\$ 3,444</u>	<u>\$ 24,029</u>	<u>\$ 194,053</u>	<u>\$ 165,958</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education / Enforcement	-	-	-	-	-
Law Enforcement	3,444	-	-	-	-
Preservation of Records	-	-	-	-	-
Debt Service	-	-	194,053	165,958	-
Aid and Assistance	-	-	-	-	-
Federal Relief	-	-	-	-	-
Committed to:					
Law Enforcement	-	24,029	-	-	-
Road Maintenance	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 3,444</u>	<u>\$ 24,029</u>	<u>\$ 194,053</u>	<u>\$ 165,958</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2023

	COVID American Rescue Plan Act Fund	Opioid Settlement Fund	Local Assistance and Tribal Consistency Fund	Total Nonmajor Funds
RECEIPTS				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 389,413
Other	-	-	-	42,378
Investment Income	-	-	-	7
Intergovernmental	-	-	50,000	129,814
Charges for Services	-	-	-	15,854
Miscellaneous	-	15,099	-	15,621
TOTAL RECEIPTS	-	15,099	50,000	593,087
DISBURSEMENTS				
General Government	719	-	-	7,974
Public Safety	130,000	-	-	163,786
Public Works	200,478	-	-	200,478
Public Assistance	-	-	-	2,522
Culture and Recreation	-	-	-	11,315
Debt Service:				
Principal Payments	-	-	-	390,000
Interest and Fiscal Charges	-	-	-	27,873
TOTAL DISBURSEMENTS	331,197	-	-	803,948
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(331,197)	15,099	50,000	(210,861)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(796,545)	-	-	(974,770)
TOTAL OTHER FINANCING SOURCES (USES)	(796,545)	-	-	(974,770)
Net Change in Fund Balances	(1,127,742)	15,099	50,000	(1,185,631)
FUND BALANCES - BEGINNING	1,445,723	-	-	2,348,132
FUND BALANCES - ENDING	\$ 317,981	\$ 15,099	\$ 50,000	\$ 1,162,501
FUND BALANCES:				
Restricted for:				
Visitor Promotion	-	-	-	92,360
Drug Education / Enforcement	-	15,099	-	15,968
Law Enforcement	-	-	-	3,444
Preservation of Records	-	-	-	2,402
Debt Service	-	-	-	360,011
Aid and Assistance	-	-	-	16,257
Federal Relief	317,981	-	50,000	367,981
Committed to:				
Law Enforcement	-	-	-	284,271
Road Maintenance	-	-	-	19,807
TOTAL FUND BALANCES	\$ 317,981	\$ 15,099	\$ 50,000	\$ 1,162,501

(Concluded)

RICHARDSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2023

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	Veterans' Service Officer	Emergency Manager	Total
BALANCES JULY 1, 2022	\$ 15,741	\$ 167,530	\$ 19,020	\$ 245	\$ 1,000	\$ 794	\$ 1,063	\$ 205,393
RECEIPTS								
Taxes	-	-	2,230	-	-	-	-	2,230
Charges for Services	69,037	32,139	58,513	40	11,850	-	-	171,579
Miscellaneous	553	-	23,121	250	25,676	2,522	5,534	57,656
State Fees	117,651	21,755	-	-	791	-	-	140,197
Other Liabilities	-	218,041	291,288	31,061	-	-	-	540,390
TOTAL RECEIPTS	187,241	271,935	375,152	31,351	38,317	2,522	5,534	912,052
DISBURSEMENTS								
Payments to County Treasurer	69,980	34,958	65,166	40	34,177	-	-	204,321
Payments to State Treasurer	119,210	21,437	-	-	791	-	-	141,438
Petty Cash & Other Payments	553	-	20,542	-	3,349	1,247	5,595	31,286
Other Liabilities	-	272,603	297,342	4,449	-	-	-	574,394
TOTAL DISBURSEMENTS	189,743	328,998	383,050	4,489	38,317	1,247	5,595	951,439
BALANCES JUNE 30, 2023	\$ 13,239	\$ 110,467	\$ 11,122	\$ 27,107	\$ 1,000	\$ 2,069	\$ 1,002	\$ 166,006
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 5,711	\$ 3,143	\$ 7,428	\$ -	\$ -	\$ 2,069	\$ 2	\$ 18,353
Petty Cash	150	-	3,000	250	1,000	-	1,000	5,400
Due to State Treasurer	7,378	2,536	-	-	-	-	-	9,914
Due to Others	-	104,788	694	26,857	-	-	-	132,339
BALANCES JUNE 30, 2023	\$ 13,239	\$ 110,467	\$ 11,122	\$ 27,107	\$ 1,000	\$ 2,069	\$ 1,002	\$ 166,006

RICHARDSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2023

Item	2018	2019	2020	2021	2022
Tax Certified by Assessor					
Real Estate	\$ 19,185,780	\$ 18,399,609	\$ 17,572,858	\$ 17,576,247	\$ 18,536,261
Personal and Specials	958,422	899,503	1,807,625	1,935,683	2,131,207
Total	<u>20,144,202</u>	<u>19,299,112</u>	<u>19,380,483</u>	<u>19,511,930</u>	<u>20,667,468</u>
Corrections					
Additions	3,888	2,509	16,851	4,422	2,082
Deductions	<u>(5,440)</u>	<u>(4,078)</u>	<u>(13,592)</u>	<u>(27,050)</u>	<u>(8,014)</u>
Net Additions/ (Deductions)	<u>(1,552)</u>	<u>(1,569)</u>	<u>3,259</u>	<u>(22,628)</u>	<u>(5,932)</u>
Corrected Certified Tax	<u>20,142,650</u>	<u>19,297,543</u>	<u>19,383,742</u>	<u>19,489,302</u>	<u>20,661,536</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2019	12,950,045	-	-	-	-
June 30, 2020	7,184,751	12,793,830	-	-	-
June 30, 2021	6,105	6,497,297	13,240,684	-	-
June 30, 2022	1,344	3,752	6,131,155	13,599,177	-
June 30, 2023	<u>69</u>	<u>1,047</u>	<u>8,937</u>	<u>5,884,571</u>	<u>14,612,220</u>
Total Net Collections	<u>20,142,314</u>	<u>19,295,926</u>	<u>19,380,776</u>	<u>19,483,748</u>	<u>14,612,220</u>
Total Uncollected Tax	<u>\$ 336</u>	<u>\$ 1,617</u>	<u>\$ 2,966</u>	<u>\$ 5,554</u>	<u>\$ 6,049,316</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.03%</u>	<u>29.28%</u>

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

RICHARDSON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
DEPARTMENT OF JUSTICE			
Passed through Nebraska Commission on Law Enforcement and Criminal Justice			
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	195-2021-CF9036	\$ 52,155
Total U.S. Department of Justice			52,155
DEPARTMENT OF HOMELAND SECURITY			
Passed through Nebraska Military Department			
COVID-19 - Emergency Management Performance Grants	97.042	21-GA 8747-07	6,859
Emergency Management Performance Grants	97.042	22-SR 8747-01	81,024
Total - Emergency Management Performance Grants			87,883
Total U.S. Department of Homeland Security			87,883
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Nebraska Department of Health and Human Services			
		51444 Y3	
Child Support Enforcement	93.563	51496 Y3	76,206
Total U.S. Department of Health and Human Services			76,206
DEPARTMENT OF TRANSPORTATION			
Passed through Nebraska Department of Transportation			
Highway Safety Cluster			
		405d-22-51-61	
		405d-23-52-12	
National Priority Safety Programs	20.616	405d-23-51-18	19,017
		402-23-05-22	
		402-23-27-36	
		402-23-05-64	
State and Community Highway Safety	20.600	4021-23-12-40	23,207
Total - Highway Safety Cluster			42,224
Total U.S. Department of Transportation			42,224
DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	* 1,127,742
Total U.S. Department of the Treasury			1,127,742
DEPARTMENT OF AGRICULTURE			
Community Facilities Loans and Grants Cluster			
Community Facilities Loans and Grants	10.766	Not Applicable	39,113
Total - Community Facilities Loans and Grants Cluster			39,113
Total U.S. Department of Agriculture			39,113
ELECTION ASSISTANCE COMMISSION			
Passed through Nebraska Secretary of State			
COVID-19 - HAVA Election Security Grants	90.404	HAVA2021-08 Richardson	3,125
HAVA Election Security Grants	90.404	HAVA2021-10 Richardson	26,772
Total HAVA Election Security Grants			29,897
Total U.S. Election Assistance Commission			29,897
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,455,220

* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

RICHARDSON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

1. **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Richardson County (County) under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

2. **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 10, 2024. 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 January 10, 2024.

Richardson County's Response to Findings

Government Auditing Standards requires 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.



Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

January 10, 2024



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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RICHARDSON COUNTY INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Richardson County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Richardson County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Richardson County's major Federal programs for the year ended June 30, 2023. Richardson County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Richardson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Richardson County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Richardson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Richardson County's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Richardson County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Richardson County's compliance with the requirements of each major Federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Richardson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Richardson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Richardson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding #2023-002. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Richardson County's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Richardson County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Richardson County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Richardson County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Richardson County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Richardson County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Richardson County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Richardson County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

January 10, 2024



Dakota Christensen, CPA, CISA, CFE
Audit Manager
Lincoln, Nebraska

RICHARDSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____ Yes X No

Significant deficiencies identified?

X Yes ____ None Reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

____ Yes X No

Significant deficiencies identified?

X Yes ____ None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X Yes ____ No

Major programs: **COVID-19 – Coronavirus State and Local Fiscal Recovery Funds: AL #21.027**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

____ Yes X No

RICHARDSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings

Finding # 2023-001

<u>Condition</u> -	There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.
<u>Criteria</u> -	Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.
<u>Context</u> -	Various County offices collect money; most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.
<u>Effect</u> -	This lack of segregation of duties results in an inadequate overall internal control structure design.
<u>Cause</u> -	The County does not employ sufficient office personnel to properly segregate accounting functions.
<u>Recommendation</u> -	The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.
<u>View of Officials</u> -	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.

Section III – Federal Award Findings and Questioned Costs

Finding # 2023-002

<u>Program</u> -	AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment
<u>Grant Number & Year</u> -	SLFRP0980, March 3, 2021, through December 31, 2024
<u>Federal Grantor Agency</u> -	U.S. Department of the Treasury
<u>Criteria</u> -	Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.303 (January 1, 2023) states the following, in relevant part:

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

RICHARDSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

The U.S. Department of the Treasury adopted the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR § 1000.10 (January 1, 2023), which states the following:

Except for the deviations set forth elsewhere in this Part, the Department of the Treasury adopts the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth at 2 CFR part 200.

2 CFR § 200.214 (January 1, 2023) states the following:

Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR § 180.300 (January 1, 2023) requires non-Federal entities to verify that an entity is not excluded or disqualified prior to entering into a covered transaction by: “(a) Checking SAM [System for Award Management] Exclusions; or (b) Collecting a certification from that . . . [entity]; or (c) Adding a clause or condition to the covered transaction with that . . . [entity].”

A good internal control plan requires the County to have proper procedures in place to verify that contractors paid with Federal funds are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities.

Condition -

Richardson County could not provide documentation to support that the County implemented effective internal controls to ensure that suspension and debarment requirements were followed and adequately documented for vendor claims.

We noted the County used Coronavirus State and Local Fiscal Recovery Funds to pay two vendors over \$25,000, totaling \$796,545, during the fiscal year ended June 30, 2023. The County failed to ensure that these vendors were not excluded or disqualified prior to entering into these covered transactions.

We reviewed SAM.gov, and noted that none of these vendors were suspended, debarred, or otherwise excluded from participation in Federal programs or activities as of the date testing was performed.

Repeat Finding -

No

Questioned Costs -

None

Statistical Sample -

No

Context -

The following table provides details of the covered transactions noted:

VENDOR	AMOUNT
MURPHY TRACTOR & EQUIPMENT CO	\$ 596,545
STA-BILT CONSTRUCTION	200,000
TOTAL	\$ 796,545

RICHARDSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Concluded)

<u>Cause</u> -	Lack of procedures and knowledge regarding suspension and debarment requirements.
<u>Effect</u> -	Without adequate procedures to ensure contractors are not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, there is an increased risk for the misuse of Federal funds and noncompliance with Federal regulations, leading to possible Federal sanctions.
<u>Recommendation</u> -	We recommend the County implement procedures to ensure, prior to entering into a covered transaction, that a contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal programs or activities, and those procedures are adequately documented.
<u>View of Officials</u> -	The County has put adopted new procedures within the Accounts Payable County Procedure Manual to actively verify vendors for eligibility utilizing the SAM exclusion database system. Procedure will include a printed copy of the search that will be signed and dated by the employee conducting the search. Document will be attached to the vendor file and the transaction that initiated the search.

OFFICE OF
COUNTY COMMISSIONERS
COUNTY OF RICHARDSON
STATE OF NEBRASKA
FALLS CITY, NE 68355

CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

I. Findings Related to the Financial Statements

Finding 2023-001: Segregation of Duties

Corrective Action Planned:

The County has discussed the finding but must consider the cost of adequate segregation of duties when determining the use of tax money.

Anticipated Completion Date:

Ongoing

Responsible Party:

County Treasurer, County Clerk and County Board members

II. Findings Related to Federal Awards

Finding 2023-002: Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

Program:

AL 21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Suspension & Debarment

Corrective Action Planned:

The County has put adopted new procedures within the Accounts Payable County Procedure Manual to actively verify vendors for eligibility utilizing the SAM exclusion database system. Procedure will include a printed copy of the search that will be signed and dated by the employee conducting the search. Document will be attached to the vendor file and the transaction that initiated the search.

Anticipated Completion Date:

Ongoing

Responsible Party:

County Clerk, ARPA Funds Manager, County Board

Sincerely,



John J. Caverzagie
Chairman

Richardson County Board of Commissioners

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NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 10, 2024

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, 2023, and have issued our report thereon dated January 10, 2024. 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 SHERIFF

Accounting Procedures

During the audit, we noted the following issues with the County Sheriff's accounting procedures at June 30, 2023:

- The County Sheriff Fee account had an unknown short of \$2,297 as of June 30, 2023. The following table provides details of how this short was calculated:

Office Assets	
Reconciled Bank Balance	\$ 1,871
Accounts Receivable	200
Total Office Assets	\$ 2,071
Office Liabilities	
Due to County	\$ 4,337
Due to Others	31
Total Office Liabilities	\$ 4,368
Unknown Short	\$ 2,297

- The County Sheriff Victus Commissary account had an unknown short of \$426 as of June 30, 2023. The following table provides details of how this short was calculated:

Office Assets	
Reconciled Bank Balance	\$ 3,183
Cash on Hand	145
Total Office Assets	\$ 3,328
Office Liabilities	
Due to County	\$ 3,091
Due to Others	663
Total Office Liabilities	\$ 3,754
Unknown Short	\$ 426

Further, we noted issues with the record keeping for the Victus Commissary account during fiscal year 2023. Multiple transactions that cleared the bank during the fiscal year were not recorded in the accounting system, and transactions were recorded in the accounting system as “bank charges” at the end of the month. These transactions appeared to be recorded to help balance the account; however, we were unable to tie all these records to items that cleared the bank account. Specifically, we noted the following:

- In July 2022, four Automated Clearing House [ACH] payments, totaling \$223, cleared the bank during the month; however, we were unable to tie these transactions to specific entries in the accounting system.
 - In August 2022, one ACH payment, totaling \$7, cleared the bank during the month; however, we were unable to tie this transaction to a specific entry in the accounting system.
 - In October 2022, one ACH payment, totaling \$2, cleared the bank on October 24, 2022. This transaction was recorded in the accounting system as a “bank charge” on October 31, 2022; however, it did not appear to be a charge incurred from the bank.
 - In December 2022, one ACH payment, totaling \$738, cleared the bank on December 9, 2022. This transaction was recorded in the accounting system as a “bank charge” on December 30, 2022; however, it did not appear to be a charge incurred from the bank.
 - In January 2023, four ACH payments, totaling \$60, cleared the bank. These transactions were recorded in the accounting system as one bank charge on January 31, 2023; however, they did not appear to be charges incurred from the bank.
 - In May 2023, a \$354 ACH payment was recorded twice in the accounting system; however, only one payment for this amount cleared the bank account during the fiscal year. This duplicate transaction was not voided from the accounting system as of June 30, 2023.
- The June 2023 bank reconciliation for the Victus Commissary account included three outstanding deposits, totaling \$321, that were not true reconciling items. These outstanding deposits were due to errors made when recording the initial deposit transaction in the accounting system. These erroneous transactions were initially recorded in July and August 2022 and have not been corrected as of audit fieldwork completed in December 2023.
 - The Victus Commissary account incurred a \$23 bank charge in August 2022 for which reimbursement had not been requested as of June 30, 2023.
 - The County Sheriff collected Inmate Medical reimbursements, totaling \$1,475, from September 2021 through June 2022. These collections were not remitted to the County Treasurer until October 2022.

Good internal control and sound business practices require procedures to ensure the following: 1) office assets (cash on hand, reconciled bank balances, accounts receivable, etc.) agree with office liabilities (fees on hand, trust accounts, authorized petty cash, accounts payable, etc.), and any variances noted are resolved timely; 2) reconciliations and record keeping, including book balances, are complete and accurate; 3) bank charges are submitted timely for reimbursement; and 4) all money collected by the County Sheriff is remitted to the County Treasurer timely, on at least a quarterly basis.

Without such procedures, there is an increased risk for loss, theft, or misuse of County funds.

A similar comment was included in the prior year’s report.

We recommend the County Sheriff implement procedures to ensure the following: 1) office assets (cash on hand, reconciled bank balances, accounts receivable, etc.) agree with office liabilities (fees on hand, trust accounts, authorized petty cash, accounts payable, etc.), and any variances noted are resolved timely; 2) record keeping and reconciliations, including book balances, are complete and accurate; 3) bank charges are submitted timely for reimbursement; and 4) money collected by the County Sheriff is remitted to the County Treasurer timely, on at least a quarterly basis.

County Sheriff Response: Regarding the findings of 'no assets to liability report' in the Civil Process Department [County Sheriff Fee account]. Listed below are the corrective steps taken to rectify the issue: 1) document cash on hand at the end of the month. This refers to any bank checks and/or cash that has not been deposited as of the last day of the month; 2) service deposits are itemized and totaled for the month documenting total service deposit amount; 3) unpaid civil billings are itemized and totaled documenting unpaid civil billings; and 4) County and District Court fees are included in unpaid billings.

[Regarding] the ACH issues listed as record keeping issues. The Richardson County Jail uses an electronic bank record keeping system called "Lockdown". This system is reconciled with a bank statement sent from American National Bank every month. On occasion the software does not log an ACH until after the bank statements have been reconciled which resulted in the listed ACH's being left in the system as unreconciled transactions. To resolve this the responsible parties will go back through each record and reconcile them accordingly.

Next regarding the outstanding deposits of \$321.00: These are deposits from different errors encountered in both the hardware and with the physical cash acceptor in the lobby. We are currently working with our vendor to take the appropriate action to get these taken care of.

Finally regarding the \$23.00 bank charge: This was a bank charge due to an error on the banks part. They have since waived the fees. To correct the \$23.00 we will submit a claim for reimbursement to the County Clerk.

Inmate Commissary Account Issues

The County Sheriff maintained three Inmate Commissary accounts (Lockdown, Tiger, and Victus) during the fiscal year 2023. We noted the following issues with these accounts:

Lockdown Commissary Account

During February 2023, the County Sheriff closed this commissary bank account, and the remaining \$2,858 account balance was remitted to the County Treasurer. However, the money held in this bank account was owed mainly, if not entirely, to inmates rather than the County.

Of the \$2,858 balance remitted to the County Treasurer, \$542 consisted of outstanding checks owed to former inmates and should have been remitted to the State Treasurer under the Uniform Disposition of Unclaimed Property Act (Act), which is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2018, Cum. Supp. 2022). Furthermore, the County Sheriff did not perform an asset-to-liability reconciliation prior to closing the account, so the proper recipient(s) for the remaining \$2,316 account balance could not be identified.

Tiger Commissary Account

During February 2023, the County Sheriff closed this commissary bank account, and the remaining \$289 account balance was remitted to the County Treasurer. However, the money held in the bank account was owed mainly, if not entirely, to inmates rather than the County.

Of the \$289 balance remitted to the County Treasurer, \$32 consisted of outstanding checks owed to former inmates and should have been remitted to the State Treasurer as unclaimed property under the Act. Furthermore, the County Sheriff did not perform an asset-to-liability reconciliation prior to closing the account, so the proper recipient(s) for the remaining \$257 account balance could not be identified.

Victus Commissary Account

The balance sheet for this account included an inmate commissary balance, totaling \$873, as of June 30, 2023. However, the detailed historical Inmate Balance listing provided included an inmate commissary balance of \$663, or a \$210 variance. This variance is likely due to inadequate record keeping of the account's activity, as noted in the previous comment.

Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act states the following:

Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2022) provides the following, in relevant part:

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. . . .

Good internal control and sound business practices require procedures to ensure the following: 1) an asset-to-liability reconciliation is performed prior to closing accounts to identify the proper recipient(s) of the remaining funds, which should be remitted to the appropriate parties; 2) all outstanding checks presumed abandoned are remitted to the State Treasurer, as required by the Act; and 3) an accurate detailed listing of money owed to inmates is maintained.

Without such procedures, there is an increased risk for not only public funds being distributed to the incorrect recipient(s) but also noncompliance with State statute.

We recommend the County Sheriff implement procedures to ensure the following:

1) an asset-to-liability reconciliation is performed prior to closing accounts to identify the proper recipient(s) of the remaining funds, which should be remitted to the appropriate parties; 2) all outstanding checks presumed abandoned are remitted to the State Treasurer, as required by the Act; and 3) an accurate detailed listing of money owed to inmates is maintained.

County Sheriff Response: This was an error on the staff that provided the documentation to the state auditor's office. The document was not correct and in the future the state auditor's office will only be provided with the inmate balance sheet and not the historical inmate balance sheet.

APA Response: The County Sheriff provided our office with both the inmate balance sheet and the historical inmate balance listing, which listed inmate balances of \$873 and \$663, respectively. However, the County Sheriff was unable to provide a detailed listing to support the \$873. The County Sheriff's office schedule includes the \$663 historical inmate balance listing for the account due to other variances identified in the account. Regardless of whether the wrong document was provided to our office, the County Sheriff should maintain a detailed listing of inmate commissary balances to support the inmate balances reported on the inmate balance sheet.

COUNTY BOARD

Lack of Bidding for Gravel Purchases

We noted that the County Board of Commissioners (Board) did not obtain bids for the purchase of gravel for roads. However, the County paid a total of \$626,450 to Martin-Marietta Materials, Inc., and \$71,283 to Hamm, Inc., during the fiscal year for the purchase of such 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.

A similar comment was included in the prior year's report.

We recommend the 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 and Norris Quarries at Maitland, MO 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 did advertise for sealed bids to be received by December 27, 2023 for the gravel materials for county roads for the year 2024. There were 2 bidders, Hamm, Inc. near Troy, KS and Norris Quarries, Maitland, MO. No bid was received from Martin-Marietta at DuBois, NE quarry. The Board are reviewing these bids and will consider the options.

COUNTY EMERGENCY MANAGER

Untimely Deposits

During the audit, we noted that the County Emergency Manager was not depositing money received from the County Board for petty cash reimbursements in a timely manner. We noted four untimely deposits, ranging from 15 to 35 days from the claim date.

The table below summarizes these four untimely deposits:

Claim #	Claim Date	Deposit Date	Days from Claim Date to Deposit Date	Amount
22080103	8/9/22	8/24/22	15	\$ 7
22100076	10/11/22	11/8/22	28	737
23020026	2/7/23	3/14/23	35	72
23020131	2/21/23	3/14/23	21	253
Total				\$ 1,069

Good internal control and sound accounting practices require procedures to ensure that the County Emergency Manager makes timely deposits of all money received from the Board for petty cash reimbursements.

Without such procedures, there is an increased risk for loss, theft, or misuse of public funds.

We recommend the County Emergency Manager implement procedures to ensure timely deposits are made for all money received from the Board for petty cash reimbursements.

County Emergency Manager Response: Richardson County Emergency Management has redefined its office policy on depositing funds into the petty cash account. All deposits to the account will be handled in a timely manner from time funds are received.

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.

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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. 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,



Dakota Christensen, CPA, CISA, CFE
Audit Manager