

HALL COUNTY

FINANCIAL REPORT

For the Year Ended June 30, 2014

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
FINANCIAL STATEMENTS	
Exhibit A – Statement of net position – cash basis	10
Exhibit B – Statement of activities – cash basis	11
Exhibit C – Statement of assets, liabilities and fund balances – cash basis – governmental funds	12
Exhibit D – Statement of cash receipts, disbursements and changes in fund balance – cash basis – governmental funds	13
Exhibit E – Statement of fiduciary net position – cash basis – fiduciary funds	14
Notes to financial statements	15-29
OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON	
Schedule 1 – Budgetary comparison schedule – budget and actual – general governmental fund	30-32
Schedule 2 – Budgetary comparison schedule – budget and actual – major governmental funds	33-34
Notes to other supplementary information - budgetary comparison	35-36
OTHER SUPPLEMENTARY INFORMATION	
Schedule 3 – Combining schedule of receipts, disbursements, and changes in cash basis fund balances – nonmajor governmental funds	37-40
Schedule 4 – Combining schedule of changes in assets and liabilities – cash basis – fiduciary funds	41-42
Schedule 5 – Schedule of disbursements compared to budget – cash basis – general fund by department	43-44
Schedule 6 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the clerk	45
Schedule 7 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the clerk of the district court	46
Schedule 8 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the county sheriff	47
Schedule 9 – Schedule of cash receipts, cash disbursements and changes in cash balances – department of corrections	48
Schedule 10 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the noxious weed department	49
Schedule 11 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the county attorney	50
Schedule 12 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the highway department	51
Schedule 13 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the building inspector/zoning	52

TABLE OF CONTENTS  
(Continued)

Schedule 14 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the register of deeds	53
Schedule 15 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of veteran's service	54
Schedule 16 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the county assessor	55
Schedule 17 – Schedule of cash receipts, cash disbursements and changes in cash balances – office of the parks and recreation department	56
Schedule 18 – Schedule of cash receipts, cash disbursements and changes in cash balances – extension office	57
Schedule 19 – Comparative analysis of tax certified – corrections and collections	58

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Schedule of expenditures of federal awards	59-60
Notes to the schedule of expenditures of federal awards	61
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 <i>GOVERNMENT AUDITING STANDARDS</i>	62-63
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	64-65
Schedule of findings and questioned costs	66-69
Summary schedule of prior audit findings	70



**MCDERMOTT + MILLER**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

County Board of Supervisors  
Hall County  
Grand Island, Nebraska

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## *Opinions*

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

## *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 for governments in the United States of America. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 and the budgetary comparison information on pages 30 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hall County's basic financial statements. The additional schedules located on pages 37 through 58 and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The additional schedules located on pages 37 through 58 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 additional schedules located on pages 37 through 58 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the 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 November 11, 2014, on our consideration of Hall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Hall County's internal control over financial reporting and compliance.

*McDermott & Miller PC*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
November 11, 2014

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

This section of Hall County, Nebraska's financial report presents a narrative overview and analysis of Hall County's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the County's financial statements, which follows this section.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Hall County's basic financial statements. The County's basic financial statements have three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains information in addition to the basic financial statements. The report consists of five parts: 1) Management's Discussion and Analysis (this section), 2) the Basic Financial Statements – Cash Basis, 3) Other Supplementary Information - Budgetary Comparison, 4) Other Supplementary Information, and 5) Federal Financial Assistance Programs.

**Government-Wide Financial Statements.** The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide a broad overview of the County's overall financial status. The County's financial statements are prepared on the cash basis of accounting and do not include capital assets, accounts receivable and payable, or long-term debt activity, which would need to be considered to assess the overall health of the County. Non-financial factors also need to be considered to assess the overall health of the County.

The Statement of Net Position – Cash Basis presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the County's net position may serve as one indicator of whether its financial health is improving or deteriorating.

The Statement of Activities – Cash Basis demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general receipts.

The Stuhr Museum of the Prairie Pioneer (Stuhr Museum) is a component unit of the County because of the significance of its relationship with the County. Condensed financial statements of Stuhr Museum as of June 30, 2014 are presented in the notes to the financial statements; see Note 9 for further information. A complete copy of Stuhr Museum's financial statements is on file with the Hall County Clerk.

**Fund Financial Statements.** Fund financial statements focus on the individual parts of the County, reporting the County's operations in more detail than the government-wide statements by providing information about the County's most significant "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes.

The governmental fund statements tell how general governmental activities were financed in the short-term as well as what remains for future spending.

Fiduciary fund statements provide information about financial relationships to which the County acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not included on the government-wide statements.

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide essential information necessary for fair presentation of the financial statements.

**Supplementary Information.** This Management Discussion and Analysis and the Budgetary Comparison Schedules represent financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes. This report also includes optional financial information such as combining schedules for non-major funds (which are shown in the fund financial statements in a single column) and fiduciary funds; budgetary comparison information for disbursements by departments of the General Fund; schedules of cash receipts and disbursements of various County offices; and a schedule of taxes certified and collected for political subdivisions in the County. This information is provided to address certain specific needs of various users of the report.

#### BASIS OF ACCOUNTING

The County's financial statements are presented on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities. Under the cash basis of accounting, receipts and disbursements and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Also, capital assets (land, buildings, furniture, equipment, and infrastructure) and the related depreciation are not recorded. Therefore, when reviewing the financial information and discussion within this report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

#### FINANCIAL HIGHLIGHTS (Detailed Information Follows Later in this *Discussion & Analysis*)

- Governmental activities cash position at June 30, 2014 was \$22,379,467 compared with \$19,494,159 at June 30, 2013. This was an increase of \$2,885,308 or 15%.
- General fund expenditures and transfers were \$22,371,645 for the current fiscal year, compared with \$23,235,013 at June 30, 2013. This is a decrease of \$863,368 or 4%.
- Federal program expenditures were \$1,038,911 for the current fiscal year, compared with \$969,805 at June 30, 2013. This is an increase of \$69,106 or 7%.
- Major capital projects of the County included the following:
  - Road Improvement Projects \$446,297
  - Courthouse Improvement Projects \$52,429
  - Courthouse Annex Roof Repairs \$73,732
  - Veterans Service Office Project \$22,353
  - Road Equipment Purchases, Bridge Repair, and Engineering Fees \$786,687

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Governmental Activities

The results of operations for the County indicate an improving financial position. Overall receipts increased and disbursements decreased over the prior year. This resulted in an overall increase in the net position of the County and a strengthening of the financial position.

The largest single source of receipts for the County is property taxes. The County's property taxes recorded in the governmental funds for 2012-2013 were \$16,244,072 and for 2013-2014, it increased by \$724,692 to \$16,968,764.

In 2012-2013, the County's assessed valuation was \$4,022,486,241. In 2013-2014, it increased by \$235,922,899 to \$4,258,409,140.

The County follows GASB 54 standards for the classification of fund balances in governmental funds. See Note 1 and 13 for more information describing the classification of fund balances.

The following table represents the Summary of Net Position and how it compares to the prior year.

	<u>2013-2014</u>	<u>2012-2013</u>	<u>Change</u>	<u>Percentage</u>
Total Assets	\$ 22,379,467	\$ 19,494,159	\$ 2,885,308	14.8%
Total Liabilities	291,946	346,905	(54,959)	(15.8%)
Total Net Position	22,087,521	19,147,254	2,940,267	15.4%
Total Restricted Net Position	4,880,216	4,533,757	346,459	7.6%
Total Unrestricted Net Position	17,207,305	14,613,497	2,593,808	17.7%

The following table represents the Statement of Activities and how it compares to the prior year.

	<u>2013-2014</u>	<u>2012-2013</u>	<u>Change</u>	<u>Percentage</u>
<b>Revenues</b>				
Program Revenues				
Fees and Charges for Services	\$ 10,739,740	\$ 10,883,078	\$ (143,338)	(1.3%)
Operating Grants and Contributions	949,533	1,091,286	(141,753)	(13.0%)
Capital Grants and Contributions	284,620	155,359	129,261	83.2%
General Revenues				
Property Taxes	16,968,764	16,244,072	724,692	4.5%
Other Taxes	5,029,386	4,817,221	212,165	4.4%
Other General Revenue	33,650	40,116	(6,466)	(16.1%)
<b>Total Revenues</b>	<u>\$ 34,005,693</u>	<u>\$ 33,231,132</u>	<u>\$ 774,561</u>	<u>2.3%</u>
<b>Program Expenses</b>				
General Government	\$ 10,926,309	\$ 11,219,325	\$ (293,016)	(2.6%)
Public Safety	12,736,897	12,717,829	19,068	0.1%
Public Works	4,252,350	4,577,743	(325,393)	(7.1%)
Public Health	523,684	549,109	(25,425)	(4.6%)
Public Welfare and Social Services	916,107	852,157	63,950	7.5%
Culture and Recreation	1,710,079	1,730,339	(20,260)	(1.2%)
<b>Total Expenses</b>	<u>\$ 31,065,426</u>	<u>\$ 31,646,502</u>	<u>\$ (581,076)</u>	<u>(1.8%)</u>
<b>Change in Net Position</b>	<u>\$ 2,940,267</u>	<u>\$ 1,584,630</u>	<u>\$ 1,355,637</u>	<u>85.5%</u>

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

The following table represents the major funds of the County and their related changes in fund balance.

	<u>General</u>	<u>Jail Bond</u>	<u>Inheritance</u>	<u>Road</u>	<u>Insurance</u>	<u>Other Governmental Funds</u>
Receipts	\$ 22,941,884	\$ 1,650,928	\$ 1,063,013	\$ 2,881,163	\$ 2,688,513	\$ 2,780,192
Disbursements	(20,464,788)	(1,346,518)	(13,000)	(3,953,266)	(2,765,645)	(2,522,209)
Transfers In	367,132	-	516,403	1,803,864	312,916	913,725
Transfers Out	(1,906,857)	-	(715,356)	(411,935)	-	(879,892)
Net Change in Fund Balances Beginning	937,371	304,410	851,060	319,826	235,784	291,816
Fund Balance Ending Fund Balance	7,198,028	1,097,681	3,750,194	703,087	2,585,152	3,813,112
	8,135,399	1,402,091	4,601,254	1,022,913	2,820,936	4,104,928

The General Fund had the greatest change in value. This was attributed to the decrease in funds that were transferred to other funds. There was a total decrease of \$517,063 of transfers out of the General Fund to the Road Fund, and a \$361,220 decrease of transfers out of the General Fund to the Inheritance Fund compared to the prior year. The increase in the Inheritance Fund is attributable primarily to an increase in inheritance tax receipts of \$160,216 from the prior year and an increase in transfers in \$146,864.

The following table shows the property tax rates, by fund or component unit, for fiscal years 2012-2013 and 2013-2014 including a calculation of the amount and percentage by which each levy changed. Note: Levies are expressed in dollars and cents per \$100 of valuation. For example, the County's total property tax for these funds and component unit on a \$100,000 property in 2013-2014 would be \$424.93.

<b>Fund</b>	<b>2012-2013 Levy</b>	<b>2013-2014 Levy</b>	<b>Levy Change</b>	<b>Percentage Change</b>
General Fund	0.372337	0.364402	(0.007935)	(2.1%)
Dependent Fund	0.001271	0.001080	(0.000191)	(15.0%)
Institutions	0.000052	0.000046	(0.000006)	(11.5%)
Jail Bond Fund	0.039000	0.039000	0.000000	0.0%
Veteran's Aid	0.000173	0.000098	(0.000075)	(43.4%)
Museum	0.021349	0.020306	(0.001043)	(4.9%)
<b>County Totals</b>	<b>0.434182</b>	<b>0.424932</b>	<b>(0.009250)</b>	<b>(76.9%)</b>

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

General Fund Budgetary Highlights

In comparing the General Fund's actual expenditures to the budget prepared for the year, mostly favorable variances were noted. Total General Fund expenditures were under budget by \$1,803,650 or 8.1%. This was mostly due to the Public Safety function being under budget by \$1,020,866 and the General Government function being under budget by \$725,707. See the Budgetary Comparison Schedule for the General Fund on pages 30-32 for more detailed information.

Over the course of the 2013-2014 fiscal year, the County's General Fund balance increased by approximately \$937,371. The following table provides a detailed picture of the increase in fund balance.

	2013-2014 Budget	Year-End Actual	Difference
07/01/13 Actual Beginning Balance		\$7,198,028	
Receipts:			
Property/Motor Vehicle Taxes	\$17,152,311	\$17,000,373	(\$151,938)
Federal	803,325	774,735	(28,590)
State	672,800	1,182,973	510,173
Other Local	3,321,482	3,983,803	662,321
Total Receipts	\$21,949,918	\$22,941,884	\$991,966
Expenditures	\$22,268,438	\$20,464,788	\$1,803,650
Net Transfers	(\$1,546,030)	(\$1,539,725)	(\$6,305)
Net (Decrease)/Increase	(\$1,864,550)	\$937,371	\$2,801,921
06/30/14 Ending Balance		\$8,135,399	

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

Long-term Debt Highlights

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May 2008. These Series 2006 bonds were refinanced in September 2011 with the Series 2011 Refunding Bonds and in January 2012 with the Series 2012 Refunding Bonds. The Series 2011 bonds are payable over a period not longer than 22 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.30% and 4.35%. The Series 2012 bonds are payable over a period not longer than 10 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.35% and 2.40%. For the year ending June 30, 2014, \$476,518 of interest and \$870,000 of principal were paid for the Series 2011 and 2012 bonds. See Note 12 for repayment schedule.

The voters also approved on November 15, 2005, the County's authorization to levy a tax annually, as long as any of said bonds are outstanding, upon all of the taxable property in the County sufficient in rate and amount to pay the interest on and principal of said bonds as the same become due and payable, which property tax may be in addition to the annual levy permitted for county building purposes by Neb. Rev. Stat. Sec. 23-120(2) (Reissue 2012), and may include the levy of a property tax of not to exceed three and nine tenths (3.9) cents per one hundred dollars of taxable valuation in excess of the limits prescribed by law, including the statutory limitation provided by Neb. Rev. Stat. Sec. 23-125 (Reissue 2012).

Subsequent Events

Subsequent events have been evaluated through November 11, 2014, which is the date the financial statements were available to be issued. The County notes the following items for disclosure.

The County is in the process of purchasing three properties for future expansion and possible demolition. Closing dates are scheduled for November 2014 and purchase agreements total \$980,000 plus closing costs. The County Board is also in the process of putting together a request for bids for a HVAC project and some minor remodeling for the Hall County Courthouse. This project has been delayed on several occasions for various reasons. The cost estimate is approximately two million dollars. Supervisors continue discussions regarding courthouse expansion, but it is unknown if this project will progress.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers a general overview of the County's finances and to demonstrate the County's accountability for the money with which it is entrusted. If you have questions about this report or need additional financial information, contact the Hall County Clerk, 121 South Pine Street, Grand Island, Nebraska 68801. Our telephone number is (308) 385-5080, and our website is located at <http://www.hallcountyne.gov>.

HALL COUNTY  
STATEMENT OF NET POSITION - CASH BASIS  
June 30, 2014

		Primary Government
		Governmental Activities
<b>ASSETS</b>		
Pooled cash and cash equivalents	\$	16,447,329
Pooled certificates of deposit		2,147,392
Restricted assets:		
Cash and cash equivalents		2,324,116
Certificates of deposit		1,460,630
Total assets	\$	22,379,467
<b>LIABILITIES</b>		
Due to other governments	\$	43,321
Due to others		248,625
Total liabilities	\$	291,946
<b>NET POSITION</b>		
Restricted for:		
Debt service	\$	1,402,091
Capital projects - Extension Office		26,151
Health and life insurance claims		2,251,793
Parks and recreation		213
911 emergency services		10,543
Visitors promotion/improvement		364,244
Veterans services		51,865
Drug enforcement		68,403
Keno lottery		462,210
Traffic safety		33,369
Indigent welfare		159,947
P&M fund - Register of Deeds		49,387
Unrestricted		17,207,305
Total net position	\$	22,087,521

See Notes to Financial Statements

HALL COUNTY  
STATEMENT OF ACTIVITIES - CASH BASIS  
For the Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government					
Governmental activities:					
General government	\$ 10,926,309	\$ 7,235,136	\$ 45,176	\$ 283,862	\$ (3,362,135)
Public safety	12,736,897	515,716	339,247	-	(11,881,934)
Public works	4,252,350	2,988,678	-	758	(1,262,914)
Public health	523,684	-	-	-	(523,684)
Public welfare and social services	916,107	210	565,110	-	(350,787)
Culture and recreation	1,710,079	-	-	-	(1,710,079)
<b>Total governmental activities</b>	<b>\$ 31,065,426</b>	<b>\$ 10,739,740</b>	<b>\$ 949,533</b>	<b>\$ 284,620</b>	<b>\$ (19,091,533)</b>
General receipts					
Taxes:					
Property					\$ 16,968,766
Motor vehicle					1,627,689
Property tax credit					539,107
Airline and carline tax allocation					63,129
In-lieu-of tax					92,382
Insurance tax allocation					110,078
Pro-rate motor vehicle					64,565
Homestead					463,178
Lodging					822,620
Inheritance					1,047,653
911 Surcharges					198,984
Fines and licenses					7,543
Interest income					26,106
<b>Total general receipts</b>					<b>\$ 22,031,800</b>
Change in net assets					\$ 2,940,267
Net position - beginning					19,147,254
Net position - ending					<b>\$ 22,087,521</b>

See Notes to Financial Statements

HALL COUNTY  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and equivalents	\$ 6,189,529	\$ -	\$ 4,601,254	\$ 1,022,913	\$ 569,143	\$ 4,064,490	\$ 16,447,329
Certificates of deposit	2,147,392	-	-	-	-	-	2,147,392
Restricted assets:							
Cash and cash equivalents	55,324	1,402,091	-	-	817,314	49,387	2,324,116
Certificates of deposit	26,151	-	-	-	1,434,479	-	1,460,630
Total assets	<u>\$ 8,418,396</u>	<u>\$ 1,402,091</u>	<u>\$ 4,601,254</u>	<u>\$ 1,022,913</u>	<u>\$ 2,820,936</u>	<u>\$ 4,113,877</u>	<u>\$ 22,379,467</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other governments	\$ 41,677	\$ -	\$ -	\$ -	\$ -	\$ 1,644	\$ 43,321
Due to others	241,320	-	-	-	-	7,305	248,625
Total liabilities	<u>\$ 282,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,949</u>	<u>\$ 291,946</u>
Fund balances:							
Restricted	\$ 26,151	\$ 1,402,091	\$ -	\$ -	\$ 2,251,793	\$ 1,200,181	\$ 4,880,216
Committed	-	-	-	1,022,913	569,143	2,904,747	4,496,803
Assigned	-	-	4,601,254	-	-	-	4,601,254
Unassigned	8,109,248	-	-	-	-	-	8,109,248
Total fund balances	<u>\$ 8,135,399</u>	<u>\$ 1,402,091</u>	<u>\$ 4,601,254</u>	<u>\$ 1,022,913</u>	<u>\$ 2,820,936</u>	<u>\$ 4,104,928</u>	<u>\$ 22,087,521</u>
Total liabilities and fund balances	<u>\$ 8,418,396</u>	<u>\$ 1,402,091</u>	<u>\$ 4,601,254</u>	<u>\$ 1,022,913</u>	<u>\$ 2,820,936</u>	<u>\$ 4,113,877</u>	<u>\$ 22,379,467</u>

See Notes to Financial Statements

HALL COUNTY  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property/Motor Vehicle taxes	\$ 17,000,373	\$ 1,543,194	\$ -	\$ -	\$ -	\$ 52,888	\$ 18,596,455
Fines and licenses	7,543	-	-	-	-	-	7,543
State	1,182,973	99,090	-	2,478,278	-	955,414	4,715,755
Federal	774,735	-	-	758	-	20,146	795,639
Interest income	9,867	176	15,360	-	-	703	26,106
Other	3,966,393	8,468	1,047,653	402,127	2,688,513	1,751,041	9,864,195
Total receipts	\$ 22,941,884	\$ 1,650,928	\$ 1,063,013	\$ 2,881,163	\$ 2,688,513	\$ 2,780,192	\$ 34,005,693
<b>DISBURSEMENTS</b>							
General government	\$ 7,381,375	\$ -	\$ 13,000	\$ -	\$ 2,765,645	\$ 766,289	\$ 10,926,309
Public safety	10,635,943	1,346,518	-	-	-	754,436	12,736,897
Public works	212,698	-	-	3,953,266	-	86,386	4,252,350
Public health	523,684	-	-	-	-	-	523,684
Public welfare and social services	839,088	-	-	-	-	77,019	916,107
Culture and recreation	872,000	-	-	-	-	838,079	1,710,079
Total disbursements	\$ 20,464,788	\$ 1,346,518	\$ 13,000	\$ 3,953,266	\$ 2,765,645	\$ 2,522,209	\$ 31,065,426
Excess (deficiency) of receipts over (under) disbursements	\$ 2,477,096	\$ 304,410	\$ 1,050,013	\$ (1,072,103)	\$ (77,132)	\$ 257,983	\$ 2,940,267
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ 367,132	\$ -	\$ 516,403	\$ 1,803,864	\$ 312,916	\$ 913,725	\$ 3,914,040
Transfers out	(1,906,857)	-	(715,356)	(411,935)	-	(879,892)	(3,914,040)
Total other financing sources	\$ (1,539,725)	\$ -	\$ (198,953)	\$ 1,391,929	\$ 312,916	\$ 33,833	\$ -
Net change in fund balances	\$ 937,371	\$ 304,410	\$ 851,060	\$ 319,826	\$ 235,784	\$ 291,816	\$ 2,940,267
Fund balances - beginning	7,198,028	1,097,681	3,750,194	703,087	2,585,152	3,813,112	19,147,254
Fund balances - ending	\$ 8,135,399	\$ 1,402,091	\$ 4,601,254	\$ 1,022,913	\$ 2,820,936	\$ 4,104,928	\$ 22,087,521

See Notes to Financial Statements

HALL COUNTY  
 STATEMENT OF FIDUCIARY NET POSITION-CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2014

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 2,401,365</u>
<b>LIABILITIES</b>	
Due to other governments	
State	\$ 993,809
Schools	1,097,199
Natural Resource District	22,706
Fire Districts	11,630
Municipalities	228,560
Agricultural Society	1,963
Partial Payment	20,362
Townships	5,559
Airport Authority	16,984
Lodging Sales Tax	341
SID	<u>2,252</u>
Total liabilities	<u>\$ 2,401,365</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ -</u></u>

See Notes to Financial Statements

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The County of Hall was incorporated in 1858. The County has a Board of Supervisors consisting of seven members, elected for four-year alternating terms, one from each of seven wards. As a political subdivision of the State, the County is exempt from state and federal income tax. Services provided include highway and road, parks, property tax collections, motor vehicle licensing, public safety, recording deeds, marriage licenses and other services, along with general administrative services. The financial statements include all funds of the County that are not legally separate. Potential component units for which the County has a financial relationship were also considered. The Governmental Accounting Standards Board (GASB) has issued guidance on the criteria to consider in determining whether the County has financial accountability for a component unit. Such 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.

Component Unit

The Stuhr Museum of the Prairie Pioneer (Stuhr Museum) is a component unit of the County because of the significance of its relationship with the County. Condensed financial statements of Stuhr Museum as of June 30, 2014 are presented in the notes to the financial statements; see Note 9 for further information. A complete copy of Stuhr Museum's financial statements is on file with the Hall County Clerk.

Joint Organizations

Through an agreement with Nebraska Health and Human Services System, Hall County and several surrounding counties, collectively, have formed the Behavioral Health Region III to administer and carry out the provisions of the Nebraska Behavioral Health Services Act (Act). The agreement was entered into through the Interlocal Cooperation Act. Region III consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls. Each of the counties provides a representative to sit on the governing board. 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. The cumulative funding for the Region is provided by a combination of federal, state, local, and private funding. The Region is required to be audited annually in accordance with State Statute. Financial information for the Region is available in those audit reports.

The County has entered into an agreement with Senior Citizens Industries, Inc. (Industries) to provide transportation services within Hall County for the purpose of fulfilling contractual obligations between the County and the State of Nebraska Department of Roads (Roads). The agreement with Roads was authorized pursuant to the Nebraska Public Transportation Act, Neb. Rev. Stat. Secs. 13-1201 through 13-1212 (Reissue 2012), and the Federal Transit Act. Under the agreement, Industries will provide transportation to citizens within Hall County

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

and will submit application for remuneration, with the County's approval, to Roads. Pursuant to the agreement, Industries shall be audited annually, in accordance with appropriate Federal Regulations and the accounting Instruction Manual for Public Transportation Operating Assistance, and must submit a copy of the audit within a reasonable time following its completion. Additionally, the County and Industries have also contracted with Comstock Corp. to provide additional services in order to meet the transportation needs of the County.

Basis of Presentation

The County follows the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments." Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net position into three components—invested in capital assets, net of related debt; restricted; and unrestricted.

The government-wide financial statements of Hall County present a Statement of Net Position - Cash Basis, and a Statement of Activities - Cash Basis. The Statement of Net Position includes separately presented items of pooled cash and cash equivalents, pooled certificates of deposit, restricted assets, due to other governments, and due to others. The statement also presents net position that is restricted for a particular use and that which is unrestricted; as required by Statement 34. The Statement of Activities presents general and specific receipts and disbursements of the various government-wide programs and functions. Each function disbursement is first offset by 1) charges to customers for the services provided, 2) operating grants and contributions that are restricted to the given function, and 3) capital grants and contributions that are restricted to the given function or segment. Lastly, the general receipts from various taxes, fines, and other income is reported against the total of the net specific program receipts and disbursements. The government-wide financial statements do not include the activity of the fiduciary funds.

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, receipts and disbursements. The various funds are grouped as follows in the financial statements:

Governmental Funds Types

Governmental funds are those through which general governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income. The following are the County's governmental fund types.

General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds – The Special Revenue Funds are utilized to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Fiduciary Funds Types

Trust and Agency Funds – The Trust and Agency Funds are utilized to account for monies and properties received and held by the County in a trustee or custodial capacity for other entities, such as employees, other governments or non-public organizations.

Basis of Accounting

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

The governmental fund financial statements were also reported on the cash receipts and disbursements basis of accounting. As such, this basis of accounting and 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 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, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is made.

Cash and Cash Equivalents

The County considers all cash on hand, checking and savings accounts, and investments with an original maturity of three months or less to be cash and cash equivalents.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

Pooled Cash and Investments

The County maintains a pooled cash and investments account for all funds. The pool is placed in the custody of the County Treasurer. Interest received on the pool is credited to the various funds based on estimated positive balances.

Cash Held Outside the County Treasurer

Cash on hand and held in bank accounts in the custody of County offices other than the Treasurer is not recorded in the County's financial records until it is submitted to the County Treasurer. Additionally, the County was in possession of cash and certificates of deposit held by a banking institution for the purpose of health insurance plan administration which is not recorded by the Treasurer. An adjustment has been recorded in the financial statements to recognize these amounts.

Investments

Investments are stated at cost, which approximates market. Income from investments is recorded as it is received. Pursuant to Neb. Rev. Stat. Secs. 77-2315, 77-2340, and 77-2341 (Reissue 2009), the County is authorized to invest in a limited type of investments. Examples include U.S. Government obligations, certificates of deposit, and time deposits and securities which are authorized by the Nebraska Investment Council.

Capital Assets

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

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

Net Position/Fund Balances

The County has implemented the provisions of Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, of the Governmental Accounting Standards Board (GASB).

The government-wide financial statements utilize a net position presentation. Net assets are categorized as restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. The County does not present this category of net assets as capital assets and debt are not presented under the cash basis of accounting.

- *Restricted Net Position* - This category represents net position of the County with external restrictions imposed by creditors, grantors, contributors, or law or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - This category represents net position of the County not restricted for any project or other purpose.

GASB 54 standards provide for the classification of fund balances in governmental funds. The fund balances of governmental funds are defined as follows:

- *Non-spendable* - amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact. The County does not present this classification as these items are not recognized under the cash basis of accounting.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- *Committed* - amounts that can be used only for specific purposes determined by a formal action of the Hall County Board of Supervisors. The Board of Supervisors is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through a formal resolution of the Board of Supervisors.
- *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. The Board of Supervisors, elected officials and department heads could assign amounts to specific purposes related to their respective functions pursuant to Board of Supervisors' authorization.
- *Unassigned* - all other spendable amounts in the general fund.

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. See Note 13 Net Position/Fund Balances in the notes to the financial statements for more information.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

Internal Activities

Internal activities of the County have not been eliminated in the government-wide or fund financial statements. Governmental GAAP requires the elimination of internal activity reporting to reduce the effects of double counting.

Use of Estimates

The preparation of the financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

County employees may carry over some of the prior year's vacation beyond their service anniversary date and receive compensation for it if they leave County employment. Sick leave may be accumulated up to 90 days. No pay will be received for this sick leave unless the employee retires, at which time they will receive compensation for one-half of the accumulated amount. Certain employees receive compensatory time off. Some of the prior year's amount can be carried over to the following year. These employees will receive compensation for any accrued compensatory time off if they leave County employment. Under the cash receipts and disbursements basis of accounting, accumulated unpaid vacation pay, sick pay, and compensatory time off is not accrued in the governmental fund types. Under GAAP, the accumulated unpaid vacation pay, sick pay, and compensatory time off would be reported in the government-wide financial statements and recorded as an accrued liability when the compensated absence is earned.

Note 2. Property Taxes

A property tax on applicable real and personal property is levied on or before September 20 of each year, payable in two installments due by May 1 and September 1 of the following year. An enforceable lien attaches to the property on the first day of January, beginning on the calendar year following the levy. Pursuant to Neb. Rev. Stat. Sec. 60-3,186 (Reissue 2010), a separate tax is assessed on motor vehicles registered in the county. Upon annual registration, the County will collect a motor vehicle tax which is determined by the vehicle's age and value. The motor vehicle tax determination can be found in Neb. Rev. Stat. Sec. 60-3,187 (Reissue 2010). Property taxes are not recognized in revenue until they are collected.

The 2013-2014 fiscal year levy for property taxes was \$18,095,342, or \$.424932 per \$100 of assessed valuation. The 2012-2013 fiscal year levy for property taxes was \$17,464,884, or \$.434182 per \$100 of assessed valuation. Any increase in taxation is limited to the prior year's level, with provisions for growth. It may be increased by 1% by a three-fourths majority vote of the Hall County Board of Supervisors.

HALL COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2014

Note 3. Deposits/Investments

Credit Risk

The County's policy limits investments to those types of investments allowed by State Statute. Those items include: Certificates of deposit, where institutions have adequately pledged assets for any funds on deposit in excess of Federal Depository Insurance limits; Bonds and debentures issued by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; or in interest bearing bonds or the obligations of the United States. Interest income earned on investments is credited to the general fund pursuant to Neb. Rev. Stat. Sec. 77-2315 (Reissue 2009).

Concentration of Credit Risk

The County's investment policy limits investments to those institutions that have adequately pledged assets to cover any amounts on deposit in excess of Federal Depository Insurance and to investments that are backed by the federal government, as listed in State Statute.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policies include reviewing the market conditions and analyzing investment securities to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

The County's carrying values of investments are stated at cost, which approximates the market value.

	<u>Investment Maturities (in years)</u>	
	<u>&lt;1</u>	<u>1-5</u>
CDs	\$ 2,173,543	\$ -
	<u>\$ 2,173,543</u>	<u>\$ -</u>

Nebraska Public Agency Investment Trust (NPAIT) is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. The account maintains a \$1.00 market value price at all times. The trust was invested in Government Agency Securities – 16.38%, Certificate of Deposits in various Nebraska Banks – 18.15%, Demand Deposit and Money Market Accounts – 22.51%, and Repurchase agreements (collateralized by U.S. Government Securities) – 42.96% at June 30, 2014.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 3. Deposits/Investments (Continued)

The cash and cash equivalents balance as of June 30, 2014 includes \$12,340,240 of funds held at NPAIT. Included in the aforementioned NPAIT balance is \$55,324 of funds held for others by the Hall County Clerk of the District Court.

An adjustment totaling \$757,632 has been recorded in the financial statements to recognize the cash held at County offices but not yet remitted to the Treasurer for the year ended June 30, 2014.

Additionally, the County was in possession of \$817,314 in cash and \$1,434,479 in certificates of deposit held by a banking institution for the purpose of health insurance plan administration. An adjustment has been recorded in the financial statements to recognize these amounts as of June 30, 2014.

The County utilizes various bank institutions. The institutions have pledged assets or provided insurance contracts in addition to FDIC coverage for County accounts. The County follows Neb. Rev. Stat. Sec. 77-2387 (Reissue 2009) to determine allowed collateral. At June 30, 2014, the amounts on deposit for the County were adequately secured by each institution.

Note 4. Employee's Retirement System

The County Board has adopted the provisions of Neb. Rev. Stat. Secs. 23-2301 to 23-2335 (Reissue 2012), established as law by the County Employees Retirement Act of 1965. The Retirement System for Nebraska Counties is administered by the Public Employees Retirement Board. The Plan covers substantially all permanent employees once they are hired. The Ameritas Group is responsible for administering the plan and acts as the trustee for the Plan's funds. All full time employees, other than law enforcement officials, are required to contribute 4.5% of their total compensation and the County contributes an amount equal to 150% of the employee's contribution. These contribution rates are established pursuant to Neb. Rev. Stat. Secs. 23-2307 and 23-2308 (Reissue 2012). Certified law enforcement officers contribute 5.5% of their total compensation and the County contributes an amount equal to 150% of the first 4.5% of the employees' contribution and an amount equal to 100% on the remaining 1% contribution. Certified law enforcement officers contribution rates are established pursuant to Neb. Rev. Stat. Sec. 23-2332.01 (Reissue 2012). The employees' and employer's contributions are kept in separate accounts. The employees' accounts are fully vested. The employer's account is vested after three years of service. Prior service benefits are paid by the County on a pay-as-you-go basis directly to the retired employees. For the year ended June 30, 2014, the County contributed \$731,318 to the employer's account. Employees contributed \$493,303 to the Plan for the year ended June 30, 2014. The County also paid \$288 directly to retired individuals for prior service benefits on a pay-as-you-go basis. No actuarial calculation has been made of the Plan.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 5. Deferred Compensation Plan

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and elected officials. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency or permanent disability.

Note 6. Contingencies

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and other attorneys whose services are requested by Hall County, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 7. Interfund Transfers, Receivables, and Payables

Interfund transfers for the year ended June 30, 2014 were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 367,132	\$ 1,906,857
Road Fund	1,803,864	411,935
Street Improvement Fund	-	-
Special Revenue Fund	-	827
Equipment & Improvement Fund	-	-
Sick/Vacation Fund	-	-
Building & Land Improvement Fund	859,051	-
Employment Security Fund	-	-
Insurance Fund	312,916	-
Liability Claim Reserve	-	508,084
Drug Court Fund	20,164	38,323
Federal Drug Forfeiture Fund	-	-
Inheritance Fund	516,403	715,356
Keno/Lottery Fund	-	250,000
Inmate Welfare Fund	-	70,000
Noxious Weed Fund	34,510	12,658
<b>Totals</b>	<b>\$ 3,914,040</b>	<b>\$ 3,914,040</b>

Transfers are generally used to move unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the inheritance fund generally move reserve funds over to other funds as needed.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 7. Interfund Transfers, Receivables, and Payables (Continued)

Interfund receivables and payables as of June 30, 2014 consisted of the following:

<u>Due To:</u>	<u>Due From:</u>	<u>Amount</u>
Inheritance Fund	General Fund (Corrections)	\$230,262

Funds in the amount of \$800,000 were transferred to the general fund to cover costs related to the new corrections facility. Payments are to be made as inmate housing receipts exceed budgeted amounts. An \$8,319 payment was recorded during the current year, and \$561,420 of payments were recorded during prior years.

Note 8. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omission; injuries to employees; or acts of God. In March, 1988, the County joined together with other counties in the State of Nebraska to form the Nebraska Intergovernmental Risk Management Association, a public entity risk pool currently operating as a common risk management and insurance program for 78 member counties. The County pays an annual premium to Nebraska Intergovernmental Risk Management Association for its general insurance coverage. The Agreement for Formation of the Nebraska Intergovernmental Risk Management Association will be self-sustaining through member premiums and will reinsure through commercial insurance companies for claims in excess of \$250,000 for each property, \$300,000 for liability, and \$550,000 for workmen's compensation. The County continues to carry commercial insurance for all other risks of loss, including professional liability insurance for the Public Defender and Public Official's Errors and Omissions. Property, auto, liability, and workmen's compensation settled claims in the past three years have not exceeded the coverage.

The County is self-insured for health insurance claims up to \$60,000 of individual claims or 100% of the anticipated group claims. The self-insurance programs are administered within the insurance and insurance reserve funds. Health insurance claims did not exceed the \$60,000 limit for the plan year ending June 30, 2014.

The County utilizes insurance fund cash accounts managed by its third party administrator to pay for the aforementioned claims. The County decreased its overall cash position in these accounts by \$47,442 for the year ending June 30, 2014.

The insurance reserve fund has a reserve of \$508,084 at June 30, 2014. Management believes that the coverage is adequate to preclude any significant uninsured risk of exposure to the County.

Note 9. Stuhr Museum

The Stuhr Museum is a private tax-exempt entity which receives support in the form of property taxes subject to the approval of the Hall County Board of Supervisors. The financial statements of Hall County, Nebraska, do not include the assets, liabilities, fund balances, revenues, and expenses of the Stuhr Museum, except the collection of property taxes and

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 9. Stuhr Museum (Continued)

related distribution of Stuhr Museum's portion of property tax. The Stuhr Museum's financial statements are audited by other auditors, and for the year ended June 30, 2014, received an unqualified opinion dated September 16, 2014. The following is a summary of the Stuhr Museum's June 30, 2014 financial statements (A complete copy of the audited financial statements of Stuhr Museum is on file with the Hall County Clerk.):

Total Assets	\$ 3,302,994
Total Liabilities	138,986
Net Position:	
Invested in Capital Assets	2,761,392
Restricted - Expendable	32,679
Unrestricted	369,937
Expenses - General Government	(1,562,025)
Program Revenues	1,576,835
Revenue from Hall County Support	850,000
Investment Income	1,245
Change in Net Position	<u>866,055</u>
Beginning Net Position	<u>2,297,953</u>
Ending Net Position	<u><u>\$ 3,164,008</u></u>

Note 10. Related Party Transactions

For the year ended June 30, 2014 there were no county officials with outstanding real estate or personal property taxes due.

Note 11. Compensated Absences

It is the County's policy to pay out all of an employee's accrued but unused vacation upon the employee's separation of employment with the County. The total amount of accrued but unpaid vacation at June 30, 2014, was \$505,483.

It is the County's policy that all accrued sick leave expires on the date of an employee's separation of employment with the County, unless the employee retires from the County. At the time of retirement, 50 percent of an employee's accrued sick leave will be paid out. Fifty percent of the total amount of accrued sick leave at June 30, 2014, was \$756,074.

It is the County's policy to pay out all of an employee's accrued but unused compensatory time off upon the employee's separation of employment with the County. The total amount of accrued but unpaid compensatory time off at June 30, 2014, was \$50,443.

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 12. Long-Term Debt

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May 2008. These Series 2006 bonds were refinanced in September 2011 with the Series 2011 Refunding Bonds and in January 2012 with the Series 2012 Refunding Bonds. The Series 2011 bonds are payable over a period not longer than 22 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.30% and 4.35%. The Series 2012 bonds are payable over a period not longer than 10 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.35% and 2.40%. For the year ending June 30, 2014, \$476,518 of interest and \$870,000 of principal were paid for the Series 2011 and 2012 bonds.

The voters also approved on November 15, 2005, the County's authorization to levy a tax annually, as long as any of said bonds are outstanding, upon all of the taxable property in the County sufficient in rate and amount to pay the interest on and principal of said bonds as the same become due and payable, which property tax may be in addition to the annual levy permitted for county building purposes by Neb. Rev. Stat. Sec. 23-120(2) (Reissue 2012), and may include the levy of a property tax of not to exceed three and nine tenths (3.9) cents per one hundred dollars of taxable valuation in excess of the limits prescribed by law, including the statutory limitation provided by Neb. Rev. Stat. Sec. 23-125 (Reissue 2012).

The Jail Bond Fund makes the payments on the bonds payable.

The maturity schedule of the 2011 series bonds is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
6/30/2015	\$ 110,000	\$ 367,320	\$ 477,320
6/30/2016	110,000	366,110	476,110
6/30/2017	110,000	364,625	474,625
6/30/2018	115,000	362,708	477,708
6/30/2019	115,000	360,321	475,321
06/30/20 to 24	630,000	1,751,251	2,381,251
06/30/25 to 29	3,385,000	1,492,331	4,877,331
06/30/30 to 34	5,135,000	460,906	5,595,906
Totals	<u>\$ 9,710,000</u>	<u>\$ 5,525,572</u>	<u>\$ 15,235,572</u>

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 12. Long-Term Debt (Continued)

The maturity schedule of the 2012 series bonds is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
6/30/2015	\$ 765,000	\$ 103,690	\$ 868,690
6/30/2016	775,000	97,138	872,138
6/30/2017	785,000	88,749	873,749
6/30/2018	790,000	79,100	869,100
6/30/2019	805,000	67,726	872,726
06/30/20 to 23	2,975,000	119,894	3,094,894
Totals	<u>\$ 6,895,000</u>	<u>\$ 556,297</u>	<u>\$ 7,451,297</u>

Changes in long-term debt are as follows:

	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2014</u>
Bonds	<u>\$ 17,475,000</u>	<u>\$ -</u>	<u>\$ (870,000)</u>	<u>\$ 16,605,000</u>

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 13. Net Position/Fund Balances

The government-wide statement of net position reports \$4,880,216 of restricted net position. Net position totaling \$2,038,077 are restricted by enabling legislation.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. Similarly, committed funds are considered to have been spent first when there is a choice for the use of less restricted funds, then assigned and then unassigned funds.

As of June 30, 2014, governmental fund balances are classified as follows:

	General Fund	Jail Bond Fund	Inheritance Fund	Road Fund	Insurance Fund	Other Funds	Total
<b>Fund balances:</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$1,402,091	\$ -	\$ -	\$ -	\$ -	\$ 1,402,091
Capital projects - Extension Office	26,151	-	-	-	-	-	26,151
Parks & recreation	-	-	-	-	-	213	213
911 emergency services	-	-	-	-	-	10,543	10,543
Visitors promotion/improvement	-	-	-	-	-	364,244	364,244
Veterans services	-	-	-	-	-	51,865	51,865
Drug enforcement	-	-	-	-	-	68,403	68,403
Keno lottery	-	-	-	-	-	462,210	462,210
Traffic safety	-	-	-	-	-	33,369	33,369
Health & life insurance claims	-	-	-	-	2,251,793	-	2,251,793
Indigent welfare	-	-	-	-	-	159,947	159,947
P & M Fund - Register of Deeds	-	-	-	-	-	49,387	49,387
<b>Total Restricted</b>	<b>\$ 26,151</b>	<b>\$1,402,091</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,251,793</b>	<b>\$1,200,181</b>	<b>\$ 4,880,216</b>
<b>Committed to:</b>							
Street & highways	\$ -	\$ -	\$ -	\$1,022,913	\$ -	\$ -	\$ 1,022,913
Special projects	-	-	-	-	-	49,951	49,951
Equipment & improvement costs	-	-	-	-	-	130,547	130,547
Sick & vacation compensation	-	-	-	-	-	63,835	63,835
Building & land improvements	-	-	-	-	-	1,818,662	1,818,662
Unemployment compensation	-	-	-	-	-	87,747	87,747
Insurance claims	-	-	-	-	569,143	508,084	1,077,227
Drug court	-	-	-	-	-	68,606	68,606
Inmate welfare	-	-	-	-	-	105,667	105,667
Weed control	-	-	-	-	-	71,648	71,648
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,022,913</b>	<b>\$ 569,143</b>	<b>\$2,904,747</b>	<b>\$ 4,496,803</b>
<b>Assigned to:</b>							
Capital projects	\$ -	\$ -	\$ 4,601,254	\$ -	\$ -	\$ -	\$ 4,601,254
Property tax relief	-	-	-	-	-	-	-
<b>Total Assigned</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,601,254</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,601,254</b>
<b>Unassigned:</b>							
	<b>\$8,109,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,109,248</b>
<b>Total fund balances</b>	<b>\$8,135,399</b>	<b>\$1,402,091</b>	<b>\$ 4,601,254</b>	<b>\$1,022,913</b>	<b>\$2,820,936</b>	<b>\$4,104,928</b>	<b>\$22,087,521</b>

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 14. Leases

The County leased an asphalt zipper under an agreement classified as a capital lease. Rent was payable in five (5) annual payments of \$29,030, which included interest at 3.79%, beginning on October 30, 2009, with the final rental due on October 30, 2013. The County opted to purchase the equipment after the final payment was made for \$1. The lease was secured by the equipment. The County also leases six (6) Caterpillar motor graders under an agreement classified as a capital lease. The down payment of \$296,324, which included \$119,500 of insurance proceeds, was made in January 2011. Rent shall be paid in five (5) annual payments of \$177,275, which include interest at 3.06%, beginning on January 15, 2012, with the final rental due on January 15, 2016. The County has opted to purchase the equipment after the final payment is made for \$1. The lease is secured by the equipment.

Future minimum lease payments under these capital leases are as follows as of June 30, 2014:

6/30/2015	\$ 177,275
6/30/2016	<u>177,275</u>
Total minimum payment	\$ 354,550
Less: amount representing interest	<u>(15,830)</u>
Present value of minimum lease payments	<u><u>\$ 338,720</u></u>

Note 15. Financial Statement Presentation

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.

Note 16. Subsequent Events

Subsequent events have been evaluated through November 11, 2014, which is the date the financial statements were available to be issued. The County notes the following items for disclosure.

The County is in the process of purchasing three properties for future expansion and possible demolition. Closing dates are scheduled for November 2014 and purchase agreements total \$980,000 plus closing costs. The County Board is also in the process of putting together a request for bids for a HVAC project and some minor remodeling for the Hall County Courthouse. This project has been delayed on several occasions for various reasons. The cost estimate is approximately two million dollars. Supervisors continue discussions regarding courthouse expansion, but it is unknown if this project will progress.

**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON**

HALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
GENERAL GOVERNMENTAL FUND  
For the Year Ended June 30, 2014

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<b>Receipts</b>			
<b>Taxes</b>			
Property and motor vehicle taxes/fees	\$ 17,152,311	\$ 17,000,373	\$ (151,938)
<b>Intergovernmental receipts</b>			
<b>Federal</b>			
Inmate housing	3,000	3,203	203
Child support-Title IV-D	390,000	386,778	(3,222)
Medical Assistance Program	38,000	178,332	140,332
Other	372,325	206,422	(165,903)
<b>State</b>			
Airline and carline tax allocation	54,400	60,534	6,134
Insurance tax allocation	80,000	110,078	30,078
Pro-rate motor vehicle	53,000	58,850	5,850
Homestead exemption	-	419,820	419,820
Property tax credit	-	488,515	488,515
Other	485,400	45,176	(440,224)
<b>Local fees, licenses, commissions and miscellaneous</b>			
Licenses and permits	11,572	15,630	4,058
In lieu of taxes	73,700	83,625	9,925
Inter local agreements	324,394	353,004	28,610
Treasurer fees	297,600	281,114	(16,486)
Clerk fees	6,500	114,008	107,508
Register of Deeds fees	325,000	332,291	7,291
Clerk of the District Court fees	108,665	110,917	2,252
Election Commissioner	24,388	9,400	(14,988)
Sheriff fees	999,352	1,182,407	183,055
Attorney fees	3,000	3,273	273
Jail fees	165,000	381,648	216,648
Interest on investments	12,000	9,867	(2,133)
Sale of surplus property	-	4,763	4,763
Fines	5,000	7,413	2,413
Commissions	721,900	816,048	94,148
Miscellaneous	164,911	176,402	11,491
Parks and recreation fees	35,500	46,436	10,936
Insurance settlements	43,000	55,557	12,557
<b>Total receipts</b>	<b>\$ 21,949,918</b>	<b>\$ 22,941,884</b>	<b>\$ 991,966</b>
<b>Disbursements</b>			
<b>General Government</b>			
Board of Supervisors	\$ 292,099	\$ 286,932	\$ 5,167
Clerk	293,084	288,729	4,355
Treasurer	726,719	704,707	22,012

(CONTINUED)

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
GENERAL GOVERNMENTAL FUND  
For the Year Ended June 30, 2014

Disbursements (Continued)	Budget (Original & Final)	Actual	Favorable (Unfavorable)
Assessor	\$ 366,207	\$ 309,285	\$ 56,922
Superintendent of Schools	4,000	4,000	-
Register of Deeds	185,272	181,575	3,697
Data processing	791,382	770,604	20,778
Election Commissioner	147,303	136,604	10,699
Clerk of the District Court	435,960	409,511	26,449
Special election	24,288	-	24,288
Justice system	1,365,530	1,225,693	139,837
County Court system	26,028	25,953	75
Building and Grounds	792,804	781,033	11,771
Agriculture Extension Agent	252,181	189,489	62,692
District Judge	145,528	143,921	1,607
Public Defender	570,916	564,323	6,593
Equipment acquisition	6,500	6,000	500
Cadastral maps	92,436	87,643	4,793
Miscellaneous	1,588,845	1,265,373	323,472
<b>Public Safety</b>			
Sheriff	3,267,345	2,915,608	351,737
Attorney	1,506,745	1,443,275	63,470
Jail	5,818,876	5,616,731	202,145
Building Inspector	11,447	8,362	3,085
Probation Officer	38,225	38,218	7
Grants	316,180	29,577	286,603
Juvenile diversion	228,116	176,284	51,832
Safety	7,900	3,707	4,193
Miscellaneous	461,975	404,181	57,794
<b>Public Works</b>			
Surveyor	90,299	89,339	960
Miscellaneous	134,251	123,359	10,892
<b>Public Welfare and Social Services</b>			
Veteran's Service Officer	309,312	304,931	4,381
Miscellaneous	586,001	534,157	51,844
<b>Culture and Recreation</b>			
Stuhr Museum	840,000	840,000	-
Miscellaneous	21,000	32,000	(11,000)
<b>Public Health</b>			
Miscellaneous	523,684	523,684	-
<b>Total disbursements</b>	<u>\$ 22,268,438</u>	<u>\$ 20,464,788</u>	<u>\$ 1,803,650</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>\$ (318,520)</u>	<u>\$ 2,477,096</u>	<u>\$ 2,795,616</u>

(CONTINUED)

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 GENERAL GOVERNMENTAL FUND  
 For the Year Ended June 30, 2014

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<b>Other Financing Sources</b>			
Transfers in	\$ 360,827	\$ 367,132	\$ 6,305
Transfers out	<u>(1,906,857)</u>	<u>(1,906,857)</u>	<u>-</u>
Total other financing sources	<u>\$ (1,546,030)</u>	<u>\$ (1,539,725)</u>	<u>\$ 6,305</u>
Net change in fund balance	\$ (1,864,550)	\$ 937,371	\$ 2,801,921
Fund balance - beginning	<u>7,198,028</u>	<u>7,198,028</u>	<u>\$ -</u>
Fund balance - ending	<u>\$ 5,333,478</u>	<u>\$ 8,135,399</u>	<u>\$ 2,801,921</u>

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<b><u>Jail Bond</u></b>			
<b>Receipts</b>			
Taxes - property/motor vehicle	\$ 1,581,715	\$ 1,543,194	\$ (38,521)
Intergovernmental receipts:			
State:			
Homestead exemption	-	41,995	41,995
Property tax credit	-	49,054	49,054
Pro-rate motor vehicles	5,000	5,529	529
Carline/airline tax	2,600	2,512	(88)
Local fees, licenses, etc.:			
In-lieu-of tax	6,000	8,468	2,468
Interest	-	176	176
Proceeds of long-term debt	-	-	-
Total receipts	<u>\$ 1,595,315</u>	<u>\$ 1,650,928</u>	<u>\$ 55,613</u>
<b>Disbursements</b>			
Debt servicing	\$ 2,692,996	\$ 1,346,518	\$ 1,346,478
Operating expense	-	-	-
Total disbursements	<u>\$ 2,692,996</u>	<u>\$ 1,346,518</u>	<u>\$ 1,346,478</u>
Net change in fund balance	\$ (1,097,681)	\$ 304,410	\$ 1,402,091
<b>Fund balance - beginning</b>	<u>1,097,681</u>	<u>1,097,681</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 1,402,091</u>	<u>\$ 1,402,091</u>
<b><u>Inheritance Tax</u></b>			
<b>Receipts</b>			
Intergovernmental receipts:			
State - other	\$ -	\$ -	\$ -
Local fees, licenses, etc.:			
Interest	18,000	15,360	(2,640)
Inheritance tax	800,000	1,047,653	247,653
Other income	-	-	-
Interfund transfers	516,403	516,403	-
Total receipts	<u>\$ 1,334,403</u>	<u>\$ 1,579,416</u>	<u>\$ 245,013</u>
<b>Disbursements</b>			
Operating expense	\$ 867,462	\$ 13,000	\$ 854,462
Capital outlay	2,508,084	-	2,508,084
Interfund transfers	709,051	715,356	(6,305)
Total disbursements	<u>\$ 4,084,597</u>	<u>\$ 728,356</u>	<u>\$ 3,356,241</u>
Net change in fund balance	\$ (2,750,194)	\$ 851,060	\$ 3,601,254
<b>Fund balance - beginning</b>	<u>3,750,194</u>	<u>3,750,194</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 1,000,000</u>	<u>\$ 4,601,254</u>	<u>\$ 3,601,254</u>

See Notes to Other Supplementary Information - Budgetary Comparison

## SCHEDULE 2 (CONTINUED)

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<b>Road Fund</b>			
Receipts			
Intergovernmental receipts:			
Federal - other grants	\$ -	\$ 758	\$ 758
State:			
Highway/street allocations	2,238,127	2,276,632	38,505
Motor vehicle fee	200,000	191,146	(8,854)
Incentive payments	10,500	10,500	-
Grants	-	-	-
Local fees, licenses, etc.:			
Machine hire	5,000	10,194	5,194
Sale of supplies & materials	21,000	23,836	2,836
Sale of property	10,000	12,929	2,929
Other	287,108	355,168	68,060
Interfund transfers	1,803,864	1,803,864	-
Total receipts	<u>\$ 4,575,599</u>	<u>\$ 4,685,027</u>	<u>\$ 109,428</u>
Disbursements			
Personal service	\$ 1,455,300	\$ 1,362,355	\$ 92,945
Operating expense	153,086	146,631	6,455
Supplies/material	971,990	954,426	17,564
Equipment rental	231,307	241,810	(10,503)
Capital outlay	1,627,003	1,248,044	378,959
Interfund transfers	440,000	411,935	28,065
Total disbursements	<u>\$ 4,878,686</u>	<u>\$ 4,365,201</u>	<u>\$ 513,485</u>
Net change in fund balance	\$ (303,087)	\$ 319,826	\$ 622,913
Fund balance - beginning	<u>703,087</u>	<u>703,087</u>	<u>-</u>
Fund balance - ending	<u>\$ 400,000</u>	<u>\$ 1,022,913</u>	<u>\$ 622,913</u>
<b>Insurance Fund</b>			
Receipts			
Other	\$ 2,681,799	\$ 2,688,513	\$ 6,714
Interfund transfers	354,200	312,916	(41,284)
Total receipts	<u>\$ 3,035,999</u>	<u>\$ 3,001,429</u>	<u>\$ (34,570)</u>
Disbursements			
Personal service	\$ 565,000	\$ 548,904	\$ 16,096
Operating expense	2,756,916	2,216,741	540,175
Total disbursements	<u>\$ 3,321,916</u>	<u>\$ 2,765,645</u>	<u>\$ 556,271</u>
Net change in fund balance	\$ (285,917)	\$ 235,784	\$ 521,701
Fund balance - beginning	<u>2,585,152</u>	<u>2,585,152</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,299,235</u>	<u>\$ 2,820,936</u>	<u>\$ 521,701</u>

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY  
NOTES TO OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON  
June 30, 2014

Budgetary Comparison Schedules

Note 1. Presentation

The County has presented budgetary comparison schedules for the General Fund, and for each major special revenue fund that has a legally adopted annual budget. These budgetary comparison schedules include the *original budget* and *final budget* amounts. The *original budget* is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. The *final budget* is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

There were no amendments to the original budget for the year ended June 30, 2014.

Note 2. Budget Process

The County adopts an annual budget in accordance with statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The County follows these procedures and controls in establishing the budgetary data reflected in the accompanying financial statements:

- Prior to July 1, the elected and appointed officials submit budget requests to the Board of Supervisors for the fiscal year commencing July 1.
- Public hearings are conducted at public meetings to obtain citizen and taxpayer comments.
- Prior to September 20, the budget is legally adopted by the Board of Supervisors after holding public hearings, through passage of resolutions.
- The Board of Supervisors is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total expenditures of any fund, an additional public hearing 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 Board of Supervisors is also authorized to budget for the transfer of money between County funds.
- During the year, the County monitors budget performance as a management control device.
- Budgeted appropriations lapse at the end of the fiscal year.
- The property tax requirement resulting from the budget process is utilized by the County Assessor to establish the tax levy, which attaches as an enforceable lien on property within the County as of January 1. All unpaid taxes are delinquent as of September 1.

HALL COUNTY  
NOTES TO OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON  
June 30, 2014

Note 3. Budget Shortages

There were no expenditures in excess of budgeted appropriations at the appropriate budgetary control level for the year ended June 30, 2014.

**OTHER SUPPLEMENTARY INFORMATION**

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

	Equipment & Improvement Reserve	Building & Improvement Reserve	Insurance Reserve	Sick & Vacation Liability	Special Revenue	Reappraisal
<b>Receipts</b>						
Taxes:						
Property/motor vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts:						
Federal:						
Other grants	-	-	-	-	-	-
State:						
Lodging tax	-	-	-	-	-	-
Homestead exemption	-	-	-	-	-	-
Property tax credit	-	-	-	-	-	-
Pro-rate motor vehicles	-	-	-	-	-	-
Carline/airline tax	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Local fees, licenses, commissions and miscellaneous:						
P&M fees	-	-	-	-	-	-
In-lieu-of tax	-	-	-	-	-	-
911 surcharges	-	-	-	-	-	-
Sale of supplies & materials	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Commissary sales	-	-	-	-	-	-
House arrest	-	-	-	-	-	-
Weed spraying assessment	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Lottery	-	-	-	-	-	-
Other	66,294	35,617	-	11,100	44,869	-
Interfund transfers	-	859,051	-	-	-	-
<b>Total receipts</b>	<b>\$ 66,294</b>	<b>\$ 894,668</b>	<b>\$ -</b>	<b>\$ 11,100</b>	<b>\$ 44,869</b>	<b>\$ -</b>
<b>Disbursements</b>						
Personal service	\$ -	\$ -	\$ -	\$ 24,522	\$ -	\$ -
Operating expense	-	-	-	-	4,846	-
Supplies & material	-	-	-	-	-	-
Equipment rental	-	-	-	-	-	-
Capital outlay	46,037	183,214	-	-	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	-	-	508,084	-	827	-
<b>Total disbursements</b>	<b>\$ 46,037</b>	<b>\$ 183,214</b>	<b>\$ 508,084</b>	<b>\$ 24,522</b>	<b>\$ 5,673</b>	<b>\$ -</b>
<b>Net change in fund balance</b>	<b>\$ 20,257</b>	<b>\$ 711,454</b>	<b>\$ (508,084)</b>	<b>\$ (13,422)</b>	<b>\$ 39,196</b>	<b>\$ -</b>
<b>Fund balances - beginning</b>	<b>110,290</b>	<b>1,107,208</b>	<b>1,016,168</b>	<b>77,257</b>	<b>10,968</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 130,547</b>	<b>\$ 1,818,662</b>	<b>\$ 508,084</b>	<b>\$ 63,835</b>	<b>\$ 50,164</b>	<b>\$ -</b>
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 213	\$ -
Committed	130,547	1,818,662	508,084	63,835	49,951	-
	<b>\$ 130,547</b>	<b>\$ 1,818,662</b>	<b>\$ 508,084</b>	<b>\$ 63,835</b>	<b>\$ 50,164</b>	<b>\$ -</b>

See Notes to Financial Statements

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

Register of Deeds	Employment Security	Keno Lottery	Keno Reserve	Street Improvements	Noxious Weed	Visitors Promotion	Visitor Promo Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	411,310	411,310
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38,198	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	69,137	-	-
-	28	373	281	-	-	-	-
-	-	772,579	-	-	-	-	-
-	12,750	20,808	-	-	136	-	-
-	-	-	-	-	34,510	-	-
\$ 38,198	\$ 12,778	\$ 793,760	\$ 281	\$ -	\$ 103,783	\$ 411,310	\$ 411,310
\$ -	\$ 10,373	\$ 12,684	\$ -	\$ -	\$ 57,920	\$ -	\$ -
6,266	-	482,912	281	-	11,674	416,523	416,710
-	-	-	-	-	16,792	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	250,000	-	-	12,658	-	-
\$ 6,266	\$ 10,373	\$ 745,596	\$ 281	\$ -	\$ 99,044	\$ 416,523	\$ 416,710
\$ 31,932	\$ 2,405	\$ 48,164	\$ -	\$ -	\$ 4,739	\$ (5,213)	\$ (5,400)
17,455	85,342	364,046	50,000	-	66,909	33,564	341,293
\$ 49,387	\$ 87,747	\$ 412,210	\$ 50,000	\$ -	\$ 71,648	\$ 28,351	\$ 335,893
\$ 49,387	\$ -	\$ 412,210	\$ 50,000	\$ -	\$ -	\$ 28,351	\$ 335,893
-	87,747	-	-	-	71,648	-	-
\$ 49,387	\$ 87,747	\$ 412,210	\$ 50,000	\$ -	\$ 71,648	\$ 28,351	\$ 335,893

See Notes to Financial Statements

(CONTINUED)

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

	Canine	Drug Court	Drug Seizure	Drug Enforcement	Federal Drug Forfeiture	Diversion
<b>Receipts</b>						
Taxes:						
Property/motor vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts:						
Federal:						
Other grants	-	-	20,146	-	-	-
State:						
Lodging tax	-	-	-	-	-	-
Homestead exemption	-	-	-	-	-	-
Property tax credit	-	-	-	-	-	-
Pro-rate motor vehicles	-	-	-	-	-	-
Carline/airline tax	-	-	-	-	-	-
Grants	-	129,623	-	-	-	-
Other	-	-	-	-	-	-
Local fees, licenses, commissions and miscellaneous:						
P&M fees	-	-	-	-	-	-
In-lieu-of tax	-	-	-	-	-	-
911 surcharges	-	-	-	-	-	-
Sale of supplies & materials	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Commissary sales	-	-	-	-	-	-
House arrest	-	-	-	-	-	-
Weed spraying assessment	-	-	-	-	-	-
Interest	-	-	-	-	21	-
Lottery	-	-	-	-	-	-
Other	-	123,291	-	11,650	-	11,245
Interfund transfers	-	20,164	-	-	-	-
<b>Total receipts</b>	<b>\$ -</b>	<b>\$ 273,078</b>	<b>\$ 20,146</b>	<b>\$ 11,650</b>	<b>\$ 21</b>	<b>\$ 11,245</b>
<b>Disbursements</b>						
Personal service	\$ -	\$ 196,020	\$ -	\$ -	\$ -	\$ -
Operating expense	-	60,053	-	4,632	658	7,351
Supplies & material	-	12,528	-	-	-	-
Equipment rental	-	2,400	-	-	-	-
Capital outlay	-	5,668	-	-	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	-	38,323	-	-	-	-
<b>Total disbursements</b>	<b>\$ -</b>	<b>\$ 314,992</b>	<b>\$ -</b>	<b>\$ 4,632</b>	<b>\$ 658</b>	<b>\$ 7,351</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (41,914)</b>	<b>\$ 20,146</b>	<b>\$ 7,018</b>	<b>\$ (637)</b>	<b>\$ 3,894</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>110,520</b>	<b>256</b>	<b>16,174</b>	<b>25,446</b>	<b>29,475</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 68,606</b>	<b>\$ 20,402</b>	<b>\$ 23,192</b>	<b>\$ 24,809</b>	<b>\$ 33,369</b>
Restricted	\$ -	\$ -	\$ 20,402	\$ 23,192	\$ 24,809	\$ 33,369
Committed	-	68,606	-	-	-	-
	<b>\$ -</b>	<b>\$ 68,606</b>	<b>\$ 20,402</b>	<b>\$ 23,192</b>	<b>\$ 24,809</b>	<b>\$ 33,369</b>

See Notes to Financial Statements

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

Inmate Welfare	ADA Fund	Institutions	Dependent	Veterans Services	Emergency Management	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,919	\$ 45,881	\$ 5,088	\$ -	\$ 52,888
-	-	-	-	-	-	20,146
-	-	-	-	-	-	822,620
-	-	50	1,193	119	-	1,362
-	-	58	1,359	123	-	1,540
-	-	7	161	17	-	185
-	-	3	73	8	-	84
-	-	-	-	-	-	129,623
-	-	-	-	-	-	-
-	-	-	-	-	-	38,198
-	-	10	252	26	-	288
-	-	-	-	-	198,984	198,984
-	-	-	-	-	-	-
-	-	-	-	-	-	-
150,236	-	-	-	-	-	150,236
32,811	-	-	-	-	-	32,811
-	-	-	-	-	-	69,137
-	-	-	-	-	-	703
-	-	-	-	-	-	772,579
150,838	-	-	210	-	-	488,808
-	-	-	-	-	-	913,725
<u>\$ 333,885</u>	<u>\$ -</u>	<u>\$ 2,047</u>	<u>\$ 49,129</u>	<u>\$ 5,381</u>	<u>\$ 198,984</u>	<u>\$ 3,693,917</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,519
267,825	-	10,359	65,701	959	189,000	1,945,750
5,406	-	-	-	-	-	34,726
-	-	-	-	-	-	2,400
2,895	-	-	-	-	-	237,814
-	-	-	-	-	-	-
70,000	-	-	-	-	-	879,892
<u>\$ 346,126</u>	<u>\$ -</u>	<u>\$ 10,359</u>	<u>\$ 65,701</u>	<u>\$ 959</u>	<u>\$ 189,000</u>	<u>\$ 3,402,101</u>
\$ (12,241)	\$ -	\$ (8,312)	\$ (16,572)	\$ 4,422	\$ 9,984	\$ 291,816
117,908	-	64,141	120,690	47,443	559	3,813,112
<u>\$ 105,667</u>	<u>\$ -</u>	<u>\$ 55,829</u>	<u>\$ 104,118</u>	<u>\$ 51,865</u>	<u>\$ 10,543</u>	<u>\$ 4,104,928</u>
\$ -	\$ -	\$ 55,829	\$ 104,118	\$ 51,865	\$ 10,543	\$ 1,200,181
105,667	-	-	-	-	-	2,904,747
<u>\$ 105,667</u>	<u>\$ -</u>	<u>\$ 55,829</u>	<u>\$ 104,118</u>	<u>\$ 51,865</u>	<u>\$ 10,543</u>	<u>\$ 4,104,928</u>

See Notes to Financial Statements

HALL COUNTY  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2014

	State	Schools	Natural Resource District	Fire Districts	Municipalities	Agricultural Society
<b>ASSETS</b>						
Cash and cash equivalents						
Total assets - beginning	\$ 976,152	\$ 1,012,729	\$ 22,073	\$ 10,743	\$ 203,975	\$ 1,903
Additions	11,175,840	59,348,151	1,800,258	491,812	11,991,160	154,975
Deductions	(11,158,183)	(59,263,681)	(1,799,625)	(490,925)	(11,966,575)	(154,915)
Total assets - ending	<u>\$ 993,809</u>	<u>\$ 1,097,199</u>	<u>\$ 22,706</u>	<u>\$ 11,630</u>	<u>\$ 228,560</u>	<u>\$ 1,963</u>
<b>LIABILITIES</b>						
Due to other governments						
Total liabilities - beginning	\$ 976,152	\$ 1,012,729	\$ 22,073	\$ 10,743	\$ 203,975	\$ 1,903
Additions	11,175,840	59,348,151	1,800,258	491,812	11,991,160	154,975
Deductions	(11,158,183)	(59,263,681)	(1,799,625)	(490,925)	(11,966,575)	(154,915)
Total liabilities - ending	<u>\$ 993,809</u>	<u>\$ 1,097,199</u>	<u>\$ 22,706</u>	<u>\$ 11,630</u>	<u>\$ 228,560</u>	<u>\$ 1,963</u>

See Notes to Financial Statements

HALL COUNTY  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2014

Partial Payment	Townships	Airport Authority	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 13,251	\$ 5,536	\$ 13,754	\$ 381	\$ -	\$ 2,252	\$ 2,262,749
87,180 (80,069)	23 -	1,254,574 (1,251,344)	2,126 (2,166)	124 (124)	- -	86,306,223 (86,167,607)
<u>\$ 20,362</u>	<u>\$ 5,559</u>	<u>\$ 16,984</u>	<u>\$ 341</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,401,365</u>

\$ 13,251	\$ 5,536	\$ 13,754	\$ 381	\$ -	\$ 2,252	\$ 2,262,749
87,180 (80,069)	23 -	1,254,574 (1,251,344)	2,126 (2,166)	124 (124)	- -	86,306,223 (86,167,607)
<u>\$ 20,362</u>	<u>\$ 5,559</u>	<u>\$ 16,984</u>	<u>\$ 341</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,401,365</u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND BY DEPARTMENT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For The Year Ended June 30, 2013

	General Government								
	Board of Supervisors	Clerk	Treasurer	Assessor	Supt. of Schools	Register of Deeds	Data Processing	Election Commissioner	Clerk of District Court
Disbursements:									
Personal service	\$ 284,080	\$ 203,580	\$ 679,908	\$ 278,207	\$ -	\$ 176,178	\$ 250,759	\$ 100,657	\$ 373,560
Operating expenses	2,600	80,901	4,381	25,431	4,000	3,486	354,852	6,518	25,629
Supplies/material	252	3,549	12,717	5,647	-	566	847	21,273	9,148
Equipment rental	-	-	-	-	-	-	-	3,156	-
Capital outlay	-	699	7,701	-	-	1,345	164,146	5,000	1,174
Interfund transfers	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 286,932	\$ 288,729	\$ 704,707	\$ 309,285	\$ 4,000	\$ 181,575	\$ 770,604	\$ 136,604	\$ 409,511
Budget	292,099	293,084	726,719	366,207	4,000	185,272	791,382	147,303	435,960
Favorable	\$ 5,167	\$ 4,355	\$ 22,012	\$ 56,922	\$ -	\$ 3,697	\$ 20,778	\$ 10,699	\$ 26,449

	Public Safety								
	Sheriff	Attorney	Jail	Building Inspector	Misc	Probation Officer	Grants	Juvenile Diversion/Attention	Safety
Disbursements:									
Personal service	\$ 2,519,465	\$ 1,377,214	\$ 4,111,992	\$ 7,101	\$ -	\$ -	\$ -	\$ 137,905	\$ -
Operating expenses	105,679	49,668	1,351,609	514	404,181	7,506	-	1,440	3,319
Supplies/material	126,448	15,743	109,605	747	-	22,357	-	13,350	388
Equipment rental	-	-	-	-	-	-	-	16,890	-
Capital outlay	164,016	650	43,525	-	-	8,355	29,577	6,699	-
Interfund transfers	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,915,608	\$ 1,443,275	\$ 5,616,731	\$ 8,362	\$ 404,181	\$ 38,218	\$ 29,577	\$ 176,284	\$ 3,707
Budget	3,267,345	1,506,745	5,818,876	11,447	461,975	38,225	316,180	228,116	7,900
Favorable (Unfavorable)	\$ 351,737	\$ 63,470	\$ 202,145	\$ 3,085	\$ 57,794	\$ 7	\$ 286,603	\$ 51,832	\$ 4,193

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND BY DEPARTMENT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For The Year Ended June 30, 2013

General Government									
Special Election	Justice System	County Court System	Building and Grounds	Agriculture Ext. Agent	Misc.	District Judge	Public Defender	Equipment Acquisition	Cadastral Maps
\$ -	\$ 21,611	\$ -	\$ 459,274	\$ 123,726	\$ 288	\$ 137,535	\$ 534,527	\$ -	\$ 73,183
-	1,204,082	1,343	222,402	56,057	1,265,085	793	24,632	-	7,075
-	-	21,840	28,119	1,857	-	2,793	2,470	-	81
-	-	-	2,500	3,798	-	-	-	-	-
-	-	2,770	68,738	4,051	-	2,800	2,694	6,000	7,304
-	-	-	-	-	-	-	-	-	-
\$ -	\$ 1,225,693	\$ 25,953	\$ 781,033	\$ 189,489	\$ 1,265,373	\$ 143,921	\$ 564,323	\$ 6,000	\$ 87,643
24,288	1,365,530	26,028	792,804	252,181	1,588,845	145,528	570,916	6,500	92,436
<u>\$ 24,288</u>	<u>\$ 139,837</u>	<u>\$ 75</u>	<u>\$ 11,771</u>	<u>\$ 62,692</u>	<u>\$ 323,472</u>	<u>\$ 1,607</u>	<u>\$ 6,593</u>	<u>\$ 500</u>	<u>\$ 4,793</u>

Public Works		Public Welfare and Social Services		Culture and Recreation			Public Health	Other	Totals	Totals
Surveyor	Misc.	Veteran's Service Officer	Misc.	Parks	Stuhr Museum	Misc.	Misc.	Transfers	(Memorandum only) 2014	(Memorandum only) 2013
\$ 87,838	\$ -	\$ 262,414	\$ 362,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,563,062	\$ 12,599,095
520	123,359	41,762	166,734	-	840,000	10,000	523,684	-	6,919,242	6,880,854
300	-	755	4,863	-	-	-	-	-	405,715	357,062
-	-	-	-	-	-	-	-	-	26,344	6,628
681	-	-	500	-	-	22,000	-	-	550,425	493,444
-	-	-	-	-	-	-	-	1,906,857	1,906,857	2,897,930
\$ 89,339	\$ 123,359	\$ 304,931	\$ 534,157	\$ -	\$ 840,000	\$ 32,000	\$ 523,684	\$ 1,906,857	\$ 22,371,645	\$ 23,235,013
90,299	134,251	309,312	586,001	-	840,000	21,000	523,684	1,906,857	24,175,295	24,948,238
<u>\$ 960</u>	<u>\$ 10,892</u>	<u>\$ 4,381</u>	<u>\$ 51,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,650</u>	<u>\$ 1,713,225</u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE CLERK  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	2014	2013
<b>Receipts:</b>		
Imprest - Vendor	\$ 22,706,955	\$ 23,478,151
Imprest - Payroll	12,341,189	12,062,677
Recording fees	60	145
Photo copy	3,826	3,702
Marriage licenses	6,210	6,555
Plat books	650	390
Total receipts	\$ 35,058,890	\$ 35,551,620
<b>Disbursements:</b>		
Imprest - Vendor	\$ 22,706,955	\$ 23,478,151
Imprest - Payroll	12,233,624	12,062,677
Recording fees	80	125
Photo copy	3,775	3,686
Marriage licenses	6,150	6,720
Plat books	610	420
Total disbursements	\$ 34,951,194	\$ 35,551,779
Receipts over (under) disbursements	\$ 107,696	\$ (159)
Cash balance, beginning of year	12,906	13,065
Cash balance, end of year	\$ 120,602	\$ 12,906
<b>Cash balance consists of:</b>		
Cash on hand	\$ 27	\$ 27
Cash in bank	120,575	12,879
Total cash balance	\$ 120,602	\$ 12,906

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE CLERK OF THE DISTRICT COURT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Fees	\$ 348,617	\$ 355,555
Interest	-	1
Trust receipts	359,629	473,306
Alimony/Child Support		
Work Release/Judgments	<u>1,515,855</u>	<u>2,248,212</u>
Total receipts	\$ 2,224,101	\$ 3,077,074
Disbursements:		
Fees	\$ 349,199	\$ 352,627
Trust disbursements	419,905	900,836
Alimony/Child Support		
Work Release/Judgments	<u>1,510,713</u>	<u>2,246,834</u>
Total disbursements	<u>\$ 2,279,817</u>	<u>\$ 3,500,297</u>
Receipts over (under) disbursements	\$ (55,716)	\$ (423,223)
Cash balance, beginning of year	<u>320,054</u>	<u>743,277</u>
Cash balance, end of year	<u>\$ 264,338</u>	<u>\$ 320,054</u>
Cash balance consists of:		
Cash on hand	\$ 200	\$ 200
Cash in bank	<u>264,138</u>	<u>319,854</u>
Total cash balance	<u>\$ 264,338</u>	<u>\$ 320,054</u>
Cash balance due to other governments	<u>\$ 14,458</u>	<u>\$ 10,899</u>
Cash balance due to others	<u>\$ 240,773</u>	<u>\$ 297,654</u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE COUNTY SHERIFF  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	2014	2013
<b>Receipts:</b>		
Writ fees, commissions, mileage, etc.	\$ 308,167	\$ 369,405
Vehicle inspection	38,920	37,390
Distress warrant collections	73,577	130,667
Hand gun permits	1,115	2,190
Law enforcement	1,339	2,071
Total receipts	\$ 423,118	\$ 541,723
<b>Disbursements:</b>		
Writ fees, commissions, mileage, etc.	\$ 301,263	\$ 366,987
Vehicle inspection	39,550	37,130
Distress warrant collection	72,679	132,156
Hand gun permits	1,130	2,175
Law enforcement	1,339	2,071
Total disbursements	\$ 415,961	\$ 540,519
Receipts over (under) disbursements	\$ 7,157	\$ 1,204
Cash balance, beginning of year	43,346	42,142
Cash balance, end of year	\$ 50,503	\$ 43,346
<b>Cash balance consists of:</b>		
Cash on hand	\$ 784	\$ 1,408
Cash in bank	49,719	41,938
Total cash balance	\$ 50,503	\$ 43,346

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 DEPARTMENT OF CORRECTIONS  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
<b>Receipts:</b>		
ICE detainee housing	\$ 736,326	\$ 1,379,963
Federal prisoner housing	3,203	4,730
Miscellaneous receipts	5,058	1,568
Inmate welfare	4,149	2,997
Inmate trust	<u>1,081,696</u>	<u>1,195,253</u>
<b>Total receipts</b>	<b>\$ 1,830,432</b>	<b>\$ 2,584,511</b>
<b>Disbursements:</b>		
ICE detainee housing	\$ 736,326	\$ 1,379,963
Federal prisoner housing	3,203	4,730
Miscellaneous receipts	2,118	1,555
Inmate welfare	4,931	2,997
Inmate trust	<u>1,077,640</u>	<u>1,205,197</u>
<b>Total disbursements</b>	<b>\$ 1,824,218</b>	<b>\$ 2,594,442</b>
<b>Receipts over (under) disbursements</b>	<b>\$ 6,214</b>	<b>\$ (9,931)</b>
<b>Cash balance, beginning of year</b>	<b><u>36,174</u></b>	<b><u>46,105</u></b>
<b>Cash balance, end of year</b>	<b><u>\$ 42,388</u></b>	<b><u>\$ 36,174</u></b>
<b>Cash balance consists of:</b>		
Cash on hand	\$ 8,466	\$ 5,435
Cash in bank	<u>33,922</u>	<u>30,739</u>
<b>Total cash balance</b>	<b><u>\$ 42,388</u></b>	<b><u>\$ 36,174</u></b>
<b>Cash balance due to others</b>	<b><u>\$ 7,305</u></b>	<b><u>\$ 10,224</u></b>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE NOXIOUS WEED DEPARTMENT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Service fees	\$ 69,137	\$ 62,936
Other receipts	<u>136</u>	<u>269</u>
Total receipts	\$ 69,273	\$ 63,205
Disbursements:		
County Treasurer	<u>\$ 69,000</u>	<u>\$ 63,000</u>
Total disbursements	<u>\$ 69,000</u>	<u>\$ 63,000</u>
Receipts over (under) disbursements	\$ 273	\$ 205
Cash balance, beginning of year	<u>661</u>	<u>456</u>
Cash balance, end of year	<u><u>\$ 934</u></u>	<u><u>\$ 661</u></u>
Cash balance consists of:		
Cash on hand	\$ 119	\$ 74
Cash in bank	<u>815</u>	<u>587</u>
Total cash balance	<u><u>\$ 934</u></u>	<u><u>\$ 661</u></u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE COUNTY ATTORNEY  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	2014	2013
Receipts:		
Check restitution	\$ 34,145	\$ 30,698
Criminal restitution	4,298	18,675
Law enforcement	9,544	12,314
Total receipts	\$ 47,987	\$ 61,687
Disbursements:		
Check restitution	\$ 34,053	\$ 35,393
Criminal restitution	4,318	18,671
Law enforcement	9,789	10,906
Total disbursements	\$ 48,160	\$ 64,970
Receipts over (under) disbursements	\$ (173)	\$ (3,283)
Cash balance, beginning of year	6,119	9,402
Cash balance, end of year	\$ 5,946	\$ 6,119
Cash balance consists of:		
Cash on hand	\$ 180	\$ 180
Cash in bank	5,766	5,939
Total cash balance	\$ 5,946	\$ 6,119
Cash balance due to others	\$ 465	\$ 392

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE HIGHWAY DEPARTMENT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Service fees	<u>\$ 144,268</u>	<u>\$ 108,252</u>
Total receipts	\$ 144,268	\$ 108,252
Disbursements:		
County Treasurer	<u>\$ 144,268</u>	<u>\$ 108,252</u>
Total disbursements	<u>\$ 144,268</u>	<u>\$ 108,252</u>
Receipts over (under) disbursements	\$ -	\$ -
Cash balance, beginning of year	-	-
Cash balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE BUILDING INSPECTOR/ZONING  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Zoning permits	\$ 13,200	\$ 9,450
Conditional use permits	<u>1,500</u>	<u>2,000</u>
Total receipts	\$ 14,700	\$ 11,450
Disbursements:		
County Treasurer	<u>\$ 14,250</u>	<u>\$ 11,450</u>
Total disbursements	<u>\$ 14,250</u>	<u>\$ 11,450</u>
Receipts over (under) disbursements	\$ 450	\$ -
Cash balance, beginning of year	<u>150</u>	<u>150</u>
Cash balance, end of year	<u><u>\$ 600</u></u>	<u><u>\$ 150</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 600</u></u>	<u><u>\$ 150</u></u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE REGISTER OF DEEDS  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	2014	2013
Receipts:		
Recording fees	\$ 209,140	\$ 272,578
Recording fees - P&M Fund	38,198	17,455
Document stamp tax	553,842	450,655
Copies	1,019	1,046
Total receipts	\$ 802,199	\$ 741,734
Disbursements:		
County Treasurer:		
Recording fees	\$ 218,201	\$ 268,741
Document stamp tax	122,550	101,350
P&M Fund	35,342	17,455
Copies	959	1,172
State:		
Document stamp tax	428,982	354,769
Miscellaneous	366	618
Total disbursements	\$ 806,400	\$ 744,105
Receipts over (under) disbursements	\$ (4,201)	\$ (2,371)
Cash balance, beginning of year	57,558	59,929
Cash balance, end of year	\$ 53,357	\$ 57,558
Cash balance consists of:		
Cash on hand	\$ 5,967	\$ 5,285
Cash in bank	47,390	52,273
Total cash balance	\$ 53,357	\$ 57,558
Cash balance due to State of Nebraska	\$ 27,219	\$ 26,091
Cash balance due to others	\$ 82	\$ -

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF VETERAN'S SERVICE  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
County Treasurer	\$ 3,184	\$ 16,376
Total receipts	\$ 3,184	\$ 16,376
Disbursements:		
Medical/Funeral expenses	\$ -	\$ 952
Rent, utilities and food supplies	959	2,152
Miscellaneous expense	-	80
Total disbursements	<u>\$ 959</u>	<u>\$ 3,184</u>
Receipts over (under) disbursements	\$ 2,225	\$ 13,192
Cash balance, beginning of year	34,275	19,439
Howard County Veterans Service cash, Hall County received custody during the year ended 2013	<u>-</u>	<u>1,644</u>
Cash balance, end of year	<u><u>\$ 36,500</u></u>	<u><u>\$ 34,275</u></u>
Cash balance consists of:		
Cash in bank	<u><u>\$ 36,500</u></u>	<u><u>\$ 34,275</u></u>
Cash balance due to other governments	<u><u>\$ 1,644</u></u>	<u><u>\$ 1,644</u></u>

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE COUNTY ASSESSOR  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	2014	2013
Receipts:		
Copies	\$ 189	\$ 423
Other Fees	25	125
Total receipts	\$ 214	\$ 548
Disbursements:		
County Treasurer	\$ 225	\$ 553
Total disbursements	\$ 225	\$ 553
Receipts over (under) disbursements	\$ (11)	\$ (5)
Cash balance, beginning of year	23	28
Cash balance, end of year	\$ 12	\$ 23
Cash balance consists of:		
Cash on hand	\$ 12	\$ 23

See Notes to Financial Statements

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE PARKS AND RECREATION DEPARTMENT  
 For the Year Ended June 30, 2014  
 With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Park fees	\$ 44,351	\$ 40,550
Picnic fees	2,040	1,225
Sales tax	2,354	2,285
Lodging tax	<u>2,205</u>	<u>2,150</u>
Total receipts	\$ 50,950	\$ 46,210
Disbursements:		
County Treasurer	<u>\$ 50,150</u>	<u>\$ 45,115</u>
Total disbursements	<u>\$ 50,150</u>	<u>\$ 45,115</u>
Receipts over (under) disbursements	\$ 800	\$ 1,095
Cash balance, beginning of year	<u>2,865</u>	<u>1,770</u>
Cash balance, end of year	<u>\$ 3,665</u>	<u>\$ 2,865</u>
Cash balance consists of:		
Cash on hand	<u>\$ 3,665</u>	<u>\$ 2,865</u>

See Notes to Financial Statements

HALL COUNTY  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
EXTENSION OFFICE

For the Year Ended June 30, 2014  
With Comparative Totals For the Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
<b>Receipts:</b>		
Reimbursed expenses - Hall Co.	\$ 62,646	\$ 61,117
Room rental fees	5,795	4,310
Vending machine income	1,415	713
Interest	<u>65</u>	<u>72</u>
<b>Total receipts</b>	<b>\$ 69,921</b>	<b>\$ 66,212</b>
<b>Disbursements:</b>		
Telephone	\$ 1,620	\$ 1,686
Utilities & maintenance	43,557	41,744
Capital outlay	-	4,677
County sinking fund expenses	-	3,419
College Park sinking fund	4,500	4,500
Office equipment rental	2,658	4,148
Office supplies	5,095	935
Insurance	3,103	2,662
Miscellaneous	<u>2,603</u>	<u>290</u>
<b>Total disbursements</b>	<b>\$ 63,136</b>	<b>\$ 64,061</b>
<b>Receipts over (under) disbursements</b>	<b>\$ 6,785</b>	<b>\$ 2,151</b>
Cash balance, beginning of year	<u>49,084</u>	<u>46,933</u>
<b>Cash balance, end of year</b>	<b>\$ 55,869</b>	<b>\$ 49,084</b>
<b>Cash balance consists of:</b>		
Cash in bank	\$ 29,718	\$ 22,998
Certificates of deposit - restricted	<u>26,151</u>	<u>26,086</u>
<b>Total cash balance</b>	<b>\$ 55,869</b>	<b>\$ 49,084</b>

See Notes to Financial Statements

HALL COUNTY  
 COMPARATIVE ANALYSIS OF TAX CERTIFIED  
 CORRECTIONS AND COLLECTIONS  
 For the Year Ended June 30, 2014

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Tax certified by Assessor:					
Real estate, personal, specials & intangible	<u>\$ 68,512,317</u>	<u>\$ 71,375,819</u>	<u>\$ 75,700,634</u>	<u>\$ 79,235,096</u>	<u>\$ 83,188,039</u>
Total	<u>\$ 68,512,317</u>	<u>\$ 71,375,819</u>	<u>\$ 75,700,634</u>	<u>\$ 79,235,096</u>	<u>\$ 83,188,039</u>
Corrections:					
Additions	\$ 350,140	\$ 557,408	\$ 36,954	\$ 82,961	\$ 24,800
Deductions	<u>(134,942)</u>	<u>(292,917)</u>	<u>(384,354)</u>	<u>(189,811)</u>	<u>(79,725)</u>
Net additions/(deductions)	<u>\$ 215,198</u>	<u>\$ 264,491</u>	<u>\$ (347,400)</u>	<u>\$ (106,850)</u>	<u>\$ (54,925)</u>
Correct certified tax	<u>\$ 68,727,515</u>	<u>\$ 71,640,310</u>	<u>\$ 75,353,234</u>	<u>\$ 79,128,246</u>	<u>\$ 83,133,113</u>
Net tax collected (refunded) by County Treasurer for year ended:					
June 30, 2010	\$ 38,447,946	\$ -	\$ -	\$ -	\$ -
June 30, 2011	30,226,629	40,237,277	-	-	-
June 30, 2012	(29,272)	31,532,954	42,924,007	-	-
June 30, 2013	47,653	(169,393)	32,398,447	45,242,940	-
June 30, 2014	<u>8,937</u>	<u>9,761</u>	<u>17,254</u>	<u>33,865,655</u>	<u>48,140,982</u>
Total net collections	<u>\$ 68,701,894</u>	<u>\$ 71,610,600</u>	<u>\$ 75,339,708</u>	<u>\$ 79,108,595</u>	<u>\$ 48,140,982</u>
Total uncollected tax	<u>\$ 25,621</u>	<u>\$ 29,710</u>	<u>\$ 13,526</u>	<u>\$ 19,651</u>	<u>\$ 34,992,131</u>
Percentage of uncollected tax	<u>0.04%</u>	<u>0.04%</u>	<u>0.02%</u>	<u>0.02%</u>	<u>42.09%</u>

See Notes to Financial Statements

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

HALL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014

Federal Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Health and Human Services</u>			
Passed through State of Nebraska Department of Welfare			
Child Support Enforcement*	93.563	0G1004NE4005	\$ 543,115
Medical Assistance Program	93.778	051205NE5ADM	40,877
Total-Department of Health and Human Services			<u>\$ 583,992</u>
<u>Federal Emergency Management Agency</u>			
Passed through State of Nebraska Civil Defense			
Homeland Security Grant Program	97.067	2012 SHSG 2013 SHSG	\$ 13,280 10,230
Total-Federal Emergency Management Agency			<u>\$ 23,510</u>
<u>Department of Justice</u>			
Direct Programs:			
State Criminal Alien Assistance Program*	16.606		\$ 43,568
Equitable Sharing Program	16.922		20,146
Edward Byrne Memorial Justice Assistance Grant Program	16.738		3,845
Organized Crime Drug Enforcement Task Force	Unknown		538
Total Direct-Department of Justice			<u>\$ 68,097</u>
Passed through Nebraska Commission on Law Enforcement and Criminal Justice			
JABG - Probation Intake	16.523		<u>\$ 22,796</u>
Total-Department of Justice			<u>\$ 90,893</u>
<u>Department of the Interior</u>			
Direct Program:			
National Wildlife Refuge Fund	15.659		<u>\$ 3,142</u>
Total-Department of the Interior			<u>\$ 3,142</u>

(Continued)

See Notes to Schedule of Expenditures of Federal Awards

HALL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014

Federal Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Disbursements/ Expenditures
<u>Department of Transportation</u>			
Passed through State of Nebraska Roads			
Formula Grants for other than Urbanized Areas	20.509	RPT-C401 (213 & 214)	\$ <u>222,006</u>
Passed through Nebraska Office of Highway Safety			
Alcohol Compliance Checks	16.727		\$ <u>1,760</u>
Lifesavers' Conference	20.600	0402 (1425)	\$ <u>2,505</u>
Highway Planning and Construction	20.205	HSIP0011	\$ 4,816
		HSIP0015	6,014
		HSIP0017	2,625
		HSIP0019	<u>2,490</u>
Total Pass Through-Nebraska Office of Highway Safety			\$ <u>15,945</u>
Total-Department of Transportation			\$ <u>242,216</u>
<u>Executive Office of the President</u>			
Passed through State of Nebraska Office of National Drug Control Policy			
High Intensity Drug Trafficking Areas Program	95.001	12HD04	
		12HD07	
		13HD04	
		13HD07	\$ <u>95,158</u>
Total-Executive Office of the President			\$ <u>95,158</u>
Total Federal Financial Assistance			<u>\$ 1,038,911</u>

\*Major Program

See Notes to Schedule of Expenditures of Federal Awards

HALL COUNTY  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 June 30, 2014

Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Hall County, Nebraska (the County), except as noted in Note 5 below. The County's reporting entity is defined in Note 1 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.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hall County, Nebraska, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

Note 3. Federal Awards

Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.

Note 4. Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (\*) are considered major programs.

Note 5. Matching Costs

The Schedule does not include matching expenditures from general revenues of the County.

Note 6. Subrecipients

Of the federal expenditures presented in the Schedule, Hall County provided federal awards to subrecipients as follows:

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Provided to Sub-recipients</i>
Formula Grants for other than Urbanized Areas	20.509	\$222,006



McDERMOTT + MILLER

CERTIFIED PUBLIC ACCOUNTANTS

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*

County Board of Supervisors  
Hall County  
Grand Island, 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 Hall County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Hall County's basic financial statements, and have issued our report thereon dated November 11, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted for governments in the United States of America.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Hall County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hall County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hall 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 entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2014-01 through 2014-04 that we consider to be significant deficiencies.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Hall County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Hall County's Response to Findings**

Hall County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Hall County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McDermott & Miller PC*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
November 11, 2014



**MCDERMOTT + MILLER**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Board of Supervisors  
Hall County  
Grand Island, Nebraska

**Report on Compliance for Each Major Federal Program**

We have audited Hall County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. Hall County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Hall County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hall County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hall County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Hall County complied, in all material respects, with the types of 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, 2014.

## Report on Internal Control over Compliance

Management of Hall County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hall County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hall County's internal control over compliance.

*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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses, and therefore deficiencies, significant deficiencies, or material weaknesses 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, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*McDermott & Miller PC*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
November 11, 2014

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Section I: Summary of Auditor's Results

#### ***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	__X__ No
Are any significant deficiencies identified not considered to be material weaknesses?	__X__ Yes	___ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	__X__ No

#### ***Federal Awards***

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

Internal control over major program compliance:

Are any material weaknesses identified?	___ Yes	__X__ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audits of State, Local Governments, and Non-Profit Organizations</i> , Section .510(a)?	___ Yes	__X__ No

Identification of major programs:

CFDA Number(s) and Name of Federal Program or Cluster

93.563 Child Support Enforcement
16.606 State Criminal Alien Assistance Program

Enter the dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Is the auditee qualified as a low-risk auditee?

Yes

No

## Section II: Financial Statement Findings

**Finding 2014-01:** An ideal system of internal accounting control is that no person should be allowed to control a transaction from its inception to its recording in the accounting records. Although this division of duties is not always possible within your organization because of the limited number of employees, compensating or complementary controls may be implemented to mitigate the risk. (Significant Deficiency)

*Criteria:* Management is responsible for establishing and maintaining a sound system of internal control to prevent and detect misstatements due to error or fraud on a timely basis.

*Condition:* For the year ending June 30, 2014, management failed to establish and maintain compensating or complementary controls to mitigate the risk arising from the lack of a sound system of internal control which properly segregates duties.

*Cause:* The entity's limited size and staffing resources have made it difficult for management to fully segregate duties in a cost-effective manner.

*Effect or Potential Effect:* Without the proper segregation of duties, the risk significantly increases that errors and fraud may occur and not be detected, which may result in material misstatement of the financial statements.

*Recommendation:* Management should establish, document, and maintain controls which mitigate the lack of segregation of duties.

*Responsible Official's Response:* The Board of Supervisors recognizes that we are unable to provide the necessary resources to fully segregate duties. However, we will continue to work with county officials to review ways to establish, document, and maintain controls, which mitigate the lack of segregation of duties.

**Finding 2014-02:** The County's policies and procedures related to cash management do not provide proper controls to prevent or detect misstatements related to error or fraud as evidenced by monitoring deficiencies in cash balances, deposits, receipt issuances, and requests for reimbursement of funds and incomplete reconciliations. (Significant Deficiency)

*Criteria:* Management is responsible for establishing and maintaining a sound system of internal control to prevent and detect misstatements due to error or fraud on a timely basis.

*Condition:* For the year ending June 30, 2014, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the cash management process.

*Cause:* The entity failed to design procedures which would provide for the accurate preparation and review of cash account reconciliations and ensure appropriate monitoring and reporting of cash accounts.

*Effect or Potential Effect:* Without the proper controls, the risk significantly increases that errors and fraud may occur and not be detected, which may result in material misstatement of the financial statements.

*Recommendation:* Management should establish, document and maintain procedures which provide for the accurate preparation and review of cash account reconciliations and ensure appropriate monitoring of cash accounts.

*Responsible Official's Response:* The Board of Supervisors has established procedures related to cash management. For the past several years, the Audit Committee has addressed the cash reconciliation issue with the Register of Deeds and will continue to request that this department follow appropriate procedures.

**Finding 2014-03:** The County's policies and procedures implemented to monitor the collection of motor vehicle taxes and fees and the proper documentation needed for motor vehicle taxes and fees and real estate taxes do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by the incorrect charging of these taxes and fees as well as lacking required documentation needed in order to complete the transactions. (Significant Deficiency)

*Criteria:* Management is responsible for establishing and maintaining a sound system of internal control to prevent and detect misstatements due to error or fraud on a timely basis.

*Condition:* For the year ending June 30, 2014, management failed to properly monitor the policies and procedures that were established to prevent or detect misstatements in the collection of motor vehicle taxes and fees and documentation required for these taxes and fees as well as for real estate taxes.

*Cause:* The entity failed to monitor procedures which would provide for the accurate collection of motor vehicle taxes and fees and for the documentation required for these taxes and fees as well as for real estate taxes.

*Effect or Potential Effect:* Without the proper controls, the risk significantly increases that errors and fraud may occur and not be detected, which may result in material misstatement of the financial statements.

*Recommendation:* Management should properly establish and monitor procedures which provide for the accurate collection and documentation of motor vehicle taxes and fees and real estate taxes.

*Responsible Official's Response:* The County Assessor and County Treasurer are responsible for motor vehicle taxes and fees and real estate tax documentation. They are aware of the statutes governing these responsibilities. The Audit Committee will encourage the following of all appropriate codes and statutes and requests that appropriate training be provided when necessary.

**Finding 2014-04:** The County's policies and procedures implemented for the claims process do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by a claim being paid for more than the invoice amount. (Significant Deficiency)

*Criteria:* Management is responsible for establishing and maintaining a sound system of internal control to prevent and detect misstatements due to error or fraud on a timely basis.

*Condition:* For the year ending June 30, 2014, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the claims process.

*Cause:* The entity failed to design procedures which would provide for the accurate submission and recording of claims, ensure appropriate monitoring, and prevent the override of controls.

*Effect or Potential Effect:* Without the proper controls, the risk significantly increases that errors and fraud may occur and not be detected, which may result in material misstatement of the financial statements.

*Recommendation:* Management should establish, document, and maintain procedures which provide for the accurate submission and recording of claims, ensure appropriate monitoring and prevent the override of controls.

*Responsible Official's Response:* The Board of Supervisors has established procedures related to the claims process. The Audit Committee has addressed this issue in the past and will continue to work with county officials to remind them of these processes.

### **Section III: Federal Awards Findings**

None.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**2013-01** An ideal system of internal accounting control is that no person should be allowed to control a transaction from its inception to its recording in the accounting records. Although this division of duties is not always possible within your organization because of the limited number of employees, compensating or complementary controls may be implemented to mitigate the risk.

Status: The County has limited resources to fully correct this deficiency.

**2013-02** The County's policies and procedures related to cash management do not provide proper controls to prevent or detect misstatements related to error or fraud as evidenced by monitoring deficiencies in cash balances, deposits, receipt issuances, and requests for reimbursement of funds and incomplete reconciliations.

Status: Partially corrected this fiscal year; will complete planned action during next fiscal year.

**2013-03** The County's policies and procedures implemented to monitor inventory of the County do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by inaccurate or incomplete inventory forms and inadequate monitoring.

Status: Planned corrective action completed this fiscal year.

**2013-04** The County's policies and procedures implemented to monitor the implementation of TIF Funds do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by collections and disbursements of funds that were incorrectly coded to fiduciary funds.

Status: Planned corrective action completed this fiscal year.

**2013-05** The County's policies and procedures implemented to monitor payroll documentation and the related transfers of funds do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by documents missing authorized signatures and required payroll forms being missing.

Status: Planned corrective action completed this fiscal year.

**2013-06** The County's policies and procedures implemented for the claims process do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by claims missing required documentation and expenses being recorded to the wrong line item.

Status: Planned corrective action completed this fiscal year.