

HALL COUNTY

FINANCIAL REPORT

For the Year Ended June 30, 2008

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
FINANCIAL STATEMENTS	
Exhibit A – Statement of net assets – cash basis	7
Exhibit B – Statement of activities – cash basis – all fund types	8
Exhibit C – Statement of assets, liabilities and fund balances Cash basis – governmental funds	9
Exhibit D – Statement of cash receipts/disbursements and changes In fund balance – cash basis – governmental funds	10
Exhibit E – Statement of net assets – cash basis – fiduciary funds	11-12
Exhibit F – Statement of cash receipts/disbursements and changes In fund balance – cash basis – fiduciary funds	13-14
Notes to financial statements	15-22
SUPPLEMENTARY INFORMATION	
Schedule 1 – Combined statement of revenues, expenditures and changes in fund balances – cash basis – budget and actual – government fund types	23
Schedule 2 – Statement of revenues, expenditures and changes in fund balances – cash basis – County Clerk	24
Schedule 3 – Statement of revenues, expenditures and changes in fund balances – cash basis – Clerk of the District Court	25
Schedule 4 – Statement of revenues, expenditures and changes in fund balances – cash basis – County Sheriff	26
Schedule 5 – Statement of revenues, expenditures and changes in fund balances – cash basis – Department of Corrections	27
Schedule 6 – Statement of revenues, expenditures and changes in fund balances – cash basis – Noxious Weed District	28
Schedule 7 – Statement of revenues, expenditures and changes in fund balances – cash basis – County Attorney	29
Schedule 8 – Statement of revenues, expenditures and changes in fund balances – cash basis – Highway Department Shop Sales	30
Schedule 9 – Statement of revenues, expenditures and changes in fund balances – cash basis – Building Inspector	31
Schedule 10 – Statement of revenues, expenditures and changes in fund balances – cash basis – Register of Deeds	32
Schedule 11 – Statement of revenues, expenditures and changes in fund balances – cash basis – Veterans' Service	33
Schedule 12 – Statement of revenues, expenditures and changes in fund balances – cash basis – County Assessor	34
Schedule 13 – Statement of revenues – cash basis – general fund	35
Schedule 14 – Statement of revenues – cash basis – special revenue funds	36-37
Schedule 15 – Statement of expenditures compared to budget – cash basis – general fund	38-39

CONTENTS  
(Continued)

Schedule 16 – Statement of expenditures compared to budget – cash basis – special revenue funds	40-41
Schedule 17 – Statement of revenues, expenditures and changes in fund balances – cash basis – all fund types	42
Schedule 18 – Comparative analysis of tax certified corrections and collections	43
 <b>FEDERAL FINANCIAL ASSISTANCE PROGRAMS</b>	
Schedule of Expenditures of Federal Awards	44
Notes to the Schedule of Expenditures of Federal Awards	45
Report On Internal Control Over Financial Reporting and Compliance and Other matters Based on and Audit of Financial Statements Performed In Accordance With Government Auditing Standards	46-47
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	48-49
Schedule of Findings and Questioned Costs	50-53



INDEPENDENT ACCOUNTANTS' REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

County Board of Supervisors  
 Hall County  
 Grand Island, Nebraska

We have applied certain agreed-upon procedures to the Hall County Clerk's fee receipts and deposits enumerated below, which were agreed to by the Hall County Board of Supervisors as a result of "Finding 08-3" in the findings and questioned costs for federal awards and required to be reported in accordance with generally accepted governmental auditing standards. This engagement to apply agreed upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We performed the following test procedures in the fiscal year ended June 30, 2008 on the days listed in 6. below:

1. We traced the total of the daily title fees from the computer generated Daily Summary Transaction Reports completed by the Title Department to the deposit. No exceptions were noted.
2. We added the daily other fees receipts from the Clerk's hand written Record of Fees Received. No exceptions were noted.
3. We agreed the total of the daily fees collected in 1. and 2. above to the daily bank deposit. No exceptions were noted.
4. We noted the length of time between the daily receipt of fees and the date of the deposit. The Clerk's procedure is to make the bank deposit of daily receipts the following day usually after 3:00 p.m. The deposits are recorded on the bank statements in the time expected by the Clerk's deposit policy.
5. We traced the total daily receipt amount and the daily bank deposit to the original bank statement. No exceptions were noted.
- 6.

7/2/2007	9/14/2007	12/3/2007	2/19/2008	5/2/2008
7/5/2007	9/18/2007	12/5/2007	2/21/2008	5/6/2008
7/9/2007	9/20/2007	12/7/2007	2/25/2008	5/8/2008
7/11/2007	9/24/2007	12/11/2007	2/27/2008	5/12/2008
7/13/2007	9/26/2007	12/13/2007	2/29/2008	5/14/2008
7/17/2007	9/28/2007	12/17/2007	3/4/2008	5/16/2008
7/19/2007	10/2/2007	12/19/2007	3/6/2008	5/20/2008
7/23/2007	10/4/2007	12/21/2007	3/10/2008	5/22/2008
7/25/2007	10/9/2007	12/26/2007	3/12/2008	5/27/2008
7/27/2007	10/11/2007	12/28/2007	3/14/2008	5/29/2008
7/31/2007	10/15/2007	1/2/2008	3/18/2008	6/2/2008
8/2/2007	10/17/2007	1/4/2008	3/20/2008	6/4/2008
8/6/2007	10/19/2007	1/8/2008	3/24/2008	6/6/2008
8/8/2007	10/23/2007	1/10/2008	3/26/2008	6/10/2008
8/10/2007	10/25/2007	1/14/2008	3/28/2008	6/12/2008

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8/14/2007	10/29/2007	1/16/2008	4/1/2008	6/16/2008
8/16/2007	10/31/2007	1/18/2008	4/3/2008	6/18/2008
8/20/2007	11/2/2007	1/23/2008	4/7/2008	6/20/2008
8/22/2007	11/6/2007	1/25/2008	4/9/2008	6/24/2008
8/24/2007	11/8/2007	1/29/2008	4/11/2008	6/25/2008
8/28/2007	11/13/2007	1/31/2008	4/15/2008	6/26/2008
8/30/2007	11/15/2007	2/4/2008	4/17/2008	6/27/2008
9/4/2007	11/19/2007	2/6/2008	4/21/2008	6/30/2008
9/6/2007	11/21/2007	2/8/2008	4/23/2008	
9/10/2007	11/27/2007	2/12/2008	4/28/2008	
9/12/2007	11/29/2007	2/14/2008	4/30/2008	

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on Hall County Clerk's procedure and policy for receipting and depositing fees. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified in the accompanying Description of Procedures for Selected Account Balances and does not extend to any financial statements of Geneva State Bank taken as a whole.

This report is intended solely for the use of the Hall County's Board of Supervisors and management, the Nebraska State Auditor, the Federal Financial Assistance Agencies and readers of the findings and questioned costs for federal awards and required to be reported in accordance with generally accepted governmental auditing standards, and the County's Bonding Company and should not be used for any other purpose.

*McDermott & Miller, P.C.*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
March 6, 2009



INDEPENDENT AUDITOR'S REPORT

County Board of Supervisors  
Hall County  
Grand Island, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hall County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Hall County prepares its financial statements on the basis of cash receipts and disbursements modified for the reporting of investment balances, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, management has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets and expenses of the governmental activities. The amount by which this departure would affect the assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Hall County, Nebraska as of June 30, 2008, and the changes in financial position thereof for the year then ended.

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In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining information of Hall County, Nebraska, as of June 30, 2008, and the respective changes in financial position- cash basis thereof for the year then ended in conformity with the basis of accounting described in Notes 1.

The management discussion and analysis on page 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2008, on our consideration of Hall County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska taken as a whole. The individual fund information is presented for purposes of additional analysis. The individual fund information has been subjected to the auditing procedures applied in the audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska, and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska, taken as a whole on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*McDermott & Miller, P.C.*

Grand Island, Nebraska  
December 18, 2008

## MANAGEMENT'S DISCUSSION AND ANALYSIS HALL COUNTY, NEBRASKA

This section of Hall County, Nebraska's annual audit report presents our discussion and analysis of Hall County's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the County's financial statements, which follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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," 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 assets into three components: (a) invested in capital assets, net of related debt; (b) restricted; and (c) unrestricted are utilized in this annual report for the year ended June 30, 2008.

The annual report consists of four parts: (1) Management's Discussion and Analysis (this section); (2) the Basic Financial Statements – Cash Basis; (3) Supplemental Schedules; and (4) Information on the Single Audit (Federal Funds).

The accompanying basic financial statements have been prepared on the cash basis of accounting, in that revenues are not recorded until received, inventories are not recorded as disbursements until they are consumed and accounts payable and accrued expenses (primarily payroll withholdings) have not been recognized as liabilities. Accordingly the financial statements and supplemental schedules are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fiduciary funds report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the County's own programs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data about the financial statements and County commitments and contingencies, and long-term debt obligations that are not reported in the cash basis financial statements. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

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

- Governmental activities cash position at June 30, 2008 was \$16,763,189 compared with \$26,160,023 at June 30, 2007. This was an decrease of \$9,396,834 or 36%.
- General fund expenditures and transfers were \$19,664,518 for the current fiscal year, which is an increase of \$1,724,551 or 10% from the prior fiscal year.
- Federal program receipts were \$1,273,013 for the current fiscal year, which is a \$182,063 increase from the previous fiscal year.
- Major capital projects of the County included the following:
  - Road \$889,104
  - Jail Building \$9,194,739

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Governmental Activities**

The largest single source of receipts for the County is property taxes. The County's property taxes recorded in the General Fund for 2006-2007 were \$12,265,367 and for 2007-2008, it increased by \$372,545 to \$12,637,912.

In 2006-2007, the County's assessed valuation was \$3,241,291,404. In 2007-2008, it increased by \$53,757,778 to \$3,295,049,182.

The following table shows the property tax rates, by fund, for fiscal years 2006-2007 and 2007-2008 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 on a \$100,000 property in 2007-2008 would be \$422.89.

<b>Fund</b>	<b>2006-2007 Levy</b>	<b>2007-2008 Levy</b>	<b>Levy Change</b>	<b>Percentage Change</b>
General Fund	0.352672	0.352107	(0.000565)	(0.16%)
Dependent Fund	0.002716	0.002571	(0.000145)	(5.34%)
Institutions	0.000506	0.000323	(0.000183)	(36.17%)
Jail Bond Fund	0.039000	0.039000	0.000000	0.00%
Veteran's Aid	0.000343	0.000438	0.000095	27.70%
Museum	0.028075	0.028447	0.000372	1.33%
<b>County Totals</b>	<b>0.423312</b>	<b>0.422886</b>	<b>0.000426</b>	<b>(12.64%)</b>

General Fund Budgetary Highlights

- Over the course of the 2007-2008 fiscal year, the County's General Fund Cash Position decreased by approximately \$89,150. The following table provides a detailed picture of the decrease in cash position.

	2007-2008 Budget	Year-End Actual	Difference
<b>07/01/07 Actual Beginning Balance</b>		<u>\$ 4,111,176</u>	
Receipts:			
Property Taxes	\$12,449,624	\$12,637,912	\$ 188,288
Federal	1,707,177	1,102,953	(604,224)
State	702,050	1,561,403	859,353
Other Local	<u>2,910,806</u>	<u>3,197,296</u>	<u>286,490</u>
<b>Total Receipts</b>	<b>\$17,769,657</b>	<b>\$18,499,564</b>	<b>\$ 729,907</b>
<b>Expenditures</b>	<b>\$20,088,891</b>	<b>\$18,158,532</b>	<b>\$ 1,930,359</b>
<b>Net Transfers</b>	<u>\$ 826,221</u>	<u>\$ (430,185)</u>	<u>\$ 1,256,406</u>
<b>Net (Decrease)/Increase</b>	<b>\$ (1,493,013)</b>	<b>\$ (89,153)</b>	<b>\$1,403,860</b>
<b>06/30/08 Ending Balance</b>		<u><b>\$ 4,022,023</b></u>	

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 scheduled completion date of the jail is February 2008. The bonds will be payable over a period not longer than 30 years and callable at the County's option after 5 years. The bonds will bear interest at a rate of 4.00% until 2021 at that time the interest rate fluctuates between 4.25% and 4.50%. For the year ending June 30, 2008 \$944,056 interest and \$370,000 principal was paid for these bonds. See Note 13 for repayment schedule.

The voters approved in the same ballot 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 Section 23-120(2), Reissue Revised Statutes of Nebraska, 1997, as amended, 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 Section 23-125, Reissue Revised Statutes of Nebraska, 2000.

## 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

EXHIBIT A

STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 12,477,593	\$ --	\$ 12,477,593
Restricted assets:			
Investments	4,285,596	--	4,285,596
Total assets	<u>\$ 16,763,189</u>	<u>\$ --</u>	<u>\$ 16,763,189</u>
<b>LIABILITIES</b>			
Due to other governments	\$ 57,641	\$ --	\$ 57,641
Trusts	471,953	--	471,953
Total liabilities	<u>\$ 529,594</u>	<u>\$ --</u>	<u>\$ 529,594</u>
<b>NET ASSETS</b>			
Restricted for:			
Capital Project-Jail	\$ 4,285,596	\$ --	\$ 4,285,596
Unrestricted	12,477,593	--	12,477,593
Total net assets	<u>\$ 16,763,189</u>	<u>\$ --</u>	<u>\$ 16,763,189</u>

See Notes to Financial Statements

HALL COUNTY

EXHIBIT B

STATEMENT OF ACTIVITIES - CASH BASIS  
ALL FUND TYPES  
For the Year Ended June 30, 2008

FUNCTIONS/PROGRAMS	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 11,267,442	\$ 5,943,011	\$ 140,507	\$ --	\$ (5,183,924)	\$ --	\$ (5,183,924)
Public safety	20,051,349	223,821	945,838	--	(18,881,690)	--	(18,881,690)
Public works	3,972,864	2,342,118	71,498	--	(1,559,248)	--	(1,559,248)
Public health	486,137	--	--	--	(486,137)	--	(486,137)
Public welfare and social services	684,736	194,393	618,934	--	128,591	--	128,591
Culture and recreation	1,140,820	--	--	--	(1,140,820)	--	(1,140,820)
<b>Total governmental activities</b>	<b>\$ 37,603,348</b>	<b>\$ 8,703,343</b>	<b>\$ 1,776,777</b>	<b>\$ --</b>	<b>\$ (27,123,228)</b>	<b>\$ --</b>	<b>\$ (27,123,228)</b>
Business-type activities:							
Total business-type activities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Total primary government</b>	<b>\$ 37,603,348</b>	<b>\$ 8,703,343</b>	<b>\$ 1,776,777</b>	<b>\$ --</b>	<b>\$ (27,123,228)</b>	<b>\$ --</b>	<b>\$ (27,123,228)</b>
<b>General receipts</b>							
Taxes:							
Property					\$ 12,497,259	\$ --	\$ 12,497,259
Motor vehicle					1,486,031	--	1,486,031
Property tax credit					493,652	--	493,652
Airline and carline tax allocation					97,483	--	97,483
Insurance tax allocation					74,734	--	74,734
Pro-rate motor vehicle					54,824	--	54,824
Homestead					397,016	--	397,016
Lodging					684,913	--	684,913
Inheritance					1,057,803	--	1,057,803
911 Surcharges					293,115	--	293,115
Bond Proceeds					--	--	--
Fines and licenses					39,461	--	39,461
State aid					196,550	--	196,550
Interest income					1,112,062	--	1,112,062
Transfers - internal activity					--	--	--
Other					--	--	--
<b>Total general receipts</b>					<b>\$ 18,484,903</b>	<b>\$ --</b>	<b>\$ 18,484,903</b>
Change in net assets					\$ (8,638,325)	\$ --	\$ (8,638,325)
Net assets - beginning					\$ 25,401,514	\$ --	\$ 25,401,514
Net assets - ending					\$ 16,763,189	\$ --	\$ 16,763,189

HALL COUNTY

EXHIBIT C

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	General	Jail Bond Fund	Road Fund	Inheritance Funds	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 4,551,617	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 17,292,783
Total assets	\$ 4,551,617	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 17,292,783
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Warrants	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other governments	57,641	--	--	--	--	--	57,641
Trusts	471,953	--	--	--	--	--	471,953
Total liabilities	\$ 529,594	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 529,594
<b>Fund balances:</b>							
Unreserved	\$ 4,022,023	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 16,763,189
Total fund balances	\$ 4,022,023	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 16,763,189
 Total liabilities and fund balances	\$ 4,551,617	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 17,292,783

See Notes to Financial Statements

HALL COUNTY

EXHIBIT D

STATEMENT OF CASH RECEIPTS/DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	General	Jail Bond Fund	Road Fund	Inheritance Funds	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property/Motor Vehicle taxes	\$ 12,637,912	\$ 1,231,635	\$ 3,317	\$ --	\$ --	\$ 110,426	\$ 13,983,290
Fines and licenses	39,461	--	--	--	--	--	39,461
State	1,561,403	98,325	2,104,094	--	--	1,037,682	4,801,504
Federal	1,102,953	--	32,006	--	--	38,867	1,173,826
Interest income	478,747	439,018	--	177,482	--	16,815	1,112,062
Other	2,679,088	2,968	110,953	1,057,803	2,306,037	1,698,031	7,854,880
Total receipts	<u>\$ 18,499,564</u>	<u>\$ 1,771,946</u>	<u>\$ 2,250,370</u>	<u>\$ 1,235,285</u>	<u>\$ 2,306,037</u>	<u>\$ 2,901,821</u>	<u>\$ 28,965,023</u>
<b>DISBURSEMENTS</b>							
General government	\$ 7,544,388	\$ --	\$ --	\$ 92,670	\$ 2,630,998	\$ 999,386	\$ 11,267,442
Public safety	8,962,503	10,508,795	--	--	--	580,051	20,051,349
Public works	204,085	--	3,504,957	--	--	263,822	3,972,864
Public health	486,137	--	--	--	--	--	486,137
Public welfare and social services	423,767	--	--	--	--	260,969	684,736
Culture and recreation	537,652	--	--	--	--	603,168	1,140,820
Total disbursements	<u>\$ 18,158,532</u>	<u>\$ 10,508,795</u>	<u>\$ 3,504,957</u>	<u>\$ 92,670</u>	<u>\$ 2,630,998</u>	<u>\$ 2,707,396</u>	<u>\$ 37,603,348</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ 341,032</u>	<u>\$ (8,736,849)</u>	<u>\$ (1,254,587)</u>	<u>\$ 1,142,615</u>	<u>\$ (324,961)</u>	<u>\$ 194,425</u>	<u>\$ (8,638,325)</u>
Transfers in (out), Net	<u>\$ (430,185)</u>	<u>\$ --</u>	<u>\$ 1,084,878</u>	<u>\$ (870,108)</u>	<u>\$ 315,240</u>	<u>\$ (99,825)</u>	<u>\$ --</u>
Fund balances - beginning	<u>\$ 4,111,176</u>	<u>\$ 13,869,491</u>	<u>\$ 785,334</u>	<u>\$ 3,797,808</u>	<u>\$ 790,944</u>	<u>\$ 2,046,761</u>	<u>\$ 25,401,514</u>
Fund balances - ending	<u>\$ 4,022,023</u>	<u>\$ 5,132,642</u>	<u>\$ 615,625</u>	<u>\$ 4,070,315</u>	<u>\$ 781,223</u>	<u>\$ 2,141,361</u>	<u>\$ 16,763,189</u>

See Notes to Financial Statements

HALL COUNTY

EXHIBIT E

STATEMENT OF NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
June 30, 2008

	State	Employee Benefit Schools	Natural Resource District	Fire Districts	Municipalities	Stuhr Museum	Agricultural Society
<b>ASSETS</b>							
Cash and investments	\$ 787,491	\$ 858,766	\$ 22,654	\$ 11,800	\$ 228,467	\$ 243,469	\$ 1,787
Total assets	\$ 787,491	\$ 858,766	\$ 22,654	\$ 11,800	\$ 228,467	\$ 243,469	\$ 1,787
<b>LIABILITIES</b>							
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>NET ASSETS (Restricted)</b>	<u>\$ 787,491</u>	<u>\$ 858,766</u>	<u>\$ 22,654</u>	<u>\$ 11,800</u>	<u>\$ 228,467</u>	<u>\$ 243,469</u>	<u>\$ 1,787</u>

HALI COUNTY

EXHIBIT E

STATEMENT OF NET ASSETS - CASH BASIS  
 FIDUCIARY FUNDS  
 June 30, 2008

Partial Payment	Townships	Airport Authority	Social Security	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 288,194	\$ 5,390	\$ 8,448	\$ 170	\$ 87	\$ --	\$ 16,159	\$ 2,472,882
\$ 288,194	\$ 5,390	\$ 8,448	\$ 170	\$ 87	\$ --	\$ 16,159	\$ 2,472,882
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 288,194	\$ 5,390	\$ 8,448	\$ 170	\$ 87	\$ --	\$ 16,159	\$ 2,472,882

HALL COUNTY

EXHIBIT F

STATEMENT OF CASH RECEIPTS/DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
 FIDUCIARY FUNDS  
 For the year ended June 30, 2008

	State	Employee Benefit Schools	Natural Resource District	Fire Districts	Municipalities	Stuhr Museum
<b>ADDITIONS</b>						
Receipts	\$ 11,719,079	\$ 48,036,862	\$ 1,598,558	\$ 544,988	\$ 8,085,344	\$ 966,780
Total additions	<u>11,719,079</u>	<u>48,036,862</u>	<u>1,598,558</u>	<u>544,988</u>	<u>8,085,344</u>	<u>966,780</u>
<b>DEDUCTIONS</b>						
Disbursements	\$ 11,689,059	\$ 48,330,999	\$ 1,590,403	\$ 604,086	\$ 8,149,969	\$ 908,071
Total deductions	<u>11,689,059</u>	<u>48,330,999</u>	<u>1,590,403</u>	<u>604,086</u>	<u>8,149,969</u>	<u>908,071</u>
Change in net assets	\$ 30,020	\$ (294,137)	\$ 8,155	\$ (59,098)	\$ (64,625)	\$ 58,709
Net assets - beginning	<u>757,471</u>	<u>1,152,903</u>	<u>14,499</u>	<u>70,898</u>	<u>293,092</u>	<u>184,760</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 787,491</u>	<u>\$ 858,766</u>	<u>\$ 22,654</u>	<u>\$ 11,800</u>	<u>\$ 228,467</u>	<u>\$ 243,469</u>

See Notes to Financial Statements

HALL COUNTY

EXHIBIT F

STATEMENT OF CASH RECEIPTS/DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
 FIDUCIARY FUNDS  
 For the year ended June 30, 2008

Agricultural Society	Partial Payment	Townships	Airport Authority	Social Security	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 155,437	\$ 2,805,466	\$ 76	\$ 719,973	\$ --	\$ 1,203	\$ 104	\$ 4,084	\$ 74,637,954
<u>155,437</u>	<u>2,805,466</u>	<u>76</u>	<u>719,973</u>	<u>--</u>	<u>1,203</u>	<u>104</u>	<u>4,084</u>	<u>74,637,954</u>
\$ 155,730	\$ 2,886,649	\$ --	\$ 720,927	\$ --	\$ 1,330	\$ 104	\$ 7,356	\$ 75,044,683
<u>155,730</u>	<u>2,886,649</u>	<u>--</u>	<u>720,927</u>	<u>--</u>	<u>1,330</u>	<u>104</u>	<u>7,356</u>	<u>75,044,683</u>
\$ (293)	\$ (81,183)	\$ 76	\$ (954)	\$ --	\$ (127)	\$ --	\$ (3,272)	\$ (406,729)
<u>2,080</u>	<u>369,377</u>	<u>5,314</u>	<u>9,402</u>	<u>170</u>	<u>214</u>	<u>--</u>	<u>19,431</u>	<u>2,879,611</u>
\$ 1,787	\$ 288,194	\$ 5,390	\$ 8,448	\$ 170	\$ 87	\$ --	\$ 16,159	\$ 2,472,882
<u>1,787</u>	<u>288,194</u>	<u>5,390</u>	<u>8,448</u>	<u>170</u>	<u>87</u>	<u>--</u>	<u>16,159</u>	<u>2,472,882</u>

See Notes to Financial Statements

## HALL COUNTY

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

#### Note 1. Summary of Significant Accounting Policies

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. 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 following is a summary of significant accounting policies followed in the preparation of these financial statements.

##### Basis of Presentation Fund Accounting

The County follows the provisions of Statement No. 34 ("Statement 34") of the Government 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 assets into three components—invested in capital assets, net of related debt; restricted; and unrestricted.

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 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.

## HALL COUNTY

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

#### Basis of Accounting

Hall County maintains its financial records on the cash basis. The financial statements of the County are prepared on a cash basis except for the combined statement of assets and liabilities arising from cash transactions and the combined statement of cash transactions which are prepared on a modified cash basis by making memorandum adjusting entries to the cash basis financial records. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the statements do not present financial position or results of operations of such funds in accordance with generally accepted accounting principles.

The County does not maintain a general infrastructure group of accounts as required by generally accepted accounting principles.

#### 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.

#### Investments

Investments are stated at costs, adjusted where appropriate for the accretion of discount or amortization of premiums, which approximates market. Income from investments is recorded as it is earned.

Effective July 1, 1994, the County adopted Statement of Financial Accounting Standards (FAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities. FAS No. 115 requires fair value reporting for debt and equity securities classified as available for sale or held for trading purposes. The County has classified all of its debt securities as held-to-maturity at June 30, 2008. Debt securities held-to-maturity is reported at amortized costs.

#### Compensated Absences

County employees may carry over 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. Accumulated unpaid vacation pay is not accrued in the governmental fund types.

#### Report Entity

The financial statements include all of the relevant funds of Hall County. There are no potential component units to consider for inclusion in the financial statements.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 2. Cash and Investments

It is the County's policy for deposits to be secured by collateral, less the amount of the Federal Deposit Insurance Corporation insurance. The carrying amount of deposits is a reasonable estimate of fair value. The County's deposits are categorized to give an indication of the level of risk assumed by the County at June 30, 2008. The categories are described as follows:

- (1) Insured or collateralized with securities held by the County or by the County's agent in the County's name.
- (2) Collateralized with securities held by the pledging financial institution's trust department, or agent, in the County's name.
- (3) Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the County's name).

The collateralization of the County's deposits with banks at June 30, 2008, is as follows:

	Bank Balance
Demand deposits	\$8,407,303
Certificates of deposit	<u>3,004,069</u>
Total deposits	<u>\$11,411,372</u>
FDIC coverage (category 1)	\$1,593,280
Collateralized deposits (category 2)	9,818,092
Uncollateralized deposits (category 3)	-

Investments

Investments are classified into the following risk categories:

- (A) Insured or registered, or securities held by the County or its agent in the County's name.
- (B) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (C) Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the County's name.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 2. (Continued)

Investments at June 30, 2008 are shown below:

	Category of Risk	Carrying Amount	Market Value
Nebraska Public Agency Investment Trust	B	\$4,689,359	\$4,689,359
GE Capital Corporation	B	\$4,232	\$4,232

Nebraska Public Agency Investment Trust (NPAIT) investment trust maintains a \$1.00 market value price at all times. The trust was invested in Government Agency Securities – 29.82%, Certificate of Deposits in various Nebraska Banks – 7.20%, and Repurchase agreements (collateralized by U.S. Government Securities) – 62.98% at June 30, 2008.

GE Funding Capital Market Services, Inc. guarantees a 2.116% per annum rate of return. GE Funding Capital Market Services, Inc. agrees to meet at least S&P “AA-“ rating or Moody’s “Aa3” rating. If the rating drops below this level the County’s funds will be secured with items out this level.

Note 3. Employee’s Retirement System

The County Board has adopted the provisions of Sections 23-2301 to 23-2331 R.R.S. 1943, known as the County Employees Retirement Act. 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. Employees other than law enforcement officials contribute 4.5% of their total compensation and the County contributes an amount equal to 150% of the employee’s contribution. Law enforcement officials’ (sworn deputies) 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 amount equal to 100% on the remaining 1% contribution. The employee’s and employer’s contributions are kept in separate accounts. The employee’s account is 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, 2008 the County contributed \$629,292 to the employer’s account. The County also paid \$684 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, 2008

Note 4. Cash Modification

The cash modifications reflected on the combined statements of cash transactions consist of the following office fees and collections as of June 30, 2008. These are fees due to the County Treasurer from the various offices who collect fees for the County.

General	\$134,234
Special Revenue:	
Inmate Welfare	45,992
Veteran's Service	17,663
Weed	843
	<u>\$198,732</u>

Note 5. Budget Process

The County follows these procedures 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 a public meeting to obtain taxpayer comments.
- Prior to September 20, the budget is legally adopted by the Board of Supervisors through passage of a resolution.
- During the year, the county periodically reviews and amends the budget.
- 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.

Note 6. 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, \$250,000 for each auto physical damage loss, \$300,000 for liability, and \$350,000 for workmen's compensation.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 6. (Continued)

The County continues to carry commercial insurance for all other risks of loss, including professional liability insurance for the Public Defender, Public Official's Errors and Omissions.

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. The insurance reserve has a reserve of \$558,084 at June 30, 2008.

Management believes that the coverage is adequate to preclude any significant uninsured risk of exposure to the County.

Health Insurance claims exceeded \$60,000 limit by \$409,093 for the July 1, 2007 – June 30, 2008 plan year and \$524,292 for the July 1, 2006 – June 30, 2007 plan year. Property, auto, liability, and workmen's compensation settled claims in the past three years have not exceeded the coverage's.

Note 7. Inter-fund Transfers

Inter-fund transfers for the year ended June 30, 2008 were as follows:

	Transfers In	Transfers Out
General fund	\$1,075,801	\$1,505,986
Insurance fund	340,240	-
Road fund	1,339,431	254,553
Noxious Weed fund	123,815	24,275
Special Revenue fund	-	30,693
Reappraisal fund	1,275	-
Drug Court fund	1,465	36,412
Employment Security fund	30,000	-
Sick/Vacation fund	10,000	-
Keno/Lottery fund	-	175,000
Liability Claim Reserve fund	-	25,000
Inheritance fund	-	870,108
Totals	<u>\$2,922,027</u>	<u>\$2,922,027</u>

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 8. Stuhr Museum

The Stuhr Museum is a private tax-exempt entity which has authority to levy 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 related distribution of Stuhr Museum's portion of property tax. The Stuhr Museum's financial statements are audited by other auditors, for the year ended June 30, 2008, which received an unqualified opinion dated November 5, 2008. The following is a summary of the Stuhr Museum's June 30, 2008 financial statements (a complete copy of the audited financial statements of Stuhr Museum are on file with the Hall County Clerk):

Total Assets	\$2,233,635
Total Liabilities	\$108,743
Net Assets:	
Invest in Capital Assets	\$1,569,817
Restricted – Expendable	\$44,154
Unrestricted	\$510,921
Expenses - General Government	\$1,779,803
Program Revenues	\$809,946
Revenue from Hall County Support	\$908,091
Investment Income	\$17,601
Decrease in Net Assets	(\$44,165)

Note 9. 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 10. Related Party

For the year ended June 30, 2008 there were no county officials with outstanding real estate or personal property taxes due.

Note 11. Compensated Absences

The total amount of unpaid vacation pay at June 30, 2008, was \$421,417.

Note 12. Legal Action

- Hall County has filed a claim against Abacus Business Systems, Inc., William P. Bennett and Joanne Bennett, for wrongfully billing for labor, materials, or otherwise in the amount of \$1,763,034.81, plus prejudgment interest, attorneys' fees and costs. As of August 19, 2008 the claim has been dismissed.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

Note 12. (Continued)

2. Abacus Business Systems, Inc., William P. Bennett and Joanne Bennett, filed claim against Hall County claiming damages in the amount of \$1,000,000 caused by and related to responding to the lawsuit filed by Hall County, as noted above. The claim was placed on file October 31, 2006. As of August 19, 2008 the claim has been dismissed.

Note 13. 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 scheduled completion date of the jail is February 2008. The bonds will be payable over a period not longer than 30 years and callable at the County's option after 5 years. The bonds will bear interest at a rate of 4.00% until 2021 at that time the interest rate fluctuates between 4.25% and 4.50%. For the year ending June 30, 2008, \$944,056 interest and \$370,000 principal was paid for these bonds.

The voters approved in the same ballot 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 Section 23-120(2), Reissue Revised Statutes of Nebraska, 1997, as amended, 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 Section 23-125, Reissue Revised Statutes of Nebraska, 2000.

The Jail Bond Fund makes the payments on the bonds payable.  
The maturity schedule of the term note is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
06/30/09	\$ 425,000	\$ 928,156	\$ 1,353,156
06/30/10	440,000	910,856	1,350,856
06/30/11	460,000	892,856	1,352,856
06/30/12	475,000	874,156	1,349,156
06/30/13	495,000	854,756	1,349,756
06/30/14 to 18	2,795,000	3,953,781	6,748,781
06/30/19 to 23	3,425,000	3,327,469	6,752,469
06/30/24 to 28	4,255,000	2,499,253	6,754,253
06/30/29 to 33	5,295,000	1,458,731	6,753,731
06/30/34 to 36	3,790,000	261,000	4,051,000
Totals	\$ 21,855,000	\$ 15,961,014	\$ 37,816,014

**SUPPLEMENTARY INFORMATION**

HALL COUNTY

SCHEDULE 1

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 BUDGET AND ACTUAL - GOVERNMENT FUND TYPES  
 ALL GOVERNMENT FUND TYPES  
 For the Year Ended June 30, 2008

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes and motor vehicle taxes/fees	\$12,449,624	\$12,637,912	\$ 188,288	\$ 1,328,425	\$ 1,345,378	\$ 16,953
Intergovernmental receipts:						
Federal	1,707,177	1,102,953	(604,224)	1,000	70,873	69,873
State	702,050	1,561,403	859,353	2,571,650	2,555,188	(16,462)
Lodging tax	--	--	--	820,946	684,913	(136,033)
Local fees, licenses, commissions and miscellaneous	2,910,806	3,197,296	286,490	4,580,547	5,809,107	1,228,560
Total revenues	<u>\$17,769,657</u>	<u>\$18,499,564</u>	<u>\$ 729,907</u>	<u>\$ 9,302,568</u>	<u>\$10,465,459</u>	<u>\$ 1,162,891</u>
Expenditures:						
General government	\$ 7,705,210	\$ 7,544,388	\$ 160,822	\$ 7,717,532	\$ 3,723,054	\$ 3,994,478
Public safety	10,660,632	8,962,503	1,698,129	16,218,048	11,088,846	5,129,202
Public works	264,298	204,085	60,213	4,036,679	3,768,779	267,900
Public health	486,137	486,137	--	--	--	--
Public welfare and social services	425,746	423,767	1,979	444,815	260,969	183,846
Culture and recreation	546,868	537,652	9,216	1,042,303	603,168	439,135
Total expenditures	<u>\$20,088,891</u>	<u>\$18,158,532</u>	<u>\$ 1,930,359</u>	<u>\$ 29,459,377</u>	<u>\$19,444,816</u>	<u>\$ 10,014,561</u>
Revenues over (under) expenditures	<u>\$(2,319,234)</u>	<u>\$ 341,032</u>	<u>\$ 2,660,266</u>	<u>\$(20,156,809)</u>	<u>\$(8,979,357)</u>	<u>\$ 11,177,452</u>
Transfers in (out), Net	826,221	(430,185)	1,256,406	(826,221)	430,185	(1,256,406)
Fund balances, beginning of year		4,111,176			21,290,338	
Fund balances, end of year		<u>\$ 4,022,023</u>			<u>\$12,741,166</u>	

HALL COUNTY

SCHEDULE 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
COUNTY CLERK

For the Year Ended June 30, 2008  
With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Imprest - Vendor	\$ 30,939,364	\$ 26,713,202
Imprest - Payroll	10,503,671	9,648,785
Title fees	285,579	271,317
Recording fees	167	460
Photo copy	528	1,946
Marriage licenses	8,400	5,835
Plat books	699	860
Games and parks	3,851	3,712
Miscellaneous	<u>          --</u>	<u>          300</u>
 Total revenues	 \$ 41,742,259	 \$ 36,646,417
Expenditures:		
Imprest - Vendor	\$ 30,939,364	\$ 26,713,202
Imprest - Payroll	10,503,671	9,648,785
Title fees	234,739	271,317
Recording fees	75	460
Photo copy	281	1,948
Marriage licenses	5,075	5,835
Plat books	474	860
Game and parks	<u>4,046</u>	<u>3,352</u>
 Total expenditures	 <u>\$ 41,687,725</u>	 <u>\$ 36,645,759</u>
 Revenues over (under) expenditures	 \$ 54,534	 \$ 658
 Cash balance, beginning of year	 <u>12,396</u>	 <u>11,738</u>
 Cash balance, end of year	 <u>\$ 66,930</u>	 <u>\$ 12,396</u>
Cash balance consists of:		
Cash on hand	\$ 527	\$ 2,196
Cash in bank	<u>66,403</u>	<u>10,200</u>
 Total cash balance	 <u>\$ 66,930</u>	 <u>\$ 12,396</u>

HALL COUNTY

SCHEDULE 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS

CLERK OF THE DISTRICT COURT

For the Year Ended June 30, 2008

With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Fees	\$ 250,197	\$ 533,290
Interest	8,302	15,781
Trust receipts	504,224	500,806
Alimony/Child Support		
Work Release/Judgements	<u>1,511,453</u>	<u>1,509,974</u>
 Total revenues	 \$ 2,274,176	 \$ 2,559,851
Expenditures:		
Fees	\$ 248,196	\$ 196,464
Interest	10,918	17,430
Trust disbursements	777,158	1,282,089
Alimony/Child Support		
Work Release/Judgements	<u>1,474,345</u>	<u>1,496,724</u>
 Total expenditures	 <u>\$ 2,510,617</u>	 <u>\$ 2,992,707</u>
 Revenues over (under) expenditures	 \$ (236,441)	 \$ (432,856)
 Cash balance, beginning of year	 <u>718,852</u>	 <u>1,151,708</u>
 Cash balance, end of year	 <u>\$ 482,411</u>	 <u>\$ 718,852</u>
Cash balance consists of:		
Cash on hand	\$ 100	\$ 100
Cash in bank	393,411	310,957
Investments	<u>88,900</u>	<u>407,795</u>
 Total cash and investments balance	 <u>\$ 482,411</u>	 <u>\$ 718,852</u>

HALL COUNTY

SCHEDULE 4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 COUNTY SHERIFF

For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Writ fees, commissions, mileage, etc.	\$ 399,997	\$ 343,006
Vehicle inspection	40,720	35,910
Distress warrant collections	63,646	107,716
Hand gun permits	805	735
Law enforcement	<u>4,022</u>	<u>3,991</u>
 Total revenues	 \$ 509,190	 \$ 491,358
Expenditures:		
Writ fees, commissions, mileage, etc.	\$ 401,296	\$ 356,961
Vehicle inspection	40,620	35,880
Distress warrant collection	63,646	107,716
Hand gun permits	800	730
Law enforcement	<u>4,022</u>	<u>3,991</u>
 Total expenditures	 <u>\$ 510,384</u>	 <u>\$ 505,278</u>
 Revenues over (under) expenditures	 \$ (1,194)	 \$ (13,920)
 Cash balance, beginning of year	 <u>38,020</u>	 <u>51,940</u>
 Cash balance, end of year	 <u>\$ 36,826</u>	 <u>\$ 38,020</u>
Cash balance consists of:		
Cash on hand	\$ 1,515	\$ 1,192
Cash in bank	<u>35,311</u>	<u>36,828</u>
 Total cash balance	 <u>\$ 36,826</u>	 <u>\$ 38,020</u>

HALL COUNTY

SCHEDULE 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS

DEPARTMENT OF CORRECTIONS

For the Year Ended June 30, 2008

With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Petty cash account	\$ --	\$ 201,061
Miscellaneous Receipts	1,754	--
State prisoner reimbursement	263,446	--
Inmate welfare	5,535	6,609
Inmate trust	<u>799,810</u>	<u>844,444</u>
 Total revenues	 \$ 1,070,545	 \$ 1,052,114
Expenditures:		
Petty cash account	\$ --	\$ 200,815
Miscellaneous Receipts	2,262	--
State prisoner reimbursement	260,575	--
Inmate welfare	4,848	6,136
Inmate trust	<u>756,252</u>	<u>837,613</u>
 Total expenditures	 <u>\$ 1,023,937</u>	 <u>\$ 1,044,564</u>
 Revenue over (under) expenditures	 \$ 46,608	 \$ 7,550
 Cash balance, beginning of year	 <u>12,690</u>	 <u>5,140</u>
 Cash balance, end of year	 <u>\$ 59,298</u>	 <u>\$ 12,690</u>
Cash balance consists of:		
Cash on hand	\$ 1,525	\$ 4,957
Cash in bank	<u>57,773</u>	<u>7,733</u>
 Total cash balance	 <u>\$ 59,298</u>	 <u>\$ 12,690</u>

HALL COUNTY

SCHEDULE 6

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS

NOXIOUS WEED DISTRICT

For the Year Ended June 30, 2008

With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Service fees	\$ 162,299	\$ 150,091
Interest	<u>3</u>	<u>5</u>
Total revenues	\$ 162,302	\$ 150,096
Expenditures:		
County Treasurer	\$ 161,000	\$ 150,437
Fees	<u>622</u>	<u>--</u>
Total expenditures	<u>\$ 161,622</u>	<u>\$ 150,437</u>
Revenues over (under) expenditures	\$ 680	\$ (341)
Cash balance, beginning of year	<u>163</u>	<u>504</u>
Cash balance, end of year	<u>\$ 843</u>	<u>\$ 163</u>
Cash balance consists of:		
Cash on hand	\$ 63	\$ 75
Cash in bank	<u>780</u>	<u>88</u>
Total cash balance	<u>\$ 843</u>	<u>\$ 163</u>

HALL COUNTY

SCHEDULE 7

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 COUNTY ATTORNEY

For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Check restitution fees	\$ 108,028	\$ 101,738
Criminal restitution fees	15,848	7,234
Law enforcement	<u>8,072</u>	<u>8,730</u>
 Total revenues	 \$ 131,948	 \$ 117,702
Expenditures:		
Check restitution fees	\$ 108,035	\$ 101,867
Criminal restitution fees	14,084	7,500
Law enforcement	<u>8,800</u>	<u>8,596</u>
 Total expenditures	 <u>\$ 130,919</u>	 <u>\$ 117,963</u>
 Revenues over (under) expenditures	 \$ 1,029	 \$ (261)
 Cash balance, beginning of year	 <u>6,717</u>	 <u>6,978</u>
 Cash balance, end of year	 <u>\$ 7,746</u>	 <u>\$ 6,717</u>
Cash balance consists of:		
Cash on hand	\$ 272	\$ 240
Cash in bank	<u>7,474</u>	<u>6,477</u>
 Total cash balance	 <u>\$ 7,746</u>	 <u>\$ 6,717</u>

HALL COUNTY

SCHEDULE 8

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 HIGHWAY DEPARTMENT SHOP SALES

For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Service fees	<u>\$ 182,348</u>	<u>\$ 139,493</u>
Total revenues	\$ 182,348	\$ 139,493
Expenditures:		
County Treasurer	<u>\$ 182,348</u>	<u>\$ 139,493</u>
Total expenditures	<u>\$ 182,348</u>	<u>\$ 139,493</u>
Revenues over (under) expenditures	\$ --	\$ --
Cash balance, beginning of year	<u>          --</u>	<u>          --</u>
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>

HALL COUNTY

SCHEDULE 9

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 BUILDING INSPECTOR

For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Service fees	<u>\$ 31,164</u>	<u>\$ 149,144</u>
Total revenues	\$ 31,164	\$ 149,144
Expenditures:		
County Treasurer	<u>\$ 25,695</u>	<u>\$ 153,314</u>
Total expenditures	<u>\$ 25,695</u>	<u>\$ 153,314</u>
Revenues over expenditures	\$ 5,469	\$ (4,170)
Cash balance, beginning of year	<u>1,289</u>	<u>5,459</u>
Cash balance, end of year	<u>\$ 6,758</u>	<u>\$ 1,289</u>
Cash balance consists of:		
Cash on hand	<u>\$ 6,758</u>	<u>\$ 1,289</u>

HALL COUNTY

SCHEDULE 10

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
REGISTER OF DEEDS

For the Year Ended June 30, 2008  
With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Recording fees	\$ 201,187	\$ 201,038
Document stamp tax	391,415	402,509
Copies	<u>4,939</u>	<u>5,573</u>
Total revenues	\$ 597,541	\$ 609,120
Expenditures:		
County Treasurer:		
Recording fees	\$ 199,225	\$ 391,352
Document stamp tax	88,122	204,792
Copies	4,910	5,765
State:		
Document stamp tax	<u>308,468</u>	<u>--</u>
Total expenditures	<u>\$ 600,725</u>	<u>\$ 601,909</u>
Revenues over (under) expenditures	\$ (3,184)	\$ 7,211
Cash balance, beginning of year	<u>52,749</u>	<u>45,538</u>
Cash balance, end of year	<u>\$ 49,565</u>	<u>\$ 52,749</u>
Cash balance consists of:		
Cash on hand	\$ 61	\$ 54
Cash in bank	<u>49,504</u>	<u>52,695</u>
Total cash balance	<u>\$ 49,565</u>	<u>\$ 52,749</u>

HALL COUNTY

SCHEDULE 11

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
 VETERANS' SERVICE

For the Year Ended June 30, 2008

With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
County Treasurer	<u>\$ 13,337</u>	<u>\$ 7,746</u>
Total revenues	\$ 13,337	\$ 7,746
Expenditures:		
Medical/Funeral expenses	\$ 3,540	\$ 9,569
Rent, utilities and food supplies	<u>9,612</u>	<u>3,730</u>
Total expenditures	<u>\$ 13,152</u>	<u>\$ 13,299</u>
Revenues over (under) expenditures	\$ 185	\$ (5,553)
Cash balance, beginning of year	<u>17,478</u>	<u>23,031</u>
Cash balance, end of year	<u>\$ 17,663</u>	<u>\$ 17,478</u>
Cash balance consists of:		
Cash in bank	<u>\$ 17,663</u>	<u>\$ 17,478</u>

HALL COUNTY

SCHEDULE 12

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS

COUNTY ASSESSOR

For the Year Ended June 30, 2008

With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
<b>Revenues:</b>		
Copies and postage	<u>\$        493</u>	<u>\$        884</u>
Total revenues	\$        493	\$        884
<b>Expenditures:</b>		
County Treasurer:		
Copies and postage	<u>\$        564</u>	<u>\$        808</u>
Total expenditures	<u>\$        564</u>	<u>\$        808</u>
Revenues over (under) expenditures	\$        (71)	\$          76
Cash balance, beginning of year	<u>          106</u>	<u>          30</u>
Cash balance, end of year	<u><u>          35</u></u>	<u><u>          106</u></u>
Cash balance consists of:		
Cash on hand	<u><u>          35</u></u>	<u><u>          106</u></u>

HALL COUNTY

SCHEDULE 13

STATEMENT OF REVENUES - CASH BASIS  
GENERAL FUND

For the Year Ended June 30, 2008  
With Comparative Totals For the Year Ended June 30, 2007

	2008	2007
Revenues:		
Taxes:		
Property and motor vehicle taxes/fees	\$ 12,637,912	\$ 12,265,367
Intergovernmental receipts:		
Federal:		
Inmate housing	3,301	4,139
Child support-Title IV-B	610,487	524,737
Other	489,165	368,557
State:		
State aid	196,550	181,409
Airline and carline tax allocation	94,226	87,418
Insurance tax allocation	74,734	78,513
Pro-rate motor vehicle	48,928	47,997
Homestead exemption	354,996	347,034
Property tax credit	440,923	--
Other	351,046	344,449
Local fees, licenses, commissions and miscellaneous:		
Licenses and permits	32,699	149,663
In lieu of taxes	24,763	17,076
Inter local agreements	271,287	99,237
Treasurer fees	201,270	193,049
Clerk fees	115,447	100,302
Register of Deed fees	288,188	290,278
Clerk of the District Court fees	114,705	119,997
Election Commissioner	2,264	29,317
Sheriff fees	409,279	376,034
Attorney fees	14,389	16,289
Jail fees	92,471	65,918
Interest on investments	478,747	463,187
Sale of surplus property	542	--
Fines	6,762	6,664
Commissions	640,605	580,230
Miscellaneous	420,435	545,247
Parks and recreation fees	24,690	26,234
Insurance settlements	58,753	66,579
Interfund transfers	1,075,801	1,197,414
	<u>1,075,801</u>	<u>1,197,414</u>
Total revenues	<u>\$ 19,575,365</u>	<u>\$ 18,592,335</u>

STATEMENT OF REVENUES - CASH BASIS  
 SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2008  
 With Comparative Totals for the Year Ended June 30, 2007

	General Government							
	Equipment & Improvement Reserve	Building & Improvement Reserve	Insurance Reserve	Sick & Vac Liab	Special Revenue	Insurance	Reappraisal	Employment Security
Revenues:								
Taxes:								
Property/motor vehicle	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 782	\$ --
Intergovernmental receipts:								
Federal:								
Drug Court grant	--	--	--	--	--	--	--	--
Other grants	--	--	--	--	5,224	--	--	--
State:								
Lodging tax	--	--	--	--	--	--	--	--
Highway/street allocations	--	--	--	--	--	--	--	--
Motor Vehicle Fee	--	--	--	--	--	--	--	--
Incentive payments	--	--	--	--	--	--	--	--
Homestead exemption	--	--	--	--	--	--	--	--
Property tax credit	--	--	--	--	--	--	--	--
Pro-rate motor vehicles	--	--	--	--	--	--	--	--
Carline/airline tax	--	--	--	--	--	--	--	--
Grants	--	--	--	--	44,812	--	--	--
Other	--	--	--	12,795	--	--	--	--
Local fees, licenses, commissions and miscellaneous:								
In-lieu-of tax	--	--	--	--	--	--	--	--
911 Surcharges	--	--	--	--	--	--	--	--
Machine hire	--	--	--	--	--	--	--	--
Sale of supplies & materials	--	--	--	--	--	--	--	--
Sale of property	--	--	--	--	--	--	--	--
House Arrest	--	--	--	--	--	--	--	--
Weed spraying assessment	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	443
Inheritance tax	--	--	--	--	--	--	--	--
Lottery	--	--	--	--	--	--	--	--
Other	107,706	26,001	--	--	661	2,306,037	748	--
Interfund transfers	--	--	--	10,000	--	340,240	1,275	30,000
Total revenues	\$ 107,706	\$ 26,001	\$ --	\$ 22,795	\$ 50,697	\$ 2,646,277	\$ 2,805	\$ 30,443

	Safety						Cultural and Recreation	
	Emerg Mngt	Jail Bond	Canine	Drug Court	Drug Seizure	Drug Enforce	Visitors Promotion	Visitor Promo Improvement
Revenues:								
Taxes:								
Property/motor vehicle	\$ --	\$ 1,231,635	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental receipts:								
Federal:								
Drug Court grant	--	--	--	25,196	--	--	--	--
Other grants	--	--	--	--	--	--	--	--
State:								
Lodging tax	--	--	--	--	--	--	342,457	342,456
Highway/street allocations	--	--	--	--	--	--	--	--
Motor Vehicle Fee	--	--	--	--	--	--	--	--
Incentive payments	--	--	--	--	--	--	--	--
Homestead exemption	--	38,676	--	--	--	--	--	--
Property tax credit	--	48,578	--	--	--	--	--	--
Pro-rate motor vehicles	--	5,414	--	--	--	--	--	--
Carline/airline tax	--	2,998	--	--	--	--	--	--
Grants	--	--	--	167,601	--	--	--	--
Other	119,325	2,659	--	--	--	--	--	--
Local fees, licenses, commissions and miscellaneous:								
In-lieu-of tax	--	--	--	--	--	--	--	--
911 Surcharges	293,115	--	--	--	--	--	--	--
Machine hire	--	--	--	--	--	--	--	--
Sale of supplies & materials	--	--	--	--	--	--	--	--
Sale of property	--	--	--	--	--	--	--	--
House Arrest	--	--	--	--	--	--	--	--
Weed spraying assessment	--	--	--	--	--	--	--	--
Interest	--	439,018	--	--	--	--	--	--
Inheritance tax	--	--	--	--	--	--	--	--
Lottery	--	--	--	--	--	--	--	--
Other	--	2,968	--	98,869	--	--	--	--
Interfund transfers	--	--	--	1,465	--	--	--	--
Total revenues	\$ 412,440	\$ 1,771,946	\$ --	\$ 293,131	\$ --	\$ --	\$ 342,457	\$ 342,456

HALL COUNTY

SCHEDULE 14

STATEMENT OF REVENUES - CASH BASIS  
 SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2008  
 With Comparative Totals for the Year Ended June 30, 2007

General Government			Public Works		
Inheritance Tax	Keno Lottery	Keno Reserve	Road	Street Improvements	Noxious Weed
\$ --	\$ --	\$ --	\$ 3,317	\$ --	\$ 363
--	--	--	--	--	--
--	--	--	32,006	--	--
--	--	--	--	--	--
--	--	--	1,884,189	--	--
--	--	--	175,163	--	--
--	--	--	5,250	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	39,492	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	900	--	--
--	--	--	25,492	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	161,680
177,482	13,708	2,664	--	--	--
1,057,803	--	--	--	--	--
--	809,975	--	--	--	--
--	--	--	84,561	4,633	250
--	--	--	1,339,431	--	123,815
<u>\$ 1,235,285</u>	<u>\$ 823,683</u>	<u>\$ 2,664</u>	<u>\$ 3,589,801</u>	<u>\$ 4,633</u>	<u>\$ 286,108</u>

Public Welfare and Social Services						Totals (Memorandum only) 2008	Totals (Memorandum only) 2007
ADA Fund	Institutions	Dependent	Veterans Services	Diversion	Inmate Welfare		
\$ --	\$ 13,268	\$ 83,454	\$ 12,559	\$ --	\$ --	\$ 1,345,378	\$ 803,169
--	--	--	--	--	--	25,196	--
--	--	8,447	--	--	--	45,677	11,081
--	--	--	--	--	--	684,913	556,684
--	--	--	--	--	--	1,884,189	1,693,942
--	--	--	--	--	--	175,163	170,457
--	--	--	--	--	--	5,250	3,062
--	351	2,574	419	--	--	42,020	35,370
--	402	3,203	546	--	--	52,729	--
--	60	369	53	--	--	5,896	2,668
--	27	199	33	--	--	3,257	1,879
--	--	--	--	--	--	251,905	--
--	--	--	--	--	--	134,779	192,899
--	29	201	33	--	--	263	2,004
--	--	--	--	--	--	293,115	284,441
--	--	--	--	--	--	900	1,747
--	--	--	--	--	--	25,492	24,122
--	--	--	--	--	--	--	2,289
--	--	--	--	--	45,241	45,241	--
--	--	--	--	--	--	161,680	149,459
--	--	--	--	--	--	633,315	1,114,274
--	--	--	--	--	--	1,057,803	834,432
--	--	--	--	--	--	809,975	841,887
--	--	435	17,663	9,431	121,360	2,781,323	2,573,359
--	--	--	--	--	--	1,846,226	1,982,477
<u>\$ --</u>	<u>\$ 14,137</u>	<u>\$ 98,882</u>	<u>\$ 31,306</u>	<u>\$ 9,431</u>	<u>\$ 166,601</u>	<u>\$ 12,311,685</u>	<u>\$ 11,281,702</u>

HALL COUNTY

SCHEDULE 15

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND  
 For the Year Ended June 30, 2008  
 With Comparative Totals For The Year Ended June 30, 2007

	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	\$ 296,943	\$ 348,512	\$ 594,546	\$ 366,486	\$ --	\$ 142,499	\$ 221,483	\$ 107,199	\$ 382,946
Operating expenses	4,090	64,676	2,930	43,399	4,000	8,985	345,174	7,899	5,106
Supplies/material	1,035	6,318	8,441	11,805	--	2,635	2,192	26,991	6,717
Equipment rental	--	--	--	--	--	--	--	--	--
Capital outlay	429	3,311	10,895	3,368	--	6,178	127,761	6,000	2,622
Interfund transfers	--	--	--	--	--	--	--	--	--
Total Disbursements	\$ 302,497	\$ 422,817	\$ 616,812	\$ 425,058	\$ 4,000	\$ 160,297	\$ 696,610	\$ 148,089	\$ 397,391
Budget	306,478	440,671	633,641	445,392	4,000	169,987	722,542	150,914	409,100
Favorable	\$ 3,981	\$ 17,854	\$ 16,829	\$ 20,334	\$ --	\$ 9,690	\$ 25,932	\$ 2,825	\$ 11,709

	Public Safety								
	Sheriff	Attorney	Jail	Building Inspector	Misc	Probation Officer	Grants	Juvenile Diversion/Attention	Safety
Disbursements:									
Personal service	\$ 2,271,582	\$ 1,400,967	\$ 3,343,371	\$ 63,622	\$ --	\$ --	\$ --	\$ 91,818	\$ --
Operating expenses	155,045	60,603	605,793	2,088	414,720	7,872	--	1,922	4,768
Supplies/material	124,492	13,295	27,211	4,614	--	8,527	--	820	--
Equipment rental	--	--	--	--	--	--	--	--	--
Capital outlay	31,898	12,582	19,377	--	--	3,543	282,773	9,200	--
Interfund transfers	--	--	--	--	--	--	--	--	--
Total Disbursements	\$ 2,583,017	\$ 1,487,447	\$ 3,995,752	\$ 70,324	\$ 414,720	\$ 19,942	\$ 282,773	\$ 103,760	\$ 4,768
Budget	2,743,757	1,520,253	4,503,740	71,672	460,859	20,773	1,203,852	127,826	7,900
Favorable	\$ 160,740	\$ 32,806	\$ 507,988	\$ 1,348	\$ 46,139	\$ 831	\$ 921,079	\$ 24,066	\$ 3,132

HALL COUNTY

SCHEDULE 15

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND  
 For the Year Ended June 30, 2008  
 With Comparative Totals For The Year Ended June 30, 2007

General Government									
Special Election	Justice System	County Court System	Building and Grounds	Agriculture Ext. Agent	Misc.	District Judge	Public Defender	Equipment Acquisition	Cadastral Maps
\$ --	\$ 12,837	\$ --	\$ 317,138	\$ 119,064	\$ 684	\$ 112,491	\$ 458,229	\$ --	\$ 85,811
--	1,149,159	410	198,437	52,551	1,526,506	971	31,981	--	9,147
--	--	21,984	21,432	1,975	--	5,406	1,607	--	4,705
--	--	--	--	919	--	--	--	--	--
--	--	3,497	13,975	3,867	26,000	31,792	2,250	139,248	16,744
--	--	--	--	--	--	--	--	--	--
\$ --	\$ 1,161,996	\$ 25,891	\$ 550,982	\$ 178,376	\$ 1,553,190	\$ 150,660	\$ 494,067	\$ 139,248	\$ 116,407
24,288	1,200,000	26,028	578,947	180,915	1,486,424	168,437	494,841	142,248	120,357
<u>\$ 24,288</u>	<u>\$ 38,004</u>	<u>\$ 137</u>	<u>\$ 27,965</u>	<u>\$ 2,539</u>	<u>\$ (66,766)</u>	<u>\$ 17,777</u>	<u>\$ 774</u>	<u>\$ 3,000</u>	<u>\$ 3,950</u>

Public Works		Public Welfare and Social Services		Culture and Recreation		Public Health	Other	Totals	Totals
Surveyor	Misc.	Veteran's Service Officer	Misc.	Parks	Misc.	Misc.	Transfers	(Memorandum only) 2008	(Memorandum only) 2007
\$ 81,096	\$ --	\$ 216,383	\$ --	\$ 165,893	\$ --	\$ --	\$ --	\$ 11,201,600	\$ 10,124,152
487	121,052	30,821	172,918	29,265	168,141	486,137	--	5,717,053	4,995,642
336	--	2,245	--	13,268	--	--	--	318,051	283,856
--	--	--	--	--	--	--	--	919	2,500
1,114	--	1,400	--	1,085	160,000	--	--	920,909	1,102,344
--	--	--	--	--	--	--	1,505,986	1,505,986	1,431,473
\$ 83,033	\$ 121,052	\$ 250,849	\$ 172,918	\$ 209,511	\$ 328,141	\$ 486,137	\$ 1,505,986	\$ 19,664,518	\$ 17,939,967
84,293	180,005	258,437	167,309	218,727	328,141	486,137	1,507,211	21,596,102	20,124,761
<u>\$ 1,260</u>	<u>\$ 58,953</u>	<u>\$ 7,588</u>	<u>\$ (5,609)</u>	<u>\$ 9,216</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,225</u>	<u>\$ 1,931,584</u>	<u>\$ 2,184,794</u>

HALL COUNTY

SCHEDULE 16

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS  
 SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

General Government							
	Insurance Reserve	Insurance	Reappraisal	Employment Security	Inheritance Tax	Keno Lottery	Equip & Improv Res
Disbursements:							
Personal service	\$ --	\$ 423,961	\$ 2,091	\$ --	\$ --	\$ 11,386	\$ --
Operating expense	--	2,207,037	748	31,500	1,922	657,948	--
Supplies/material	--	--	--	--	--	--	--
Equipment rental	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	90,748	100,000	133,655
Debt servicing	--	--	--	--	--	--	--
Interfund transfers	25,000	--	--	--	870,108	175,000	--
<b>Total disbursements</b>	<b>\$ 25,000</b>	<b>\$ 2,630,998</b>	<b>\$ 2,839</b>	<b>\$ 31,500</b>	<b>\$ 962,778</b>	<b>\$ 944,334</b>	<b>\$ 133,655</b>
<b>Budget</b>	<b>583,084</b>	<b>3,114,074</b>	<b>3,318</b>	<b>31,500</b>	<b>3,685,308</b>	<b>1,281,915</b>	<b>259,348</b>
<b>Favorable</b>	<b>\$ 558,084</b>	<b>\$ 483,076</b>	<b>\$ 479</b>	<b>\$ --</b>	<b>\$ 2,722,530</b>	<b>\$ 337,581</b>	<b>\$ 125,693</b>

Safety						
	Emerg Mngt	Jail Bond	Canine	Drug Court	Drug Law Enforcement	Drug Seizure
Disbursements:						
Personal service	\$ --	\$ --	\$ --	\$ 137,302	\$ --	\$ --
Operating expense	367,000	--	780	46,663	12,553	--
Supplies/material	--	--	--	10,327	--	--
Equipment rental	--	--	--	--	--	--
Capital outlay	--	9,194,739	--	5,426	--	--
Debt servicing	--	1,314,056	--	--	--	--
Interfund transfers	--	--	--	36,412	--	--
<b>Total disbursements</b>	<b>\$ 367,000</b>	<b>\$ 10,508,795</b>	<b>\$ 780</b>	<b>\$ 236,130</b>	<b>\$ 12,553</b>	<b>\$ --</b>
<b>Budget</b>	<b>500,000</b>	<b>15,296,874</b>	<b>1,596</b>	<b>308,778</b>	<b>30,000</b>	<b>130,000</b>
<b>Favorable</b>	<b>\$ 133,000</b>	<b>\$ 4,788,079</b>	<b>\$ 816</b>	<b>\$ 72,648</b>	<b>\$ 17,447</b>	<b>\$ 130,000</b>

HALL COUNTY

SCHEDULE 16

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS  
 SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2008  
 With Comparative Totals For the Year Ended June 30, 2007

General Government			Public Works			Cultural and Recreation		
Building & Improv Res	Sick & Vac Liab	Keno Reserve	Road	Street Improv	Noxious Weed	Special Revenue	Visitor's Promotion	Visitor's Promo Improv
\$ --	\$ 21,510	\$ --	\$ 1,137,513	\$ --	\$ 116,617	\$ --	\$ --	\$ --
--	--	2,664	161,461	--	27,447	44,001	342,457	216,710
--	--	--	1,290,945	--	106,199	--	--	--
--	--	--	25,934	--	--	--	--	--
37,884	--	--	889,104	--	13,559	--	--	--
--	--	--	254,553	--	24,275	30,693	--	--
\$ 37,884	\$ 21,510	\$ 2,664	\$ 3,759,510	\$ --	\$ 288,097	\$ 74,694	\$ 342,457	\$ 216,710
927,470	80,754	53,500	4,042,282	55,000	288,097	142,303	450,000	450,000
\$ 889,586	\$ 59,244	\$ 50,836	\$ 282,772	\$ 55,000	\$ --	\$ 67,609	\$ 107,543	\$ 233,290

Public Welfare and Social Services						Totals	Totals
Diversion	ADA Fund	Institutions	Dependent	Veteran's Aid	Inmate Welfare	(Memorandum only) 2008	(Memorandum only) 2007
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,850,380	\$ 1,734,708
15,728	--	36,313	68,560	13,337	122,818	4,377,647	3,939,078
--	--	--	--	--	2,730	1,410,201	1,211,650
--	--	--	--	--	--	25,934	3,651
1,483	--	--	--	--	--	10,466,598	7,937,355
--	--	--	--	--	--	1,314,056	951,456
--	--	--	--	--	--	1,416,041	1,748,418
\$ 17,211	\$ --	\$ 36,313	\$ 68,560	\$ 13,337	\$ 125,548	\$ 20,860,857	\$ 17,526,316
35,000	--	50,000	140,000	30,815	189,000	32,160,016	37,904,346
\$ 17,789	\$ --	\$ 13,687	\$ 71,440	\$ 17,478	\$ 63,452	\$ 11,299,159	\$ 20,378,030

HALL COUNTY

SCHEDULE 17

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS  
ALL FUND TYPES  
For the Year Ended June 30, 2008

FUNDS	Fund Balances June 30, 2007	Revenues	Expenditures	Transfers/ Adjust- ments	Fund Balances June 30, 2008
General	\$ 4,111,176	\$ 18,499,564	\$ 18,158,532	\$ (430,185)	\$ 4,022,023
Special Revenue:					
Road	\$ 785,334	\$ 2,250,370	\$ 3,504,957	\$ 1,084,878	\$ 615,625
Reappraisal	818	1,530	2,839	1,275	784
Institutions	54,863	14,137	36,313	--	32,687
Inheritance Tax	3,797,808	1,235,285	92,670	(870,108)	4,070,315
Lottery Trust Fund	414,700	823,683	769,334	(175,000)	294,049
Lottery Reserve Fund	50,000	2,664	2,664	--	50,000
Special Revenue	79,973	50,697	44,001	(30,693)	55,976
Noxious Weed	54,845	162,293	263,822	99,540	52,856
Employment Security	11,489	443	31,500	30,000	10,432
Dependent	72,828	98,882	68,560	--	103,150
Veteran's Aid	19,601	31,306	13,337	--	37,570
Visitor's Promotion	--	342,457	342,457	--	--
Visitor's Promo Improvement Fund	179,055	342,456	216,710	--	304,801
Drug Enforcement	17,117	--	12,553	--	4,564
Drug Seizure	532	--	--	--	532
Drug Court	181,655	291,666	199,718	(34,947)	238,656
Emergency Management	4,544	412,440	367,000	--	49,984
Canine Fund	3,706	--	780	--	2,926
ADA Fund	--	--	--	--	--
Diversion Fund	30,542	9,431	17,211	--	22,762
Insurance Reserve	583,084	--	--	(25,000)	558,084
Insurance Fund	207,860	2,306,037	2,630,998	340,240	223,139
Sick and Vacation Liability	67,959	12,795	21,510	10,000	69,244
Street Improvement	55,973	4,633	--	--	60,606
Inmate Welfare	59,745	166,601	125,548	--	100,798
Jail Bond Fund	13,869,491	1,771,946	10,508,795	--	5,132,642
Building & Land Improvement Reserve	427,468	26,001	37,884	--	415,585
Equipment & Improvement Reserve	259,348	107,706	133,655	--	233,399
Total Special Revenue	\$ 21,290,338	\$ 10,465,459	\$ 19,444,816	\$ 430,185	\$ 12,741,166
Total County Funds	\$ 25,401,514	\$ 28,965,023	\$ 37,603,348	\$ --	\$ 16,763,189
Trust and Agency:					
State	\$ 757,471	\$ 11,719,079	\$ 11,689,059	\$ --	\$ 787,491
Schools	1,152,903	48,036,862	48,330,999	--	858,766
Natural Resource District	14,499	1,598,558	1,590,403	--	22,654
Fire Districts	70,898	544,988	604,086	--	11,800
Municipalities	293,092	8,085,344	8,149,969	--	228,467
Stuhr Museum	184,760	966,780	908,071	--	243,469
Agricultural Society	2,080	155,437	155,730	--	1,787
Partial Payment	369,377	2,805,466	2,886,649	--	288,194
Townships	5,314	76	--	--	5,390
Airport Authority	9,402	719,973	720,927	--	8,448
Social Security	170	--	--	--	170
Lodging Sales Tax	214	1,203	1,330	--	87
Unclaimed Property Trust Fund	--	104	104	--	--
SID	19,431	4,084	7,356	--	16,159
Total Trust and Agency Funds	\$ 2,879,611	\$ 74,637,954	\$ 75,044,683	\$ --	\$ 2,472,882
Total All Funds	\$ 28,281,125	\$ 103,602,977	\$ 112,648,031	\$ --	\$ 19,236,071

HALL COUNTY

SCHEDULE 18

COMPARATIVE ANALYSIS OF TAX CERTIFIED  
CORRECTIONS AND COLLECTIONS  
For the Five Years Ended June 30, 2008

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tax certified by Assessor:					
Real estate, Personal, specials & intangible	\$ 53,924,481	\$ 53,617,346	\$ 58,814,168	\$ 62,502,683	\$ 61,903,055
Total	\$ 53,924,481	\$ 53,617,346	\$ 58,814,168	\$ 62,502,683	\$ 61,903,055
Corrections:					
Additions	\$ 297,169	\$ 139,789	\$ 134,909	\$ 56,491	\$ 27,411
Deductions	(127,665)	(153,026)	(51,747)	(156,619)	(73,328)
Net additions/(deductions)	\$ 169,504	\$ (13,237)	\$ 83,162	\$ (100,128)	\$ (45,917)
Correct certified tax	\$ 54,093,985	\$ 53,604,109	\$ 58,897,330	\$ 62,402,555	\$ 61,857,138
Net tax collected by County Treasurer for year ended:					
June 30, 2004	29,772,175	--	--	--	--
June 30, 2005	24,311,825	29,914,568	--	--	--
June 30, 2006	15,932	23,641,391	32,553,309	--	--
June 30, 2007	3,314	27,989	26,278,632	33,966,996	--
June 30, 2008	(2,318)	798	32,164	28,390,003	34,680,678
Total net collections	\$ 54,100,928	\$ 53,584,746	\$ 58,864,105	\$ 62,356,999	\$ 34,680,678
Total uncollected tax	\$ (6,943)	\$ 19,363	\$ 33,225	\$ 45,556	\$ 27,176,460
Percentage of uncollected tax	0.0%	0.0%	0.1%	0.1%	43.9%

HALL COUNTY  
Grand Island, Nebraska

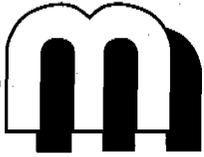
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2008

Federal Grantor Program Title	Federal CFDA Number	Revenues/ Receipts	Disbursements/ Expenditures
<u>Department of Health and Human Services</u>			
Passed through State of Nebraska			
Department of Welfare			
Child Support Enforcement*	93.563	\$ 539,865	\$ 539,865
Medical Assistance Program	93.778	70,621	70,621
Total-Department of Health and Human Services		<u>\$ 610,486</u>	<u>\$ 610,486</u>
<u>Federal Emergency Management Agency</u>			
Passed through State of Nebraska			
Civil Defense			
State Domestic Preparedness Equipment Support Program	97.004	\$ 2,590	\$ 2,590
Emergency Management Assistance Program	97.042	82,157	82,157
Homeland Security Grant Program*	97.067	382,323	382,323
Public Assistance Disaster Grant	97.036	31,902	31,902
Total-Department of Federal Emergency Management Agency		<u>\$ 498,972</u>	<u>\$ 498,972</u>
<u>Department of Justice</u>			
Direct Program:			
Inmate Housing	16.606	\$ 3,301	\$ 3,301
Bullet Proof Vests Partnership Program	16.607	3,163	3,163
Drug Court	16.585	18,104	18,104
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,006	12,006
Total-Department of Justice		<u>\$ 36,574</u>	<u>\$ 36,574</u>
<u>Department of Transportation</u>			
Passed through State of Nebraska			
Roads			
Formula Grants for other than Urbanized Areas	20.509	\$ 22,993	\$ 22,993
Total-Department of Transportation		<u>\$ 22,993</u>	<u>\$ 22,993</u>
<u>Executive Office of the President</u>			
Passed through State of Nebraska			
Office of National Drug Control Policy			
Drug Control Policy	07.Unk	\$ 103,988	\$ 103,988
Total-Department of Justice		<u>\$ 103,988</u>	<u>\$ 103,988</u>
Total Federal Financial Assistance		<u>\$ 1,273,013</u>	<u>\$ 1,273,013</u>

\*Major Program

Notes to the Schedule of Expenditures of Federal Awards

- (1) Receipts and expenditures are recorded on a cash basis. Federal expenditures are equal to expenditures less other income and matching contributions.
- (2) The reporting entity for the Schedule of Expenditures of Federal Awards is the same as that defined in Note 1 to the financial statements.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Hall County Supervisors  
Hall County  
Grand Island, Nebraska

We have audited the financial statements of the Hall County, Grand Island, Nebraska, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 18, 2008, which was qualified for Hall County preparing its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States and the financial statements do not include the general infrastructures account group which should be included to conform with the cash basis method of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hall County, Grand Island, Nebraska's internal control over financial reporting as basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hall County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Hall County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal courses of performing their assigned functions, to prevent or detect misstatements 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs: 08-1, 08-2, 08-3, and 08-4 to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a deficiency, or 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.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies above, we consider items 08-1, 08-3, and 08-4 to be material weaknesses.

### Compliance

As part of obtaining reasonable assurance about whether the Hall County, Grand Island, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provision 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*.

This report is intended for the information of the Hall County Supervisors, management and the State of Nebraska Auditor of Public Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McDermott & Miller, P.C.*

Grand Island, Nebraska  
December 18, 2008



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133

To the Hall County Supervisors  
Hall County  
Grand Island, Nebraska

Compliance

We have audited the compliance of the Hall County, Grand Island, Nebraska, with the types of compliance described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Hall County, Grand Island, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Hall County, Grand Island, Nebraska's management. Our responsibility is to express an opinion on the County of Hall County, Grand Island, Nebraska's compliance based on our audit.

We conducted our audit of compliance 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 the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Hall County, Grand Island, Nebraska'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. Our audit does not provide a legal determination on the Hall County, Grand Island, Nebraska's compliance with those requirements.

In our opinion, the Hall County, Grand Island, Nebraska, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

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### Internal Control Over Compliance

The management of the Hall County, Grand Island, Nebraska, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Hall County, Grand Island, Nebraska's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in that accompanying schedule of findings and questioned costs as items 08-1, 08-2, 08-3, and 08-4 to be significant.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider 08-1, 08-3, and 08-4 to be a material weakness.

This report is intended solely for the information and use of the Hall County Supervisors, management and the State of Nebraska Auditor of Public Accountants, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McDermott & Miller, P.C.*

Grand Island, Nebraska  
December 18, 2008

## I. SUMMARY OF AUDITOR'S RESULTS

- i.) Type of report issued on the financial statements – qualified
- ii.) A significant deficiency in internal control was disclosed by the audit and an item of material weakness was noted.
- iii.) No noncompliance was found which was considered material to the financial statements
- iv.) A significant deficiency in internal controls over the major programs was disclosed by the audit and a material weakness was identified. See II below
- v.) Type of report issued on compliance for major programs – unqualified
- vi.) Required audit findings disclosure – See II and III below
- vii.) Major programs – Child Support Enforcement and Homeland Security Grant Program.
- viii.) Dollar threshold to distinguish between Type A and Type B program - \$300,000
- ix.) Auditee does not qualify as a low risk auditee

## II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

### Current Year

- 08-1 In an ideal system of internal accounting control is that no one person should be allowed to control a transaction from its inception to its recording in the accounting records. During our audit of the Attorney's Department we found that one person controls 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, we feel you should be aware of the situation. It is recommended that additional personnel be assigned to different transactions.
- 08-2 During the testing of inventory controls we noted that some of the procedures were not being followed. The board members are not correctly documenting on the control sheet the procedures being followed. The procedures require that a sample of inventory items be reviewed from the inventory listing to the actual physical possession and then review a sample of actual physical possession to the inventory listing provided to the clerk from each department. The inventory listing should include the cost of such assets and recorded in only one department. It is recommended that the board members complete these procedures correctly.
- 08-3 During the audit it was discovered that the County Clerk failed to remit fees to the County Treasurer on four separate occasions during the fiscal year. Failure to remit these to the County Treasurer by the 15<sup>th</sup> day of the month following the month of collection violates State Statute 33-130. It is recommended that the fees are remitted on a timely basis and monthly bank reconciliations of these accounts be prepared monthly in order to prevent oversights.

08-4 During the audit it was discovered that the County Clerk did not prepare timely bank reconciliations for numerous months following the bank statement date. Reconciliations are a key part to internal control. We recommend timely bank reconciliations in order to mitigate possible errors.

Prior Year

07-1 In an ideal system of internal accounting control is that no one person should be allowed to control a transaction from its inception to its recording in the accounting records. During our audit of the Attorney's Department we found that one person controls 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, we feel you should be aware of the situation. It is recommended that additional personnel be assigned to different transactions.

07-2 During the testing of inventory controls we noted that some of the procedures were not being followed. The board members are not correctly documenting on the control sheet the procedures being followed. The procedures require that a sample of inventory items be reviewed from the inventory listing to the actual physical possession and then review a sample of actual physical possession to the inventory listing provided to the clerk from each department. The inventory listing should include the cost of such assets and recorded in only one department. It is recommended that the board members complete these procedures correctly.

### III. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

#### Current Year

- 08-1 In an ideal system of internal accounting control is that no one person should be allowed to control a transaction from its inception to its recording in the accounting records. During our audit of the Attorney's Department we found that one person controls 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, we feel you should be aware of the situation. It is recommended that additional personnel be assigned to different transactions.
- 08-2 During the testing of inventory controls we noted that some of the procedures were not being followed. The board members are not correctly documenting on the control sheet the procedures being followed. The procedures require that a sample of inventory items be reviewed from the inventory listing to the actual physical possession and then review a sample of actual physical possession to the inventory listing provided to the clerk from each department. The inventory listing should include the cost of such assets and recorded in only one department. It is recommended that the board members complete these procedures correctly.
- 08-3 During the audit it was discovered that the County Clerk failed to remit fees to the County Treasurer on four separate occasions during the fiscal year. Failure to remit these to the County Treasurer by the 15<sup>th</sup> day of the month following the month of collection violates State Statute 33-130. It is recommended that the fees are remitted on a timely basis and monthly bank reconciliations of these accounts be prepared monthly in order to prevent oversights.
- 08-4 During the audit it was discovered that the County Clerk did not prepare timely bank reconciliations for numerous months following the bank statement date. Reconciliations are a key part to internal control. We recommend timely bank reconciliations in order to mitigate possible errors.

Prior Year

- 07-1 In an ideal system of internal accounting control is that no one person should be allowed to control a transaction from its inception to its recording in the accounting records. During our audit of the Attorney's Department we found that one person controls 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, we feel you should be aware of the situation. It is recommended that additional personnel be assigned to different transactions.
- 07-2 During the testing of inventory controls we noted that some of the procedures were not being followed. The board members are not correctly documenting on the control sheet the procedures being followed. The procedures require that a sample of inventory items be reviewed from the inventory listing to the actual physical possession and then review a sample of actual physical possession to the inventory listing provided to the clerk from each department. The inventory listing should include the cost of such assets and recorded in only one department. It is recommended that the board members complete these procedures correctly.