

HALL COUNTY

FINANCIAL REPORT

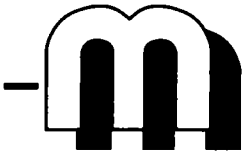
For the Year Ended June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

County Board of Supervisors
Hall County
Grand Island, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska, as of and for the year ended June 30, 2009, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining information of Hall County, Nebraska, as of June 30, 2009, 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.

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The management discussion and analysis and budgetary comparison information on page 3 through 6, page 23, and page 39 through 42 are 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 November 30, 2009, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of 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, 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, 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, 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
November 30, 2009

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, 2009. 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, 2009.

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, 2009 was \$14,114,269 compared with \$17,292,783 at June 30, 2008. This was an decrease of \$3,178,514 or 18%.
- General fund expenditures and transfers were \$21,219,692 for the current fiscal year, which is an increase of \$1,555,174 or 8% from the prior fiscal year.
- Federal program receipts were \$1,024,830 for the current fiscal year, which is a \$248,183 decrease from the previous fiscal year.
- Major capital projects of the County included the following:
 - Road \$870,890
 - Jail Building \$2,083,008

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 2007-2008 were \$12,637,912 and for 2008-2009, it decreased by \$47,238 to \$12,590,674.

In 2007-2008, the County's assessed valuation was \$3,295,049,182. In 2008-2009, it increased by \$105,720,530 to \$3,400,769,712.

The following table shows the property tax rates, by fund, for fiscal years 2007-2008 and 2008-2009 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 2008-2009 would be \$420.94.

Fund	2007-2008 Levy	2008-2009 Levy	Levy Change	Percentage Change
General Fund	0.352107	0.350836	(0.001271)	-0.36%
Dependent Fund	0.002571	0.001555	(0.001016)	-39.52%
Institutions	0.000323	0.000998	0.000675	208.98%
Jail Bond Fund	0.039000	0.039000	0.000000	0.00%
Veteran's Aid	0.000438	0.000409	(0.000029)	-6.62%
Museum	0.028447	0.028139	(0.000308)	-1.08%
County Totals	0.422886	0.420937	(0.001949)	161.40%

General Fund Budgetary Highlights

- Over the course of the 2008-2009 fiscal year, the County's General Fund Cash Position decreased by approximately \$745,225. The following table provides a detailed picture of the decrease in cash position.

	2008-2009 Budget	Year-End Actual	Difference
07/01/08 Actual Beginning Balance		<u>\$4,022,023</u>	
Receipts:			
Property Taxes	\$12,847,992	\$12,590,674	(\$257,318)
Federal	806,729	652,744	(153,985)
State	1,028,591	1,520,214	491,623
Other Local	<u>3,945,159</u>	<u>3,586,073</u>	<u>(359,086)</u>
Total Receipts	\$18,628,471	\$18,349,705	(\$278,766)
Expenditures	\$21,174,837	\$19,674,074	\$1,500,763
Net Transfers	<u>\$1,158,914</u>	<u>\$579,144</u>	<u>\$579,770</u>
Net (Decrease)/Increase	(\$1,387,452)	<u>(\$745,225)</u>	\$642,227
06/30/09 Ending Balance		<u>\$3,276,798</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, 2009 \$928,156 interest and \$425,000 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, 2009

	<u>Primary Government</u>
	Governmental Activities
ASSETS	
Cash and investments	\$ 11,025,021
Restricted assets:	
Investments	<u>3,089,248</u>
Total assets	<u>\$ 14,114,269</u>
LIABILITIES	
Due to other governments	\$ 33,521
Trusts	<u>1,010,792</u>
Total liabilities	<u>\$ 1,044,313</u>
NET ASSETS	
Restricted for:	
Capital Project-Jail	\$ 3,089,248
Unrestricted	<u>9,980,708</u>
Total net assets	<u>\$ 13,069,956</u>

See Notes to Financial Statements

HALL COUNTY

EXHIBIT B

STATEMENT OF ACTIVITIES - CASH BASIS
ALL FUND TYPES
For the Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 11,710,026	\$ 6,973,954	\$ 122,505	\$ 164,270	\$ (4,449,297)	\$ --	\$ (4,449,297)
Public safety	14,238,247	354,586	642,458	--	(13,241,203)	--	(13,241,203)
Public works	4,007,893	2,131,013	--	142,308	(1,734,572)	--	(1,734,572)
Public health	521,044	--	--	--	(521,044)	--	(521,044)
Public welfare and social services	1,028,253	15,009	392,963	--	(620,281)	--	(620,281)
Culture and recreation	1,049,229	--	--	15,524	(1,033,705)	--	(1,033,705)
Total governmental activities	\$ 32,554,692	\$ 9,474,562	\$ 1,157,926	\$ 322,102	\$ (21,600,102)	\$ --	\$ (21,600,102)
Business-type activities:							
Total business-type activities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total primary government	\$ 32,554,692	\$ 9,474,562	\$ 1,157,926	\$ 322,102	\$ (21,600,102)	\$ --	\$ (21,600,102)
General receipts							
Taxes:							
Property				\$ 12,417,626	\$ --	\$ 12,417,626	
Motor vehicle				1,496,750	--	1,496,750	
Property tax credit				532,890	--	532,890	
Airline and carline tax allocation				83,876	--	83,876	
Insurance tax allocation				79,497	--	79,497	
Pro-rate motor vehicle				231,506	--	231,506	
Homestead				397,496	--	397,496	
Lodging				652,794	--	652,794	
Inheritance				983,009	--	983,009	
911 Surcharges				289,133	--	289,133	
Fines and licenses				84,912	--	84,912	
State aid				186,591	--	186,591	
Interest income				410,789	--	410,789	
Transfers - internal activity				--	--	--	
Other				60,000	--	60,000	
Total general receipts				\$ 17,906,869	\$ --	\$ 17,906,869	
Change in net assets				\$ (3,693,233)	\$ --	\$ (3,693,233)	
Net assets - beginning				\$ 16,763,189	\$ --	\$ 16,763,189	
Net assets - ending				\$ 13,069,956	\$ --	\$ 13,069,956	

See Notes to Financial Statements

HALL COUNTY

EXHIBIT C

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	General	Jail Bond Fund	Road Fund	Inheritance Funds	Insurance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 4,321,111	\$ 3,089,248	\$ 379,384	\$ 3,156,416	\$ 789,520	\$ 2,378,590	\$ 14,114,269
Total assets	<u>\$ 4,321,111</u>	<u>\$ 3,089,248</u>	<u>\$ 379,384</u>	<u>\$ 3,156,416</u>	<u>\$ 789,520</u>	<u>\$ 2,378,590</u>	<u>\$ 14,114,269</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other governments	\$ 33,521	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 33,521
Trusts	1,010,792	--	--	--	--	--	1,010,792
Total liabilities	<u>\$ 1,044,313</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,044,313</u>
Fund balances:							
Reserved	\$ --	\$ 3,089,248	\$ --	\$ --	\$ --	\$ --	\$ 3,089,248
Unreserved	3,276,798	--	379,384	3,156,416	789,520	2,378,590	9,980,708
Total fund balances	<u>\$ 3,276,798</u>	<u>\$ 3,089,248</u>	<u>\$ 379,384</u>	<u>\$ 3,156,416</u>	<u>\$ 789,520</u>	<u>\$ 2,378,590</u>	<u>\$ 13,069,956</u>
Total liabilities and fund balances	<u>\$ 4,321,111</u>	<u>\$ 3,089,248</u>	<u>\$ 379,384</u>	<u>\$ 3,156,416</u>	<u>\$ 789,520</u>	<u>\$ 2,378,590</u>	<u>\$ 14,114,269</u>

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, 2009

	General	Jail Bond Fund	Road Fund	Inheritance Funds	Insurance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property/Motor Vehicle taxes	\$ 12,590,674	\$ 1,224,896	\$ 64	\$ --	\$ --	\$ 98,742	\$ 13,914,376
Fines and licenses	84,912	--	--	--	--	--	84,912
State	1,520,214	100,377	2,072,427	--	--	882,867	4,575,885
Federal	652,744	--	142,308	--	--	6,811	801,863
Interest income	168,024	59,578	--	170,863	--	12,324	410,789
Other	3,333,137	7,917	77,507	983,009	2,721,146	1,950,918	9,073,634
Total receipts	\$ 18,349,705	\$ 1,392,768	\$ 2,292,306	\$ 1,153,872	\$ 2,721,146	\$ 2,951,662	\$ 28,861,459
DISBURSEMENTS							
General government	\$ 7,463,410	\$ --	\$ --	\$ 120,433	\$ 3,149,212	\$ 976,971	\$ 11,710,026
Public safety	10,297,146	3,436,162	--	--	--	504,939	14,238,247
Public works	186,645	--	3,552,371	--	--	268,877	4,007,893
Public health	521,044	--	--	--	--	--	521,044
Public welfare and social services	733,659	--	--	--	--	294,594	1,028,253
Culture and recreation	472,170	--	--	--	--	577,059	1,049,229
Total disbursements	\$ 19,674,074	\$ 3,436,162	\$ 3,552,371	\$ 120,433	\$ 3,149,212	\$ 2,622,440	\$ 32,554,692
Excess (deficiency) of receipts over (under) disbursements	\$ (1,324,369)	\$ (2,043,394)	\$ (1,260,065)	\$ 1,033,439	\$ (428,066)	\$ 329,222	\$ (3,693,233)
Transfers in (out), Net	\$ 579,144	\$ --	\$ 1,023,824	\$ (1,947,338)	\$ 436,363	\$ (91,993)	\$ --
Fund balances - beginning	\$ 4,022,023	\$ 5,132,642	\$ 615,625	\$ 4,070,315	\$ 781,223	\$ 2,141,361	\$ 16,763,189
Fund balances - ending	\$ 3,276,798	\$ 3,089,248	\$ 379,384	\$ 3,156,416	\$ 789,520	\$ 2,378,590	\$ 13,069,956

See Notes to Financial Statements

HALL COUNTY

EXHIBIT E

STATEMENT OF NET ASSETS - CASH BASIS
 FIDUCIARY FUNDS
 June 30, 2009

	State	Employee Benefit Schools	Natural Resource District	Fire Districts	Municipalities	Stuhr Museum
ASSETS						
Cash and investments	\$ 791,020	\$ 1,517,596	\$ 49,434	\$ 9,866	\$ 297,146	\$ 225,763
Total assets	\$ 791,020	\$ 1,517,596	\$ 49,434	\$ 9,866	\$ 297,146	\$ 225,763
LIABILITIES						
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
NET ASSETS (Restricted)	\$ 791,020	\$ 1,517,596	\$ 49,434	\$ 9,866	\$ 297,146	\$ 225,763

See Notes to Financial Statement

HALL COUNTY

EXHIBIT E

STATEMENT OF NET ASSETS - CASH BASIS
FIDUCIARY FUNDS

June 30, 2009

Agricultural Society	Partial Payment	Townships	Airport Authority	Social Security	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 6,595	\$ 28,248	\$ 5,440	\$ 21,150	\$ 170	\$ 392	\$ --	\$ 7,330	\$ 2,960,150
\$ 6,595	\$ 28,248	\$ 5,440	\$ 21,150	\$ 170	\$ 392	\$ --	\$ 7,330	\$ 2,960,150
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 6,595	\$ 28,248	\$ 5,440	\$ 21,150	\$ 170	\$ 392	\$ --	\$ 7,330	\$ 2,960,150

See Notes to Financial Statement

HALL COUNTY

EXHIBIT F

STATEMENT OF CASH RECEIPTS/DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS
 FIDUCIARY FUNDS
 For the year ended June 30, 2009

	State	Employee Benefit Schools	Natural Resource District	Fire Districts	Municipalities	Stuhr Museum
ADDITIONS						
Receipts	\$ 13,961,730	\$ 48,013,635	\$ 1,925,588	\$ 540,006	\$ 8,279,612	\$ 968,526
Total additions	<u>13,961,730</u>	<u>48,013,635</u>	<u>1,925,588</u>	<u>540,006</u>	<u>8,279,612</u>	<u>968,526</u>
DEDUCTIONS						
Disbursements	\$ 13,958,201	\$ 47,354,805	\$ 1,898,808	\$ 541,940	\$ 8,210,933	\$ 986,232
Total deductions	<u>13,958,201</u>	<u>47,354,805</u>	<u>1,898,808</u>	<u>541,940</u>	<u>8,210,933</u>	<u>986,232</u>
Change in net assets	\$ 3,529	\$ 658,830	\$ 26,780	\$ (1,934)	\$ 68,679	\$ (17,706)
Net assets - beginning	<u>787,491</u>	<u>858,766</u>	<u>22,654</u>	<u>11,800</u>	<u>228,467</u>	<u>243,469</u>
NET ASSETS - ENDING	<u>\$ 791,020</u>	<u>\$ 1,517,596</u>	<u>\$ 49,434</u>	<u>\$ 9,866</u>	<u>\$ 297,146</u>	<u>\$ 225,763</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, 2009

Agricultural Society	Partial Payment	Townships	Airport Authority	Social Security	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 212,889	\$ 4,911,675	\$ 50	\$ 778,910	\$ --	\$ 1,301	\$ 502	\$ 3,099	\$ 79,597,523
<u>212,889</u>	<u>4,911,675</u>	<u>50</u>	<u>778,910</u>	<u>--</u>	<u>1,301</u>	<u>502</u>	<u>3,099</u>	<u>79,597,523</u>
\$ 208,081	\$ 5,171,621	\$ --	\$ 766,208	\$ --	\$ 996	\$ 502	\$ 11,928	\$ 79,110,255
<u>208,081</u>	<u>5,171,621</u>	<u>--</u>	<u>766,208</u>	<u>--</u>	<u>996</u>	<u>502</u>	<u>11,928</u>	<u>79,110,255</u>
\$ 4,808	\$ (259,946)	\$ 50	\$ 12,702	\$ --	\$ 305	\$ --	\$ (8,829)	\$ 487,268
<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>
\$ 6,595	\$ 28,248	\$ 5,440	\$ 21,150	\$ 170	\$ 392	\$ --	\$ 7,330	\$ 2,960,150

See Notes to Financial Statements

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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, 2009

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, 2009. 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. The component unit, Stuhr Museum of the Prairie Pioneer, is reported in Note 9.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009. 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, 2009, is as follows:

	Bank Balance
Demand deposits	\$4,475,560
Savings deposits (interest-bearing accounts)	8,917,058
Total Deposits	<u>\$13,392,618</u>
FDIC coverage (category 1)	\$4,004,619
Collateralized deposits (category 2)	9,387,999
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, 2009

Note 2. (Continued)

Investments at June 30, 2009 are shown below:

	Category of Risk	Carrying Amount	Market Value
Nebraska Public Agency Investment Trust	B	\$5,136,644	\$5,136,644

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 – 21.33%, Certificate of Deposits in various Nebraska Banks – 24.79%, Draw Down Accounts – 46.28%, and Repurchase agreements (collateralized by U.S. Government Securities) – 7.70% at June 30, 2009.

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, 2009 the County contributed \$689,288 to the employer's account. The County also paid \$446 directly to retired individuals for prior service benefits on a pay-as-you-go basis. No actuarial calculation has been made of the Plan.

Note 4. Contingencies

Werner Construction, Inc. has filed a consolidated appeal against the Hall County Board of Supervisors of two separate actions where the Board denied two separate applications for a conditional use permit which would allow Werner Construction, Inc. to operate a hot mix asphalt plant, a concrete mixing plant and associated equipment at one specific location in rural Hall County. A reversal of the Board's actions by the Court would permit Werner Construction, Inc. to operate the requested hot mix asphalt plant and concrete mixing plant, and may award Werner Construction, Inc. a judgment for attorney's fees and court costs. Counsel for Werner Construction, Inc. has made verbal representations that, If Werner prevails on these appeals, Werner intends to sue Hall County for profits lost due to denial of the permit. At this time the outcome is unknown and any estimate of possible loss is unknown.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 5. 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, 2009. These are fees due to the County Treasurer from the various offices who collect fees for the County.

General	\$ 108,613
Special Revenue:	
Inmate Welfare	4,726
Veteran's Service	16,388
Noxious Weed	1,133
Keno	67,731
Extension Agent	4,297
	<u>\$ 202,888</u>

Note 6. 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.
- Appropriations end at the end of the fiscal year.
- The property tax requirement resulting from the budget process is utilized by the County Assessor to establish the tax levy, which attaches as an enforceable lien on property within the County as of January 1.

Note 7. 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

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 7. (Continued)

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.

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 \$65,000 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 \$508,084 at June 30, 2009.

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

Health Insurance claims exceeded \$65,000 limit by \$1,758 for the July 01, 2008 – June 30, 2009 plan year and \$409,093 for the July 01, 2007 – June 30, 2008 plan year. Property, auto, liability, and workmen's compensation settled claims in the past three years have not exceeded the coverage's.

Note 8. Inter-fund Transfers

Inter-fund transfers for the year ended June 30, 2009 were as follows:

	Transfers <u>In</u>	Transfers <u>Out</u>
General fund	\$ 2,124,762	\$ 1,545,618
Road fund	1,340,000	316,176
Special Revenue fund	--	51,640
Sick/Vacation fund	10,000	--
Reappraisal fund	--	784
Employment Security fund	39,500	--
Insurance fund	486,363	--
Liability Claim Reserve fund	--	50,000
Drug Court fund	10,116	42,112
Inheritance fund	--	1,947,338
Keno/Lottery fund	--	175,000
Noxious Weed fund	146,002	28,075
Totals	<u>\$ 4,156,743</u>	<u>\$ 4,156,743</u>

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 9. 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, 2009, which received an unqualified opinion dated October 12, 2009. The following is a summary of the Stuhr Museum's June 30, 2009 financial statements (a complete copy of the audited financial statements of Stuhr Museum are on file with the Hall County Clerk):

Total Assets	\$2,094,680
Total Liabilities	\$66,859
Net Assets:	
Invest in Capital Assets	\$1,498,531
Restricted – Expendable	\$44,075
Unrestricted	\$485,215
Expenses - General Government	\$1,707,554
Program Revenues	\$677,397
Revenue from Hall County Support	\$926,233
Investment Income	\$6,853
Decrease in Net Assets	(\$97,071)

Note 10. 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 11. Related Party

For the year ended June 30, 2009 there were no county officials with outstanding real estate or personal property taxes due.

Note 12. Compensated Absences

The total amount of unpaid vacation pay at June 30, 2009, was \$433,152.

HALL COUNTY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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 are payable over a period not longer than 30 years and callable at the County's option after 5 years. The bonds 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, 2009, \$928,156 interest and \$425,000 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>
6/30/2010	\$440,000	\$910,856	\$1,350,856
6/30/2011	460,000	892,856	1,352,856
6/30/2012	475,000	874,156	1,349,156
6/30/2013	495,000	854,756	1,349,756
6/30/2014	515,000	834,556	1,349,556
06/30/15 to 19	2,910,000	3,839,681	6,749,681
06/30/20 to 24	3,575,000	3,179,694	6,754,694
06/30/25 to 29	4,445,000	2,309,003	6,754,003
06/30/30 to 34	5,530,000	1,219,738	6,749,738
06/30/35 to 36	2,585,000	117,563	2,702,563
Totals	<u>\$21,430,000</u>	<u>\$15,032,860</u>	<u>\$36,462,860</u>

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, 2009

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes and motor vehicle taxes/fees	\$12,847,992	\$12,590,674	\$ (257,318)	\$ 1,359,052	\$ 1,323,702	\$ (35,350)
Intergovernmental receipts:						
Federal	806,729	652,744	(153,985)	124,000	149,119	25,119
State	1,028,591	1,520,214	491,623	2,295,796	2,402,877	107,081
Lodging tax	--	--	--	995,199	652,794	(342,405)
Local fees, licenses, commissions and miscellaneous	3,945,159	3,586,073	(359,086)	6,630,521	5,983,262	(647,259)
Total revenues	<u>\$18,628,471</u>	<u>\$18,349,705</u>	<u>\$ (278,766)</u>	<u>\$ 11,404,568</u>	<u>\$10,511,754</u>	<u>\$ (892,814)</u>
Expenditures:						
General government	\$ 7,978,307	\$ 7,463,410	\$ 514,897	8,086,960	\$ 4,246,616	\$ 3,840,344
Public safety	11,110,826	10,297,146	813,680	7,452,753	3,941,101	3,511,652
Public works	210,154	186,645	23,509	3,988,287	3,821,248	167,039
Public health	521,044	521,044	--	--	--	--
Public welfare and social services	848,438	733,659	114,779	467,815	294,594	173,221
Culture and recreation	506,068	472,170	33,898	1,266,106	577,059	689,047
Total expenditures	<u>\$21,174,837</u>	<u>\$19,674,074</u>	<u>\$ 1,500,763</u>	<u>\$ 21,261,921</u>	<u>\$12,880,618</u>	<u>\$ 8,381,303</u>
Revenues over (under) expenditures	<u>\$(2,546,366)</u>	<u>\$(1,324,369)</u>	<u>\$ 1,221,997</u>	<u>\$(9,857,353)</u>	<u>\$(2,368,864)</u>	<u>\$ 7,488,489</u>
Transfers in (out), Net	1,158,913	579,144	579,769	(1,158,913)	(579,144)	(579,769)
Fund balances, beginning of year		<u>4,022,023</u>			<u>12,741,166</u>	
Fund balances, end of year		<u>\$ 3,276,798</u>			<u>\$ 9,793,158</u>	

HALL COUNTY

SCHEDULE 2

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

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Imprest - Vendor	\$ 26,236,340	\$ 30,939,364
Imprest - Payroll	11,459,946	10,503,671
Title fees	263,521	285,579
Recording fees	222	167
Photo copy	406	528
Marriage licenses	8,180	8,400
Plat books	711	699
Games and parks	<u>3,727</u>	<u>3,851</u>
Total revenues	\$ 37,973,053	\$ 41,742,259
Expenditures:		
Imprest - Vendor	\$ 26,236,340	\$ 30,939,364
Imprest - Payroll	11,459,946	10,503,671
Title fees	291,406	234,739
Recording fees	304	75
Photo copy	539	281
Marriage licenses	10,615	5,075
Plat books	837	474
Game and parks	<u>3,584</u>	<u>4,046</u>
Total expenditures	\$ 38,003,571	\$ 41,687,725
Revenues over (under) expenditures	\$ (30,518)	\$ 54,534
Cash balance, beginning of year	<u>66,930</u>	<u>12,396</u>
Cash balance, end of year	<u><u>\$ 36,412</u></u>	<u><u>\$ 66,930</u></u>
Cash balance consists of:		
Cash on hand	\$ 527	\$ 527
Cash in bank	<u>35,885</u>	<u>66,403</u>
Total cash balance	<u><u>\$ 36,412</u></u>	<u><u>\$ 66,930</u></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, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Fees	\$ 316,165	\$ 250,197
Interest	2,167	8,302
Trust receipts	907,073	504,224
Alimony/Child Support Work Release/Judgements	<u>1,347,727</u>	<u>1,511,453</u>
Total revenues	\$ 2,573,132	\$ 2,274,176
Expenditures:		
Fees	\$ 312,240	\$ 248,196
Interest	2,789	10,918
Trust disbursements	431,786	777,158
Alimony/Work Release & Judgements	<u>1,395,465</u>	<u>1,474,345</u>
Total expenditures	<u>\$ 2,142,280</u>	<u>\$ 2,510,617</u>
Revenues over (under) expenditures	\$ 430,852	\$ (236,441)
Cash balance, beginning of year	<u>482,411</u>	<u>718,852</u>
Cash balance, end of year	<u><u>\$ 913,263</u></u>	<u><u>\$ 482,411</u></u>
Cash balance consists of:		
Cash on hand	100	\$ 100
Cash in bank	368,644	393,411
Investments	<u>544,519</u>	<u>88,900</u>
Total cash and investments balance	<u><u>\$ 913,263</u></u>	<u><u>\$ 482,411</u></u>

HALL COUNTY

SCHEDULE 4

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

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Writ fees, commissions, mileage, etc.	\$ 423,896	\$ 399,997
Vehicle inspection	35,710	40,720
Distress warrant collections	73,570	63,646
Hand gun permits	1,135	805
Law enforcement	<u>4,157</u>	<u>4,022</u>
 Total revenues	 \$ 538,468	 \$ 509,190
Expenditures:		
Writ fees, commissions, mileage, etc.	\$ 423,444	\$ 401,296
Vehicle inspection	35,670	40,620
Distress warrant collection	73,570	63,646
Hand gun permits	1,130	800
Law enforcement	<u>4,156</u>	<u>4,022</u>
 Total expenditures	 <u>\$ 537,970</u>	 <u>\$ 510,384</u>
 Revenues over (under) expenditures	 \$ 498	 \$ (1,194)
 Cash balance, beginning of year	 <u>36,826</u>	 <u>38,020</u>
 Cash balance, end of year	 <u>\$ 37,324</u>	 <u>\$ 36,826</u>
Cash balance consists of:		
Cash on hand	\$ 1,169	\$ 1,515
Cash in bank	<u>36,155</u>	<u>35,311</u>
 Total cash balance	 <u>\$ 37,324</u>	 <u>\$ 36,826</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, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
ICE detainee housing	\$ 728,151	\$ -
State prisoner housing	175,009	263,446
Federal prisoner housing	2,168	-
Miscellaneous Receipts	6,352	1,754
Inmate welfare	6,301	5,535
Inmate trust	<u>1,056,578</u>	<u>799,810</u>
 Total revenues	 \$ 1,974,559	 \$ 1,070,545
Expenditures:		
ICE detainee housing	\$ 728,151	\$ -
State prisoner housing	177,880	260,575
Federal prisoner housing	2,611	-
Miscellaneous Receipts	5,743	2,262
Inmate welfare	6,871	4,848
Inmate trust	<u>1,092,643</u>	<u>756,252</u>
 Total expenditures	 <u>\$ 2,013,899</u>	 <u>\$ 1,023,937</u>
 Revenue over (under) expenditures	 \$ (39,340)	 \$ 46,608
 Cash balance, beginning of year	 <u>59,298</u>	 <u>12,690</u>
 Cash balance, end of year	 <u>\$ 19,958</u>	 <u>\$ 59,298</u>
Cash balance consists of:		
Cash on hand	\$ 605	\$ 1,525
Cash in bank	<u>19,353</u>	<u>57,773</u>
 Total cash balance	 <u>\$ 19,958</u>	 <u>\$ 59,298</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, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Service fees	\$ 161,341	\$ 162,299
Interest	<u>2</u>	<u>3</u>
Total revenues	\$ 161,343	\$ 162,302
Expenditures:		
County Treasurer	\$ 160,500	\$ 161,000
Fees	<u>553</u>	<u>622</u>
Total expenditures	<u>\$ 161,053</u>	<u>\$ 161,622</u>
Revenues over (under) expenditures	\$ 290	\$ 680
Cash balance, beginning of year	<u>843</u>	<u>163</u>
Cash balance, end of year	<u><u>\$ 1,133</u></u>	<u><u>\$ 843</u></u>
Cash balance consists of:		
Cash on hand	\$ 83	\$ 63
Cash in bank	<u>1,050</u>	<u>780</u>
Total cash balance	<u><u>\$ 1,133</u></u>	<u><u>\$ 843</u></u>

HALL COUNTY

SCHEDULE 7

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

COUNTY ATTORNEY

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Check restitution fees	\$ 75,961	\$ 108,028
Criminal restitution fees	5,802	15,848
Law enforcement	12,974	8,072
Federal drug forfeiture	<u>18,273</u>	<u>-</u>
Total revenues	\$ 113,010	\$ 131,948
Expenditures:		
Check restitution fees	\$ 76,021	\$ 108,035
Criminal restitution fees	8,130	14,084
Law enforcement	12,605	8,800
Federal drug forfeiture	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 96,756</u>	<u>\$ 130,919</u>
Revenues over (under) expenditures	\$ 16,254	\$ 1,029
Cash balance, beginning of year	<u>7,746</u>	<u>6,717</u>
Cash balance, end of year	<u><u>\$ 24,000</u></u>	<u><u>\$ 7,746</u></u>
Cash balance consists of:		
Cash on hand	\$ 218	\$ 272
Cash in bank	<u>23,782</u>	<u>7,474</u>
Total cash balance	<u><u>\$ 24,000</u></u>	<u><u>\$ 7,746</u></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, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Service fees	<u>\$ 218,098</u>	<u>\$ 182,348</u>
Total revenues	\$ 218,098	\$ 182,348
Expenditures:		
County Treasurer	<u>\$ 218,098</u>	<u>\$ 182,348</u>
Total expenditures	<u>\$ 218,098</u>	<u>\$ 182,348</u>
Revenues over (under) expenditures	\$ -	\$ -
Cash balance, beginning of year	-	-
Cash balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HALL COUNTY

SCHEDULE 9

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

BUILDING INSPECTOR

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Service fees	<u>\$ 76,878</u>	<u>\$ 31,164</u>
Total revenues	\$ 76,878	\$ 31,164
Expenditures:		
County Treasurer	<u>\$ 80,125</u>	<u>\$ 25,695</u>
Total expenditures	<u>\$ 80,125</u>	<u>\$ 25,695</u>
Revenues over expenditures	\$ (3,247)	\$ 5,469
Cash balance, beginning of year	<u>6,758</u>	<u>1,289</u>
Cash balance, end of year	<u><u>\$ 3,511</u></u>	<u><u>\$ 6,758</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 3,511</u></u>	<u><u>\$ 6,758</u></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, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Recording fees	\$ 186,459	\$ 201,187
Document stamp tax	320,481	391,415
Copies	<u>4,747</u>	<u>4,939</u>
Total revenues	\$ 511,687	\$ 597,541
Expenditures:		
County Treasurer:		
Recording fees	\$ 177,997	\$ 199,225
Document stamp tax	73,080	88,122
Copies	4,774	4,910
State:		
Document stamp tax	<u>255,814</u>	<u>308,468</u>
Total expenditures	<u>\$ 511,665</u>	<u>\$ 600,725</u>
Revenues over (under) expenditures	\$ 22	\$ (3,184)
Cash balance, beginning of year	<u>49,565</u>	<u>52,749</u>
Cash balance, end of year	<u><u>\$ 49,587</u></u>	<u><u>\$ 49,565</u></u>
Cash balance consists of:		
Cash on hand	\$ 70	\$ 61
Cash in bank	<u>49,517</u>	<u>49,504</u>
Total cash balance	<u><u>\$ 49,587</u></u>	<u><u>\$ 49,565</u></u>

HALL COUNTY

SCHEDULE 11

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

VETERANS' SERVICE

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
County Treasurer	<u>\$ 13,152</u>	<u>\$ 13,337</u>
Total revenues	\$ 13,152	\$ 13,337
Expenditures:		
Medical/Funeral expenses	\$ 4,708	\$ 3,540
Rent, utilities and food supplies	<u>9,719</u>	<u>9,612</u>
Total expenditures	<u>\$ 14,427</u>	<u>\$ 13,152</u>
Revenues over (under) expenditures	\$ (1,275)	\$ 185
Cash balance, beginning of year	<u>17,663</u>	<u>17,478</u>
Cash balance, end of year	<u><u>\$ 16,388</u></u>	<u><u>\$ 17,663</u></u>
Cash balance consists of:		
Cash in bank	<u><u>\$ 16,388</u></u>	<u><u>\$ 17,663</u></u>

HALL COUNTY

SCHEDULE 12

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

COUNTY ASSESSOR

For the Year Ended June 30, 2009

With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Copies and postage	<u>\$ 571</u>	<u>\$ 493</u>
Total revenues	\$ 571	\$ 493
Expenditures:		
County Treasurer:		
Copies and postage	<u>\$ 553</u>	<u>\$ 564</u>
Total expenditures	<u>\$ 553</u>	<u>\$ 564</u>
Revenues over (under) expenditures	\$ 18	\$ (71)
Cash balance, beginning of year	<u>35</u>	<u>106</u>
Cash balance, end of year	<u><u>\$ 53</u></u>	<u><u>\$ 35</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 53</u></u>	<u><u>\$ 35</u></u>

HALL COUNTY

SCHEDULE 13

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

For the Year Ended June 30, 2009

2009

Revenues:

Reimbursed expenses - Hall Co.	\$	55,916
Room rental fees		937
Interest		604
		<u>604</u>

Total revenues \$ 57,457

Expenditures:

Utilities & maintenance	\$	43,069
Capital outlay		18,549
College Park sinking fund		6,500
Kids' College room rental		5,750
Office supplies		4,474
Insurance		1,972
Miscellaneous		365
		<u>365</u>

Total expenditures \$ 80,679

Revenues over (under) expenditures \$ (23,222)

Cash balance, beginning of year 52,857

Cash balance, end of year \$ 29,635

Cash balance consists of:

Cash in bank	\$	4,298
Certificates of deposit		25,337
		<u>25,337</u>

Total cash balance \$ 29,635

HALL COUNTY

SCHEDULE 14

STATEMENT OF REVENUES - CASH BASIS
GENERAL FUND

For the Year Ended June 30, 2009
With Comparative Totals For the Year Ended June 30, 2008

	2009	2008
Revenues:		
Taxes:		
Property and motor vehicle taxes/fees	\$ 12,590,674	\$ 12,637,912
Intergovernmental receipts:		
Federal:		
Inmate housing	2,611	3,301
Child support-Title IV-B	352,096	610,487
Other	298,037	489,165
State:		
State aid	186,591	196,550
Airline and carline tax allocation	80,344	94,226
Insurance tax allocation	79,497	74,734
Pro-rate motor vehicle	46,001	48,928
Homestead exemption	355,379	354,996
Property tax credit	475,962	440,923
Other	296,440	351,046
Local fees, licenses, commissions and miscellaneous:		
Licenses and permits	77,018	32,699
In lieu of taxes	44,476	24,763
Inter local agreements	164,270	271,287
Treasurer fees	201,727	201,270
Clerk fees	95,974	115,447
Register of Deed fees	257,643	288,188
Clerk of the District Court fees	105,488	114,705
Election Commissioner	447	2,264
Sheriff fees	1,176,544	409,279
Attorney fees	31,499	14,389
Jail fees	96,774	92,471
Interest on investments	168,024	478,747
Sale of surplus property	11,229	542
Fines	7,894	6,762
Commissions	635,067	640,605
Miscellaneous	395,391	420,435
Parks and recreation fees	25,941	24,690
Insurance settlements	90,667	58,753
Interfund transfers	2,124,762	1,075,801
	<u>20,474,467</u>	<u>19,575,365</u>
Total revenues	<u>\$ 20,474,467</u>	<u>\$ 19,575,365</u>

HALL COUNTY

SCHEDULE 15

STATEMENT OF REVENUES - CASH BASIS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	General Government							
	Equipment & Improvement Reserve	Building & Improvement Reserve	Insurance Reserve	Sick & Vac Liab	Special Revenue	Insurance	Reappraisal	Employment Security
Revenues:								
Taxes:								
Property/motor vehicle	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13	\$ --
Intergovernmental receipts:								
Federal:								
Drug Court grant	--	--	--	--	--	--	--	--
Other grants	--	--	--	--	1,910	--	--	--
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	--	--	--	--	--	--	--	--
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	--	--	--	--	--	--	--	507
Inheritance tax	--	--	--	--	--	--	--	--
Lottery	--	--	--	--	--	--	--	--
Other	38,164	240,722	--	12,941	3,500	2,721,146	--	--
Interfund transfers	--	--	--	10,000	--	486,363	--	39,500
Total revenues	\$ 38,164	\$ 240,722	\$ --	\$ 22,941	\$ 50,222	\$ 3,207,509	\$ 13	\$ 40,007

	Safety						
	Emerg Mngt	Jail Bond	Canine	Drug Court	Drug Seizure	Drug Enforce	Federal Drug Forfeiture
Revenues:							
Taxes:							
Property/motor vehicle	\$ --	\$ 1,224,896	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental receipts:							
Federal:							
Drug Court grant	--	--	--	--	--	--	--
Other grants	--	--	--	--	--	--	--
State:							
Lodging tax	--	--	--	--	--	--	--
Highway/street allocations	--	--	--	--	--	--	--
Motor Vehicle Fee	--	--	--	--	--	--	--
Incentive payments	--	--	--	--	--	--	--
Homestead exemption	--	39,087	--	--	--	--	--
Property tax credit	--	52,909	--	--	--	--	--
Pro-rate motor vehicles	--	5,103	--	--	--	--	--
Carline/airline tax	--	3,278	--	--	--	--	--
Grants	--	--	--	177,544	--	--	--
Other	--	--	--	--	--	--	--
Local fees, licenses, commissions and miscellaneous:							
In-lieu-of tax	--	4,937	--	--	--	--	--
911 Surcharges	289,133	--	--	--	--	--	--
Machine hire	--	--	--	--	--	--	--
Sale of supplies & materials	--	--	--	--	--	--	--
Sale of property	--	--	--	--	--	--	--
House Arrest	--	--	--	--	--	--	--
Weed spraying assessment	--	--	--	--	--	--	--
Interest	--	59,578	--	--	--	--	--
Inheritance tax	--	--	--	--	--	--	--
Lottery	--	--	--	--	--	--	--
Other	--	2,980	--	87,307	--	11,504	18,273
Interfund transfers	--	--	--	10,116	--	--	--
Total revenues	\$ 289,133	\$ 1,392,768	\$ --	\$ 274,967	\$ --	\$ 11,504	\$ 18,273

HALL COUNTY

SCHEDULE 15

STATEMENT OF REVENUES - CASH BASIS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

General Government			Public Works			Cultural and Recreation	
Inheritance Tax	Keno Lottery	Keno Reserve	Road	Street Improvements	Noxious Weed	Visitors Promotion	Visitor Promo Improvement
\$ --	\$ --	\$ --	\$ 64	\$ --	\$ 7	\$ --	\$ --
--	--	--	142,308	--	--	--	--
--	--	--	1,887,189	--	--	326,397	326,397
--	--	--	179,988	--	--	--	--
--	--	--	5,250	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	78	--	--	--	--
--	--	--	2,504	--	--	--	--
--	--	--	25,087	--	--	--	--
--	--	--	3	--	--	--	--
--	--	--	--	--	160,790	--	--
170,863	9,803	2,014	--	--	--	--	--
983,009	--	--	--	--	--	--	--
--	748,614	--	--	--	--	--	--
--	100,000	--	49,835	277	--	--	--
--	--	--	1,340,000	--	146,002	--	--
<u>\$ 1,153,872</u>	<u>\$ 858,417</u>	<u>\$ 2,014</u>	<u>\$ 3,632,306</u>	<u>\$ 277</u>	<u>\$ 306,799</u>	<u>\$ 326,397</u>	<u>\$ 326,397</u>

Public Welfare and Social Services					Totals	Totals	(Memorandum only)
ADA Fund	Institutions	Dependent	Veterans Services	Diversion	Inmate Welfare	(Memorandum only) 2009	(Memorandum only) 2008
\$ --	\$ 22,231	\$ 63,247	\$ 13,244	\$ --	\$ --	\$ 1,323,702	\$ 1,345,378
--	--	--	--	--	--	--	25,196
--	--	4,901	--	--	--	149,119	45,677
--	--	--	--	--	--	652,794	684,913
--	--	--	--	--	--	1,887,189	1,884,189
--	--	--	--	--	--	179,988	175,163
--	--	--	--	--	--	5,250	5,250
--	890	1,725	415	--	--	42,117	42,020
--	1,354	2,110	555	--	--	56,928	52,729
--	82	276	56	--	--	5,517	5,896
--	76	143	35	--	--	3,532	3,257
--	--	--	--	--	--	222,356	251,905
--	--	--	--	--	--	--	134,779
--	--	--	--	--	--	--	--
--	125	212	56	--	--	5,408	263
--	--	--	--	--	--	289,133	293,115
--	--	--	--	--	--	2,504	900
--	--	--	--	--	--	25,087	25,492
--	--	--	--	--	--	3	--
--	--	--	--	--	27,030	27,030	45,241
--	--	--	--	--	--	160,790	161,680
--	--	--	--	--	--	242,765	633,315
--	--	--	--	--	--	983,009	1,057,803
--	--	--	--	--	--	748,614	809,975
--	--	--	--	9,715	202,555	3,498,919	2,781,323
--	--	--	--	--	--	2,031,981	1,846,226
<u>\$ --</u>	<u>\$ 24,758</u>	<u>\$ 72,614</u>	<u>\$ 14,361</u>	<u>\$ 9,715</u>	<u>\$ 229,585</u>	<u>\$ 12,543,735</u>	<u>\$ 11,281,702</u>

HALL COUNTY

SCHEDULE 16

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS
GENERAL FUND

For the Year Ended June 30, 2009

With Comparative Totals For The Year Ended June 30, 2008

	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	\$ 311,063	\$ 335,960	\$ 608,800	\$ 399,522	\$ --	\$ 160,048	\$ 241,528	\$ 115,699	\$ 417,868
Operating expenses	3,769	76,929	3,128	42,029	4,000	9,038	394,626	7,192	6,078
Supplies/material	942	6,046	10,132	12,021	--	2,718	2,750	28,877	7,527
Equipment rental	--	--	--	--	--	--	--	--	--
Capital outlay	--	220	10,364	52	--	2,902	93,351	--	223
Interfund transfers	--	--	--	--	--	--	--	--	--
Total Disbursements	\$ 315,774	\$ 419,155	\$ 632,424	\$ 453,624	\$ 4,000	\$ 174,706	\$ 732,255	\$ 151,768	\$ 431,696
Budget	323,951	450,688	676,762	461,492	4,000	178,653	739,515	155,538	450,884
Favorable	\$ 8,177	\$ 31,533	\$ 44,338	\$ 7,868	\$ --	\$ 3,947	\$ 7,260	\$ 3,770	\$ 19,188

	Public Safety								
	Sheriff	Attorney	Jail	Building Inspector	Misc	Probation Officer	Grants	Juvenile Diversion/Attention	Safety
Disbursements:									
Personal service	\$ 2,353,334	\$ 1,187,464	\$ 4,217,018	\$ 67,121	\$ --	\$ --	\$ --	\$ 146,765	\$ --
Operating expenses	128,318	75,026	1,132,552	2,535	414,755	4,703	--	1,324	5,375
Supplies/material	87,200	15,393	65,940	4,509	--	8,347	--	1,661	20
Equipment rental	--	--	--	--	--	--	--	--	--
Capital outlay	128,289	2,854	37,413	--	--	4,981	201,829	--	2,420
Interfund transfers	--	--	--	--	--	--	--	--	--
Total Disbursements	\$ 2,697,141	\$ 1,280,737	\$ 5,452,923	\$ 74,165	\$ 414,755	\$ 18,031	\$ 201,829	\$ 149,750	\$ 7,815
Budget	2,954,225	1,323,873	5,676,221	75,206	433,551	18,414	453,824	167,612	7,900
Favorable	\$ 257,084	\$ 43,136	\$ 223,298	\$ 1,041	\$ 18,796	\$ 383	\$ 251,995	\$ 17,862	\$ 85

HALL COUNTY

SCHEDULE 16

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS
GENERAL FUND

For the Year Ended June 30, 2009

With Comparative Totals For The Year Ended June 30, 2008

General Government

Special Election	Justice System	County Court System	Building and Grounds	Agriculture Ext. Agent	Misc.	District Judge	Public Defender	Equipment Acquisition	Cadastral Maps
\$ --	\$ 12,191	\$ --	\$ 272,449	\$ 129,031	\$ 446	\$ 120,287	\$ 488,438	\$ --	\$ 50,858
--	1,256,017	338	202,816	51,727	1,188,684	1,164	32,842	--	5,907
--	--	20,642	19,253	3,866	--	3,136	1,759	--	4,386
--	--	--	3,750	5,116	--	--	--	--	--
--	--	4,795	21,881	1,465	234,000	834	3,500	--	6,430
--	--	--	--	--	--	--	--	--	--
\$ --	\$ 1,268,208	\$ 25,775	\$ 520,149	\$ 191,205	\$ 1,423,130	\$ 125,421	\$ 526,539	\$ --	\$ 67,581
24,288	1,290,000	26,028	534,527	192,414	1,722,520	134,765	532,473	0	79,809
\$ 24,288	\$ 21,792	\$ 253	\$ 14,378	\$ 1,209	\$ 299,390	\$ 9,344	\$ 5,934	\$ --	\$ 12,228

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) 2009	(Memorandum only) 2008
\$ 84,405	\$ --	\$ 240,206	\$ 336,690	\$ 157,455	\$ --	\$ --	\$ --	\$ 12,454,646	\$ 11,201,600
495	99,184	33,528	116,400	27,506	109,340	521,044	--	5,958,369	5,717,053
383	--	2,245	3,190	12,970	--	--	--	325,913	318,051
--	--	--	--	--	--	--	--	8,866	919
2,178	--	1,400	--	4,899	160,000	--	--	926,280	920,909
--	--	--	--	--	--	--	1,545,618	1,545,618	1,505,986
\$ 87,461	\$ 99,184	\$ 277,379	\$ 456,280	\$ 202,830	\$ 269,340	\$ 521,044	\$ 1,545,618	\$ 21,219,692	\$ 19,664,518
89,434	120,720	287,057	561,381	230,724	275,344	521,044	1,545,618	22,720,455	21,596,102
\$ 1,973	\$ 21,536	\$ 9,678	\$ 105,101	\$ 27,894	\$ 6,004	\$ --	\$ --	\$ 1,500,763	\$ 1,931,584

HALL COUNTY

SCHEDULE 17

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS
 SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2009
 With Comparative Totals For the Year Ended June 30, 2008

General Government							
	Insurance Reserve	Insurance	Reappraisal	Employment Security	Inheritance Tax	Keno Lottery	Equip & Improv Res
Disbursements:							
Personal service	\$ --	\$ 524,110	\$ --	\$ 11,843	\$ --	\$ 11,775	\$ --
Operating expense	--	2,625,102	--	--	1,706	580,488	--
Supplies/material	--	--	--	--	--	--	--
Equipment rental	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	118,727	--	150,753
Debt servicing	--	--	--	--	--	--	--
Interfund transfers	50,000	--	784	--	1,947,338	175,000	--
Total disbursements	\$ 50,000	\$ 3,149,212	\$ 784	\$ 11,843	\$ 2,067,771	\$ 767,263	\$ 150,753
Budget	558,084	3,679,717	784	40,000	3,937,815	1,204,783	233,399
Favorable	\$ 508,084	\$ 530,505	\$ --	\$ 28,157	\$ 1,870,044	\$ 437,520	\$ 82,646

Safety							
	Emerg Mngt	Jail Bond	Canine	Drug Court	Drug Law Enforcement	Drug Seizure	Federal Drug Forfeiture
Disbursements:							
Personal service	\$ --	\$ --	\$ --	\$ 147,511	\$ --	\$ --	\$ --
Operating expense	294,000	(2)	2,852	46,603	2,350	276	--
Supplies/material	--	--	--	8,215	--	--	--
Equipment rental	--	--	--	--	--	--	--
Capital outlay	--	2,083,008	--	3,132	--	--	--
Debt servicing	--	1,353,156	--	--	--	--	--
Interfund transfers	--	--	--	42,112	--	--	--
Total disbursements	\$ 294,000	\$ 3,436,162	\$ 2,852	\$ 247,573	\$ 2,350	\$ 276	\$ --
Budget	500,000	6,470,285	20,000	345,069	30,000	130,000	--
Favorable	\$ 206,000	\$ 3,034,123	\$ 17,148	\$ 97,496	\$ 27,650	\$ 129,724	\$ --

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - CASH BASIS
 SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2009
 With Comparative Totals For the Year Ended June 30, 2008

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
\$ --	\$ 37,626	\$ --	\$ 1,202,918	\$ --	\$ 114,893	\$ --	\$ --	\$ --
--	--	2,014	122,096	--	27,209	33,952	326,397	216,710
--	--	--	1,328,731	--	107,754	--	--	--
--	--	--	27,736	--	--	--	--	--
182,472	--	--	870,890	--	19,021	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	316,176	--	28,075	51,640	--	--
\$ 182,472	\$ 37,626	\$ 2,014	\$ 3,868,547	\$ --	\$ 296,952	\$ 85,592	\$ 326,397	\$ 216,710
1,049,585	82,184	53,500	3,954,071	55,000	307,616	117,746	600,000	600,000
\$ 867,113	\$ 44,558	\$ 51,486	\$ 85,524	\$ 55,000	\$ 10,664	\$ 32,154	\$ 273,603	\$ 383,290

Public Welfare and Social Services						Totals	Totals
Diversion	ADA Fund	Institutions	Dependent	Veteran's Aid	Inmate Welfare	(Memorandum only) 2009	(Memorandum only) 2008
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,050,676	\$ 1,850,380
14,406	--	15,536	49,324	14,428	188,328	4,563,775	4,377,647
--	--	--	--	--	7,102	1,451,802	1,410,201
--	--	--	--	--	--	27,736	25,934
--	--	--	--	--	5,470	3,433,473	10,466,598
--	--	--	--	--	--	1,353,156	1,314,056
--	--	--	--	--	--	2,611,125	1,416,041
\$ 14,406	\$ --	\$ 15,536	\$ 49,324	\$ 14,428	\$ 200,900	\$ 15,491,743	\$ 20,860,857
41,000	--	50,000	140,000	30,815	206,000	24,437,453	32,160,016
\$ 26,594	\$ --	\$ 34,464	\$ 90,676	\$ 16,387	\$ 5,100	\$ 8,945,710	\$ 11,299,159

HALL COUNTY

SCHEDULE 18

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS
ALL FUND TYPES
For the Year Ended June 30, 2009

FUNDS	Fund Balances	Revenues	Expenditures	Transfers/ Adjust- ments	Fund Balances
	June 30, 2008				June 30, 2009
General	\$ 4,022,023	\$ 18,349,705	\$ 19,674,074	\$ 579,144	\$ 3,276,798
Special Revenue:					
Road	\$ 615,625	\$ 2,292,306	\$ 3,552,371	\$ 1,023,824	\$ 379,384
Reappraisal	784	13	--	(784)	13
Institutions	32,687	24,758	15,536	--	41,909
Inheritance Tax	4,070,315	1,153,872	120,433	(1,947,338)	3,156,416
Lottery Trust Fund	294,049	858,417	592,263	(175,000)	385,203
Lottery Reserve Fund	50,000	2,014	2,014	--	50,000
Special Revenue	55,976	50,222	33,952	(51,640)	20,606
Noxious Weed	52,856	160,797	268,877	117,927	62,703
Employment Security	10,432	507	11,843	39,500	38,596
Dependent	103,150	72,614	49,324	--	126,440
Veteran's Aid	37,570	14,361	14,428	--	37,503
Visitor's Promotion	--	326,397	326,397	--	--
Visitor's Promo Improvement Fund	304,801	326,397	216,710	--	414,488
Drug Enforcement	4,564	11,504	2,350	--	13,718
Drug Seizure	532	--	276	--	256
Drug Court	238,656	264,851	205,461	(31,996)	266,050
Federal Drug Forfeiture	--	18,273	--	--	18,273
Emergency Management	49,984	289,133	294,000	--	45,117
Canine Fund	2,926	--	2,852	--	74
ADA Fund	--	--	--	--	--
Diversion Fund	22,762	9,715	14,406	--	18,071
Insurance Reserve	558,084	--	--	(50,000)	508,084
Insurance Fund	223,139	2,721,146	3,149,212	486,363	281,436
Sick and Vacation Liability	69,244	12,941	37,626	10,000	54,559
Street Improvement	60,606	277	--	--	60,883
Inmate Welfare	100,798	229,585	200,900	--	129,483
Jail Bond Fund	5,132,642	1,392,768	3,436,162	--	3,089,248
Building & Land Improvement Reserve	415,585	240,722	182,472	--	473,835
Equipment & Improvement Reserve	233,399	38,164	150,753	--	120,810
Total Special Revenue	\$ 12,741,166	\$ 10,511,754	\$ 12,880,618	\$ (579,144)	\$ 9,793,158
Total County Funds	\$ 16,763,189	\$ 28,861,459	\$ 32,554,692	\$ --	\$ 13,069,956
Trust and Agency:					
State	\$ 787,491	\$ 13,961,730	\$ 13,958,201	\$ --	\$ 791,020
Schools	858,766	48,013,635	47,354,805	--	1,517,596
Natural Resource District	22,654	1,925,588	1,898,808	--	49,434
Fire Districts	11,800	540,006	541,940	--	9,866
Municipalities	228,467	8,279,612	8,210,933	--	297,146
Stuhr Museum	243,469	968,526	986,232	--	225,763
Agricultural Society	1,787	212,889	208,081	--	6,595
Partial Payment	288,194	4,911,675	5,171,621	--	28,248
Townships	5,390	50	--	--	5,440
Airport Authority	8,448	778,910	766,208	--	21,150
Social Security	170	--	--	--	170
Lodging Sales Tax	87	1,301	996	--	392
Unclaimed Property Trust Fund	--	502	502	--	--
SID	16,159	3,099	11,928	--	7,330
Total Trust and Agency Funds	\$ 2,472,882	\$ 79,597,523	\$ 79,110,255	\$ --	\$ 2,960,150
Total All Funds	\$ 19,236,071	\$ 108,458,982	\$ 111,664,947	\$ --	\$ 16,030,106

HALL COUNTY

SCHEDULE 19

COMPARATIVE ANALYSIS OF TAX CERTIFIED
CORRECTIONS AND COLLECTIONS
For the Five Years Ended June 30, 2009

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax certified by Assessor:					
Real estate, Personal, specials & intangible	\$ 53,617,346	\$ 58,814,168	\$ 62,502,683	\$ 61,903,055	\$ 64,160,874
Total	\$ 53,617,346	\$ 58,814,168	\$ 62,502,683	\$ 61,903,055	\$ 64,160,874
Corrections:					
Additions	\$ 139,789	\$ 134,909	\$ 56,597	\$ 33,656	\$ 142,116
Deductions	(153,026)	(51,747)	(160,635)	(87,305)	(28,726)
Net additions/(deductions)	\$ (13,237)	\$ 83,162	\$ (104,038)	\$ (53,649)	\$ 113,390
Correct certified tax	\$ 53,604,109	\$ 58,897,330	\$ 62,398,645	\$ 61,849,406	\$ 64,274,264
Net tax collected by County Treasurer for year ended:					
June 30, 2005	29,914,568	--	--	--	--
June 30, 2006	23,641,391	32,553,309	--	--	--
June 30, 2007	27,989	26,278,632	33,966,966	--	--
June 30, 2008	798	32,164	28,390,003	34,680,678	--
June 30, 2009	1,732	4,683	15,892	27,159,465	35,108,416
Total net collections	\$ 53,586,478	\$ 58,868,788	\$ 62,372,861	\$ 61,840,143	\$ 35,108,416
Total uncollected tax	\$ 17,631	\$ 28,542	\$ 25,784	\$ 9,263	\$ 29,165,848
Percentage of uncollected tax	0.0%	0.0%	0.0%	0.0%	45.4%

HALL COUNTY
Grand Island, Nebraska

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Revenues/ Receipts</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Health and Human Services</u>			
Passed through State of Nebraska			
Department of Welfare			
Child Support Enforcement*	93.563	\$ 340,047	\$ 340,047
Medical Assistance Program	93.778	52,916	52,916
		<hr/>	<hr/>
Total-Department of Health and Human Services		\$ 392,963	\$ 392,963
		<hr/>	<hr/>
<u>Federal Emergency Management Agency</u>			
Passed through State of Nebraska			
Civil Defense			
Emergency Management Assistance Program*	97.042	21,758	21,758
Homeland Security Grant Program	97.067	89,950	89,950
Public Assistance Disaster Grant*	97.036	157,832	157,832
		<hr/>	<hr/>
Total-Department of Federal Emergency Management Agency		\$ 269,540	\$ 269,540
		<hr/>	<hr/>
<u>Department of Justice</u>			
Direct Program:			
Inmate Housing	16.606	\$ 79,510	\$ 79,510
Bullet Proof Vests Partnership Program	16.607	298	298
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,910	1,910
		<hr/>	<hr/>
Total-Department of Justice		\$ 81,718	\$ 81,718
		<hr/>	<hr/>
<u>Department of Transportation</u>			
Passed through State of Nebraska			
Roads			
Formula Grants for other than Urbanized Areas	20.509	\$ 166,703	\$ 166,703
		<hr/>	<hr/>
Total-Department of Transportation		\$ 166,703	\$ 166,703
		<hr/>	<hr/>
<u>Executive Office of the President</u>			
Passed through State of Nebraska			
Office of National Drug Control Policy			
Drug Control Policy	07.Unk	\$ 113,906	\$ 113,906
		<hr/>	<hr/>
Total-Department of Justice		\$ 113,906	\$ 113,906
		<hr/>	<hr/>
Total Federal Financial Assistance		<u>\$ 1,024,830</u>	<u>\$ 1,024,830</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, 2009, and have issued our report thereon dated November 30, 2009, 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: 09-1 thru 09-7 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 09-1, 09-2, and 09-6 to be material weaknesses.

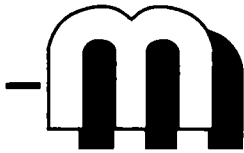
Compliance

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
November 30, 2009



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, 2009. 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, 2009.

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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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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
November 30, 2009

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.) No significant deficiencies in internal controls over the major programs were noted by the audit. 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, Disaster Grants – Public Assistance, and Emergency Management Performance Grant
- 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

NONE

Prior 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.

This was not corrected, and no partial correction was accomplished during the fiscal year.

- 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.

Planned corrective action completed this fiscal year.

- 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 15th 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.

Planned corrective action completed this fiscal year.

- 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.

Planned corrective action completed this fiscal year.

III. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Current Year

- 09-1 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 and the Extension Office 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 limited number of employees, we feel you should be aware of the situation.

It is recommended that additional personnel be assigned to different transactions.

- 09-2 During our audit it was discovered two employee's W-4 withholding status did not agree with the amount of withholding the payroll software was withholding.

It is recommended that the withholding status be reviewed once submitted into the payroll system.

- 09-3 During our audit it was discovered that the County Clerk failed to remit fees to the County Treasurer on one occasion during the fiscal year. Failure to remit these to the County Treasurer by the 15th 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. This was a comment in the prior year which flowed into the current year and has since been corrected.

- 09-4 During our audit it was discovered office furniture expenditures were incorrectly charged to voting supplies within the Election Commission's Office.

We recommend that all expenditures be classified in their proper expenditure item.

- 09-5 During our audit it was discovered that an invoice at the Extension Office was paid twice, once from the invoice and once from the vendor's statement.

It is recommended that consistent process of approving payments be followed.

- 09-6 During our audit it was discovered that the Extension Office 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. Since the end of the fiscal year the office is preparing timely reconciliations.

- 09-7 During our audit room rental income could not be tested for the Extension Office for part of the year. There were no payment receipts for items selected.

We recommend that a policy put into place to request documentation. Since the time of field work, policies have been put into place.

Prior 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.

Partially corrected this fiscal year. The bank reconciliations are being reviewed by another individual.

- 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.

Planned corrective action completed this fiscal year.

- 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 15th 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.

Planned corrective action completed this year.

- 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.

Planned corrective action completed this year.