

HALL COUNTY

FINANCIAL REPORT

For the Year Ended June 30, 2010

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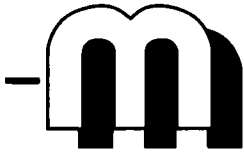
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INDEPENDENT AUDITOR'S REPORT

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, 2010, which collectively comprise Hall County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Hall County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed 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 cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hall County, Nebraska, as of June 30, 2010, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

2722 So. LOCUST ST.  
P.O. Box 1767  
GRAND ISLAND, NE 68802  
PHONE 308-382-7850  
FAX 308-382-7240  
MMCPAS.COM

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2011, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

The management discussion and analysis and budgetary comparison information on pages 3 through 6 and pages 23 through 27 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hall County's basic financial statements. The additional schedules on page 30 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

*McDermott & Miller, P.C.*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
March 30, 2011

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010

This section of Hall County, Nebraska's financial report presents a narrative overview and analysis of Hall County's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the County's financial statements, which follows this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010

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

#### BASIS OF ACCOUNTING

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

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

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

- Governmental activities cash position at June 30, 2010 was \$13,623,806 compared with \$14,114,269 at June 30, 2009. This was a decrease of \$490,463 or 3%.
- General fund expenditures and transfers were \$21,807,110 for the current fiscal year, which is a decrease of \$587,418 or 2.8% from the prior fiscal year.
- Federal program expenditures were \$1,236,888 for the current fiscal year, which is a \$212,058 increase from the previous fiscal year.
- Major capital projects of the County included the following:
  - Road Department
    - Road Improvement Projects \$1,012,249
    - Bridge Repair \$241,611
  - Jail Building \$615,908

#### 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 governmental funds for 2008-2009 were \$12,417,626 and for 2009-2010, it increased by \$1,583,749 to \$14,001,375.

In 2008-2009, the County's assessed valuation was \$3,400,769,712. In 2009-2010, it increased by \$186,079,597 to \$3,586,849,309.

HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010

The following table shows the property tax rates, by fund, for fiscal years 2008-2009 and 2009-2010 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 2009-2010 would be \$430.26.

Fund	2008-2009 Levy	2009-2010 Levy	Levy Change	Percentage Change
General Fund	0.350836	0.364678	0.013842	3.95%
Dependent Fund	0.001555	0.000794	(0.000761)	-48.94%
Institutions	0.000998	0.000676	(0.000322)	-32.26%
Jail Bond Fund	0.039000	0.039000	0.000000	0.00%
Veteran's Aid	0.000409	0.000447	0.000038	9.29%
Museum	0.028139	0.024667	(0.003472)	-12.34%
County Totals	<u>0.420937</u>	<u>0.430262</u>	<u>0.009325</u>	<u>2.22%</u>

General Fund Budgetary Highlights

Over the course of the 2009-2010 fiscal year, the County's General Fund Cash Position increased by approximately \$102,926. The following table provides a detailed picture of the decrease in cash position.

<b>07/01/09 Actual Beginning Balance</b>		<u><b>\$3,502,561</b></u>	
Receipts:			
Property Taxes	\$14,795,193	\$14,126,382	(\$668,811)
Federal	822,235	869,736	47,501
State	949,450	1,575,114	625,664
Other Local	4,321,436	4,250,113	(71,323)
<b>Total Receipts</b>	<b>\$20,888,314</b>	<b>\$20,821,345</b>	<b>(\$66,969)</b>
<b>Expenditures</b>	<b>\$20,791,656</b>	<b>\$20,029,517</b>	<b>\$762,139</b>
<b>Net Transfers</b>	<u><b>\$9,205</b></u>	<u><b>(\$587,145)</b></u>	<u><b>\$596,350</b></u>
<b>Net (Decrease)/Increase</b>	<b>\$105,863</b>	<u><b>\$204,683</b></u>	<b>\$98,820</b>
<b>06/30/10 Ending Balance</b>		<u><u><b>\$3,707,244</b></u></u>	



HALL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2010

Long-term Debt Highlights

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May 2008. 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, 2010 \$910,856 interest and \$440,000 principal were 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 Neb. Rev. Stat. Sec. 23-120(2) (Reissue 2009), and may include the levy of a property tax of not to exceed three and nine tenths (3.9) cents per one hundred dollars of taxable valuation in excess of the limits prescribed by law, including the statutory limitation provided by Neb. Rev. Stat. Sec. 23-125 (Reissue 2009).

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

HALL COUNTY  
STATEMENT OF NET ASSETS - CASH BASIS  
June 30, 2010

	<u>Primary Government</u>
	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,098,177
Certificates of deposit	3,043,255
Restricted assets:	
Cash and cash equivalents	2,456,705
Certificates of deposit	25,669
Total assets	<u>\$ 13,623,806</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 40,537
Due to others	911,313
Total liabilities	<u>\$ 951,850</u>
<b>NET ASSETS</b>	
Restricted for:	
Capital project - Jail	\$ 2,456,705
Capital projects - Extension Office	25,669
Unrestricted	<u>10,189,582</u>
Total net assets	<u>\$ 12,671,956</u>

See Notes to Financial Statements

HALL COUNTY  
STATEMENT OF ACTIVITIES - CASH BASIS  
For the Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government					
Governmental activities:					
General government	\$ 10,828,815	\$ 7,174,530	\$ 107,934	\$ 273,003	\$ (3,273,348)
Public safety	13,155,834	423,851	816,383	-	(11,915,600)
Public works	3,862,437	2,077,750	-	40,094	(1,744,593)
Public health	529,065	-	-	-	(529,065)
Public welfare and social services	876,765	4,895	451,620	-	(420,250)
Culture and recreation	1,843,343	-	-	-	(1,843,343)
	<u>\$ 31,096,259</u>	<u>\$ 9,681,026</u>	<u>\$ 1,375,937</u>	<u>\$ 313,097</u>	<u>\$ (19,726,199)</u>
General receipts					
Taxes:					
Property					\$ 14,001,375
Motor vehicle					1,482,605
Property tax credit					577,503
Airline and carline tax allocation					84,390
In-lieu-of tax					80,988
Insurance tax allocation					72,957
Pro-rate motor vehicle					251,661
Homestead					456,294
Lodging					620,834
Inheritance					842,821
911 Surcharges					265,851
Fines and licenses					39,781
State aid					174,477
Interest income					150,899
Transfers - internal activity					-
					<u>\$ 19,102,436</u>
Change in net assets					\$ (623,763)
Net assets - beginning					<u>13,295,719</u>
Net assets - ending					<u>\$ 12,671,956</u>

See Notes to Financial Statements

HALL COUNTY  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and equivalents	\$ 1,572,691	\$ -	\$ 3,108,617	\$ 398,104	\$ 281,183	\$ 2,737,582	\$ 8,098,177
Certificates of deposit	3,043,255	-	-	-	-	-	3,043,255
Restricted assets:							
Cash and cash equivalents	-	2,456,705	-	-	-	-	2,456,705
Certificates of deposit	25,669	-	-	-	-	-	25,669
<b>Total assets</b>	<b>\$ 4,641,615</b>	<b>\$ 2,456,705</b>	<b>\$ 3,108,617</b>	<b>\$ 398,104</b>	<b>\$ 281,183</b>	<b>\$ 2,737,582</b>	<b>\$ 13,623,806</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other governments	\$ 40,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,537
Due to others	893,833	-	-	-	-	17,480	911,313
<b>Total liabilities</b>	<b>\$ 934,370</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,480</b>	<b>\$ 951,850</b>
Fund balances:							
Reserved	\$ 25,669	\$ 2,456,705	\$ -	\$ -	\$ -	\$ -	\$ 2,482,374
Unreserved	3,681,576	-	3,108,617	398,104	281,183	2,720,102	10,189,582
<b>Total fund balances</b>	<b>\$ 3,707,245</b>	<b>\$ 2,456,705</b>	<b>\$ 3,108,617</b>	<b>\$ 398,104</b>	<b>\$ 281,183</b>	<b>\$ 2,720,102</b>	<b>\$ 12,671,956</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,641,615</b>	<b>\$ 2,456,705</b>	<b>\$ 3,108,617</b>	<b>\$ 398,104</b>	<b>\$ 281,183</b>	<b>\$ 2,737,582</b>	<b>\$ 13,623,806</b>

See Notes to Financial Statements

HALL COUNTY  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Property/Motor Vehicle taxes	\$ 14,126,382	\$ 1,280,001	\$ -	\$ -	\$ -	\$ 77,596	\$ 15,483,979
Fines and licenses	39,781	-	-	-	-	-	39,781
State	1,575,114	103,110	37,500	1,984,212	-	840,438	4,540,374
Federal	869,736	-	-	40,094	-	10,121	919,951
Interest income	48,536	3,176	96,539	-	-	2,689	150,940
Other	4,161,797	7,332	842,821	116,094	2,557,199	1,652,230	9,337,473
Total receipts	\$ 20,821,346	\$ 1,393,619	\$ 976,860	\$ 2,140,400	\$ 2,557,199	\$ 2,583,074	\$ 30,472,498
<b>DISBURSEMENTS</b>							
General government	\$ 7,067,821	\$ -	\$ 50,473	\$ -	\$ 2,918,238	\$ 878,046	\$ 10,914,578
Public safety	10,256,554	2,026,162	-	-	-	785,456	13,068,172
Public works	198,249	-	-	3,400,785	-	263,404	3,862,438
Public health	529,065	-	-	-	-	-	529,065
Public welfare and social services	732,177	-	-	-	-	137,534	869,711
Culture and recreation	1,245,651	-	-	-	-	606,646	1,852,297
Total disbursements	\$ 20,029,517	\$ 2,026,162	\$ 50,473	\$ 3,400,785	\$ 2,918,238	\$ 2,671,086	\$ 31,096,261
Excess (deficiency) of receipts over (under) disbursements	\$ 791,829	\$ (632,543)	\$ 926,387	\$ (1,260,385)	\$ (361,039)	\$ (88,012)	\$ (623,763)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ 1,190,448	\$ -	\$ -	\$ 1,573,605	\$ 360,786	\$ 263,988	\$ 3,388,827
Transfers out	(1,777,593)	-	(974,186)	(294,500)	-	(342,548)	(3,388,827)
Total other financing sources	\$ (587,145)	\$ -	\$ (974,186)	\$ 1,279,105	\$ 360,786	\$ (78,560)	\$ -
Net change in fund balances	\$ 204,684	\$ (632,543)	\$ (47,799)	\$ 18,720	\$ (253)	\$ (166,572)	\$ (623,763)
Fund balances - beginning	3,502,561	3,089,248	3,156,416	379,384	281,436	2,886,674	13,295,719
Fund balances - ending	\$ 3,707,245	\$ 2,456,705	\$ 3,108,617	\$ 398,104	\$ 281,183	\$ 2,720,102	\$ 12,671,956

See Notes to Financial Statements

HALL COUNTY  
 STATEMENT OF FIDUCIARY NET ASSETS-CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2010

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 2,285,609</u>
<b>LIABILITIES</b>	
Due to other governments	
State	\$ 906,892
Schools	1,084,105
Natural Resource District	25,700
Fire Districts	9,607
Municipalities	217,451
Agricultural Society	2,361
Partial Payment	15,742
Townships	5,467
Airport Authority	12,450
Social Security	170
Lodging Sales Tax	452
Unclaimed Property	-
SID	<u>5,212</u>
Total liabilities	<u>\$ 2,285,609</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ -</u></u>

See Notes to Financial Statements

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The County of Hall was incorporated in 1858. The County has a Board of Supervisors consisting of seven members, elected for four-year alternating terms, one from each of seven wards. As a political subdivision of the State, the County is exempt from state and federal income tax. Services provided include highway and road, parks, property tax collections, motor vehicle licensing, public safety, recording deeds, marriage licenses and other services, along with general administrative services. The financial statements include all funds of the County that are not legally separate. Potential component units for which the County has a financial relationship were also considered. The Governmental Accounting Standards Board (GASB) has issued guidance on the criteria to consider in determining whether the County has financial accountability for a component unit. Such criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

Component Unit

The Stuhr Museum of the Prairie Pioneer (Stuhr Museum) is a component unit of the County because of the significance of its relationship with the County. Condensed financial statements of Stuhr Museum as of June 30, 2010 are presented in the notes to the financial statements; see Note 9 for further information. A complete copy of Stuhr Museum's financial statements is on file with the Hall County Clerk.

Joint Organizations

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

The County has entered into an agreement with Senior Citizens Industries, Inc. (Industries) to provide transportation services within Hall County for the purpose of fulfilling contractual obligations between the County and the State of Nebraska Department of Roads (Roads). The

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NOTES TO FINANCIAL STATEMENTS  
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agreement with Roads was authorized pursuant to the Nebraska Public Transportation Act, Neb. Rev. Stat. Secs. 13-1201 through 13-1212 (Reissue 2009), and the Federal Transit Act. Under the agreement, Industries will provide transportation to citizens within Hall County and will submit application for remuneration, with the County's approval, to Roads. Pursuant to the agreement, Industries shall be audited annually, in accordance with appropriate Federal Regulations and the accounting Instruction Manual for Public Transportation Operating Assistance, and must submit a copy of the audit within a reasonable time following its completion. Additionally, the County and Industries have also contracted with Action Cab Courier to provide additional services in order to meet the transportation needs of the County.

#### 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 government-wide financial statements of Hall County present a Statement of Net Assets - Cash Basis, and a Statement of Activities - Cash Basis. The Statement of Net Assets includes separately presented items of cash, restricted assets, due to other governments, and due to others. The statement also presents net assets that are restricted for a particular use and that which is unrestricted; as required by Statement 34. The Statement of Activities presents general and specific receipts and disbursements of the various government-wide programs and functions. Each function disbursement is first offset by 1) charges to customers for the services provided, 2) operating grants and contributions that are restricted to the given function, and 3) capital grants and contributions that are restricted to the given function or segment. Lastly, the general receipts from various taxes, fines, and other income is reported against the total of the net specific program receipts and disbursements.

The 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



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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.

#### Basis of Accounting

The governmental fund financial statements were also reported on the cash receipts and disbursements basis of accounting. As such, the same measurement focus and basis of accounting were used as described above. This differs from governmental GAAP, which require governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

#### Cash and Cash Equivalents

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

#### Pooled Cash and Investments

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

#### Cash At County Offices

Cash on hand and held in bank accounts in the custody of County offices other than the Treasurer is not recorded in the County's financial records until it is submitted to the County

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NOTES TO FINANCIAL STATEMENTS  
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Treasurer. An adjustment totaling \$1,253,393 has been recorded in the financial statements to recognize this cash.

Investments

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

The County accounts for all investments in accordance with Accounting Standards Codification 320 (ASC 320), Investments - Debt and Equity Securities. ASC 320 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, 2010. Debt securities held-to-maturity are reported at amortized cost.

Capital Assets

Capital asset acquisitions are accounted for as disbursements from governmental funds under the cash receipts and disbursements basis of accounting. GAAP requires capital assets to be capitalized in the funds used to acquire or construct them and reported in the applicable governmental activities columns in the government-wide financial statements.

Internal Activities

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

Use of Estimates

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

Compensated Absences

County employees may carry over 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. Under the cash receipts and disbursements basis of accounting, accumulated unpaid vacation pay is not accrued in the governmental fund types. Under GAAP, the accumulated unpaid vacation and sick pay would be reported in the government-wide financial statements and recorded as an accrued liability when the compensated absence is earned.

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Restricted Net Assets

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$2,482,374 of restricted net assets.

Note 2. Property Taxes

A property tax on applicable real and personal property is levied on or before September 20 of each year, payable in two installments due by May 1 and September 1 of the following year. An enforceable lien attaches to the property on the first day of January, beginning on the calendar year following the levy. Pursuant to Neb. Rev. Stat. Sec. 60-3,186 (Reissue 2009), a separate tax is assessed on motor vehicles registered in the county. Upon annual registration, the County will collect a motor vehicle tax which is determined by the vehicle's age and value. The motor vehicle tax determination can be found in Neb. Rev. Stat. Sec. 60-3,187 (Reissue 2009).

The 2009-2010 fiscal year levy for property taxes was \$72,466,059, or \$.430262 per \$100 of assessed valuation. The 2008-2009 fiscal year levy for property taxes was \$68,295,659, or \$.420937 per \$100 of assessed valuation. Any increase in taxation is limited to the prior year's level, with provisions for growth. It may be increased by 1% by a three-fourths majority vote of the Hall County Board of Supervisors.

Note 3. Deposits/Investments

Credit Risk:

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

Concentration of Credit Risk:

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

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

Interest Rate Risk:

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

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

	Investment Maturities (in years)	
	<1	1-5
CDs	\$ 2,212,347	\$ 856,577
	\$ 2,212,347	\$ 856,577

Nebraska Public Agency Investment Trust (NPAIT) is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. The account maintains a \$1.00 market value price at all times. The trust was invested in Government Agency Securities – 32.59%, Certificate of Deposits in various Nebraska Banks – 17.63%, Demand Deposit Accounts - 17.83%, and Repurchase agreements (collateralized by U.S. Government Securities) – 31.95% at June 30, 2010.

The cash and cash equivalents balance as of June 30, 2010 includes \$5,247,299 of funds held at NPAIT. Included in the aforementioned NPAIT balance is \$531,097 of funds held for others by the Hall County Clerk of the District Court.

The County utilizes various bank institutions. The institutions have pledged assets or provided insurance contracts in addition to FDIC coverage for County accounts. The County follows Neb. Rev. Stat. Sec. 77-2387 to determine allowed collateral. At June 30, 2010, the amounts on deposit for the County were adequately secured by each institution.

Note 4. Employee's Retirement System

The County Board has adopted the provisions of Neb. Rev. Stat. Secs. 23-2301 to 23-2331 (Reissue 2009), established as law by the County Employees Retirement Act of 1943. The Retirement System for Nebraska Counties is administered by the Public Employees Retirement Board. The Plan covers substantially all permanent employees once they are hired. The Ameritas Group is responsible for administering the plan and acts as the trustee for the plan's funds. All full time employees, other than law enforcement officials, are required to contribute 4.5% of their total compensation and the County contributes an amount

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NOTES TO FINANCIAL STATEMENTS  
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equal to 150% of the employee's contribution. The contribution rates are established pursuant to Neb. Rev. Stat. Secs. 23-2307 and 23-2308 (Reissue 2009). Certified law enforcement officers contribute 5.5% of their total compensation and the County contributes an amount equal to 150% of the first 4.5% of the employees' contribution and an amount equal to 100% on the remaining 1% contribution. The employees' and employer's contributions are kept in separate accounts. The employees' accounts are fully vested. The employer's account is vested after three years of service. Prior service benefits are paid by the County on a pay-as-you-go basis directly to the retired employees. For the year ended June 30, 2010 the County contributed \$689,082 to the employer's account. The County also paid \$376 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 5. Deferred Compensation Plan

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

Note 6. Contingencies

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

Note 7. 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.

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

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NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

the insurance and insurance reserve. The insurance reserve fund has a reserve of \$508,084 at June 30, 2010.

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

Health insurance claims exceeded the \$65,000 limit by \$1,758 for the July 01, 2009 – June 30, 2010 plan year and \$409,093 for the July 01, 2008 – June 30, 2009 plan year. Property, auto, liability, and workmen’s compensation settled claims in the past three years have not exceeded the coverage.

Note 8. Interfund Transfers

Interfund transfers for the year ended June 30, 2010 were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 1,190,448	\$ 1,777,593
Road Fund	1,573,605	294,500
Special Revenue Fund	-	39,175
Sick/Vacation Fund	20,000	-
Building & Land Improvement Fund	100,000	-
Reappraisal Fund	-	13
Employment Security Fund	11,000	-
Insurance Fund	360,786	-
Drug Court Fund	-	39,772
Canine Fund	-	73
Inheritance Fund	-	974,187
Keno/Lottery Fund	-	150,000
Inmate Welfare Fund	-	87,000
Noxious Weed Fund	132,988	26,514
<b>Totals</b>	<b>\$ 3,388,827</b>	<b>\$ 3,388,827</b>

Note 9. Stuhr Museum

The Stuhr Museum is a private tax-exempt entity which receives support in the form of property taxes subject to the approval of the Hall County Board of Supervisors. The financial statements of Hall County, Nebraska, do not include the assets, liabilities, fund balances, revenues, and expenses of the Stuhr Museum, except the collection of property taxes and related distribution of Stuhr Museum’s portion of property tax. The Stuhr Museum’s financial statements are audited by other auditors, and for the year ended June 30, 2010, received an unqualified opinion dated October 19, 2010. The following is a summary of the Stuhr Museum’s June 30, 2010 financial statements (A complete copy of the audited financial statements of Stuhr Museum is on file with the Hall County Clerk.):

Total Assets	\$ 2,546,635
Total Liabilities	151,141
Net Assets:	
Invested in Capital Assets	1,865,455

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

Restricted – Expendable	44,279
Unrestricted	485,760
Expenses - General Government	1,602,526
Program Revenues	1,107,668
Revenue from Hall County Support	860,000
Investment Income	2,531
Increase in Net Assets	\$ 367,673

Under current GASB definitions, this fund was reclassified from a Trust & Agency fund to a department within the General Fund for the year ended June 30, 2010. This resulted in a change in the beginning General Fund balance of \$225,764.

Note 10. Related Party Transactions

For the year ended June 30, 2010 there were no county officials with outstanding real estate or personal property taxes due.

Note 11. Compensated Absences

It is the County's policy to pay out all of an employee's accrued but unused vacation upon the employee's separation of employment with the County. The total amount of accrued but unpaid vacation at June 30, 2010, was \$465,535.

It is the County's policy that all accrued sick leave expires on the date of an employee's separation of employment with the County, unless the employee retires from the County. At the time of retirement, 50 percent of an employee's accrued sick leave will be paid out. Fifty percent of the total amount of accrued sick leave at June 30, 2010, was \$337,665.

Note 12. Long-term Debt

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May, 2008. 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 4.000% until 2021 at that time the interest rate fluctuates between 4.375% and 4.500%. For the year ending June 30, 2010, \$910,856 of interest and \$440,000 of principal were 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 Neb. Rev. Stat. Sec. 23-120(2) (Reissue 2009), and may include the levy of a property tax of not to exceed three and nine tenths (3.9) cents per one

HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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hundred dollars of taxable valuation in excess of the limits prescribed by law, including the statutory limitation provided by Neb. Rev. Stat. Sec. 23-125 (Reissue 2009).

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>
6/30/2011	\$ 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
6/30/2015	535,000	813,556	1,348,556
06/30/16 to 20	3,030,000	3,720,881	6,750,881
06/30/21 to 25	3,735,000	3,022,750	6,757,750
06/30/26 to 30	4,640,000	2,110,309	6,750,309
06/30/31 to 35	5,785,000	968,481	6,753,481
6/30/2036	1,320,000	29,698	1,349,698
Totals	<u>\$ 20,990,000</u>	<u>\$ 14,122,001</u>	<u>\$ 35,112,001</u>

Note 13. Leases

The County leases an asphalt zipper under an agreement classified as a capital lease. Annual payments are \$29,030, which include interest at 3.79%. The lease agreement includes a final option purchase price of \$1. The lease is secured by the equipment.

Future minimum lease payments under this capital lease are as follows as of June 30, 2010:

	6/30/2011	\$ 29,030	
	6/30/2012	29,030	
	6/30/2013	29,030	
	6/30/2014	29,030	
	Total minimum payment	<u>\$ 116,120</u>	
	Less: amount representing interest	<u>(10,220)</u>	
	Present value of minimum lease payments	<u>\$ 105,900</u>	

Note 14. Financial Statement Presentation

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 presentation.



HALL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

For the year ended June 30, 2009 the balance of the Insurance Reserve Fund was presented with the Insurance Fund as a major fund. The Insurance Reserve Fund is a nonmajor fund and was reclassified for June 30, 2010. This resulted in a net decrease in the beginning fund balance of the Insurance Fund and an increase in nonmajor funds in the amount of \$508,084.

Note 15. Subsequent Events

Subsequent events have been evaluated through March 30, 2011, the date the financial statements were available to be issued.

On January 4, 2011, the County entered into a capital lease agreement with Five Points Bank for the use of six (6) 2011 Caterpillar motor graders. The down payment of \$296,324, which included \$119,500 of insurance proceeds, was made in January 2011. Rent shall be paid in five (5) annual payments of \$177,275, which include interest at 3.06%, beginning on January 15, 2012, with the final rental due on January 15, 2016. The County has opted to purchase the equipment after the final payment is made for \$1.

On March 10, 2011, the Governor approved Legislative Bill 383 (LB 383), which in effect cuts off certain State aid to Counties. The effective date of the bill is July 1, 2011. Specifically, Neb. Rev. Stat. Sec. 13-518(7)(c) (Reissue 2009) is amended to strike out State aid to counties pursuant to Neb. Rev. Stat. Sec. 77-27,137.03 (Reissue 2009), which, in essence, was the appropriation of \$30,000 of State funds plus additional amounts based on the total value of real and personal property of each county. The County Property Tax Relief Program, provided for under Neb. Rev. Stat. Sec. 77-3618 (Reissue 2009), will also be eliminated. The program distributed state funds to counties based on the assessed value of the county and its respective amount of road miles.

As a result of the retirement of the Hall County Building Inspector in August 2010, the County transferred these responsibilities, including issuing zoning permits, to the Hall County Buildings and Grounds Department.

REQUIRED SUPPLEMENTARY INFORMATION

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 GENERAL GOVERNMENTAL FUND  
 For the Year Ended June 30, 2010

	<u>Budget</u> <u>(Original &amp; Final)</u>	<u>Actual</u>	<u>Budget</u> <u>Variance</u>
<b>Receipts</b>			
Taxes			
Property and motor vehicle taxes/fees	\$ 14,795,193	\$ 14,126,382	\$ 668,811
Intergovernmental receipts			
Federal			
Inmate housing	2,000	3,055	(1,055)
Child support-Title IV-D	430,000	412,803	17,197
Medical Assistance Program	39,000	38,817	183
Other	390,235	415,061	(24,826)
State			
State aid	178,950	174,477	4,473
Airline and carline tax allocation	79,000	80,649	(1,649)
Insurance tax allocation	79,000	72,957	6,043
Pro-rate motor vehicle	48,500	62,062	(13,562)
Homestead exemption	-	413,177	(413,177)
Property tax credit	-	522,584	(522,584)
Other	564,000	249,208	314,792
Local fees, licenses, commissions and miscellaneous			
Licenses and permits	30,140	33,831	(3,691)
In lieu of taxes	25,100	73,267	(48,167)
Inter local agreements	280,212	273,003	7,209
Treasurer fees	196,500	199,416	(2,916)
Clerk fees	95,700	95,820	(120)
Register of Deed fees	245,000	255,499	(10,499)
Clerk of the District Court fees	96,200	106,283	(10,083)
Election Commissioner	400	8,838	(8,438)
Sheriff fees	2,145,217	2,078,751	66,466
Attorney fees	27,000	19,169	7,831
Jail fees	80,000	82,076	(2,076)
Interest on investments	125,000	48,536	76,464
Sale of surplus property	-	7,109	(7,109)
Fines	7,000	5,950	1,050
Commissions	600,000	659,840	(59,840)
Miscellaneous	265,967	264,877	1,090
Parks and recreation fees	25,000	33,536	(8,536)
Insurance settlements	77,000	4,313	72,687
<b>Total receipts</b>	<b>\$ 20,927,314</b>	<b>\$ 20,821,346</b>	<b>\$ 105,968</b>
<b>Disbursements</b>			
General Government			
Board of Supervisors	\$ 307,804	\$ 303,515	\$ 4,289
Clerk	341,716	333,110	8,606
Treasurer	739,659	678,396	61,263

(CONTINUED)

See Notes to Required Supplementary Information

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 GENERAL GOVERNMENT FUND  
 For the Year Ended June 30, 2010

Disbursements (Continued)	Budget (Original & Final)	Actual	Budget Variance
Assessor	447,322	400,387	46,935
Superintendent of Schools	4,000	4,000	-
Register of Deeds	186,424	180,367	6,057
Data processing	739,915	713,336	26,579
Election Commissioner	150,556	134,462	16,094
Clerk of the District Court	451,797	431,996	19,801
Special election	24,288	4,209	20,079
Justice system	1,378,530	1,244,582	133,948
County Court system	26,028	25,940	88
Building and Grounds	551,396	513,844	37,552
Agriculture Extension Agent	232,919	191,078	41,841
District Judge	130,621	124,159	6,462
Public Defender	537,836	529,135	8,701
Equipment acquisition	-	-	-
Cadastral maps	88,740	86,241	2,499
Miscellaneous	1,494,179	1,169,064	325,115
<b>Public Safety</b>			
Sheriff	3,019,631	2,654,707	364,924
Attorney	1,354,030	1,282,134	71,896
Jail	5,553,071	5,477,213	75,858
Building Inspector	75,086	73,520	1,566
Probation Officer	42,225	42,099	126
Grants	376,370	137,191	239,179
Juvenile diversion	147,500	137,907	9,593
Safety	7,900	4,928	2,972
Miscellaneous	433,551	446,855	(13,304)
<b>Public Works</b>			
Surveyor	88,252	87,438	814
Miscellaneous	120,666	110,811	9,855
<b>Public Welfare and Social Services</b>			
Veteran's Service Officer	297,952	284,490	13,462
Miscellaneous	513,576	447,687	65,889
<b>Culture and Recreation</b>			
Parks	234,596	223,243	11,353
Stuhr Museum	860,000	860,000	-
Miscellaneous	164,455	162,408	2,047
<b>Public Health</b>			
Miscellaneous	529,065	529,065	-
<b>Total disbursements</b>	<u>\$ 21,651,656</u>	<u>\$ 20,029,517</u>	<u>\$ 1,622,139</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>\$ (724,342)</u>	<u>\$ 791,829</u>	<u>\$ (1,516,171)</u>

(CONTINUED)

See Notes to Required Supplementary Information

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 GENERAL GOVERNMENT FUND  
 For the Year Ended June 30, 2010

	Budget (Original & Final)	Actual	Budget Variance
<b>Other Financing Sources</b>			
Transfers in	\$ 1,786,798	\$ 1,190,448	\$ 596,350
Transfers out	(1,777,593)	(1,777,593)	-
Total other financing sources	\$ 9,205	\$ (587,145)	\$ 596,350
Net change in fund balance	\$ (715,137)	\$ 204,684	\$ (919,821)
<b>Fund balance - beginning</b>	3,502,561	3,502,561	-
<b>Fund balance - ending</b>	\$ 2,787,424	\$ 3,707,245	\$ (919,821)

See Notes to Required Supplementary Information

HALL COUNTY  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Budget (Original & Final)	Actual	Budget Variance
<b>Jail Bond</b>			
Receipts			
Taxes - property/motor vehicle	\$ 1,332,262	\$ 1,280,001	\$ 52,261
Intergovernmental receipts:			
State:			
Homestead exemption	-	40,929	(40,929)
Property tax credit	-	52,346	(52,346)
Pro-rate motor vehicles	5,000	6,288	(1,288)
Carline/airline tax	3,000	3,547	(547)
Local fees, licenses, etc.:			
In-lieu-of tax	1,500	7,332	(5,832)
Interest	5,000	3,176	1,824
Total receipts	<u>\$ 1,346,762</u>	<u>\$ 1,393,619</u>	<u>\$ (46,857)</u>
Disbursements			
Operating expense	\$ 171,457	\$ 59,398	\$ 112,059
Capital outlay	732,134	615,908	116,226
Debt servicing	3,532,419	1,350,856	2,181,563
Total disbursements	<u>\$ 4,436,010</u>	<u>\$ 2,026,162</u>	<u>\$ 2,409,848</u>
Net change in fund balance	\$ (3,089,248)	\$ (632,543)	\$ (2,456,705)
Fund balance - beginning	<u>3,089,248</u>	<u>3,089,248</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,456,705</u>	<u>\$ (2,456,705)</u>
<b>Inheritance Tax</b>			
Receipts			
Intergovernmental receipts:			
State - other	\$ 37,500	\$ 37,500	\$ -
Local fees, licenses, etc.:			
Interest	100,000	96,539	3,461
Inheritance tax	750,000	842,821	(92,821)
Total receipts	<u>\$ 887,500</u>	<u>\$ 976,860</u>	<u>\$ (89,360)</u>
Disbursements			
Operating expense	\$ 1,397,713	\$ 7,489	\$ 1,390,224
Capital outlay	64,000	42,984	21,016
Interfund transfers	1,570,537	974,186	596,351
Total disbursements	<u>\$ 3,032,250</u>	<u>\$ 1,024,659</u>	<u>\$ 2,007,591</u>
Net change in fund balance	\$ (2,144,750)	\$ (47,799)	\$ (2,096,951)
Fund balance - beginning	<u>3,156,416</u>	<u>3,156,416</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,011,666</u>	<u>\$ 3,108,617</u>	<u>\$ (2,096,951)</u>

(CONTINUED)

See Notes to Required Supplementary Information

HALL COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	Budget (Original & Final)	Actual	Budget Variance
<b>Road Fund</b>			
Receipts			
Intergovernmental receipts:			
Federal - other grants	\$ -	\$ 40,094	\$ (40,094)
State:			
Highway/street allocations	1,782,039	1,775,881	6,158
Motor vehicle fee	180,000	182,930	(2,930)
Incentive payments	10,500	10,500	-
Grants	16,000	14,901	1,099
Local fees, licenses, etc.:			
Machine hire	2,500	5,667	(3,167)
Sale of supplies & materials	24,000	27,786	(3,786)
Sale of property	1,000	4,800	(3,800)
Other	541,700	77,841	463,859
Interfund transfers	1,573,605	1,573,605	-
Total receipts	<u>\$ 4,131,344</u>	<u>\$ 3,714,005</u>	<u>\$ 417,339</u>
Disbursements			
Personal service	\$ 1,279,128	\$ 1,214,455	\$ 64,673
Operating expense	136,700	146,046	(9,346)
Supplies/material	2,221,400	1,788,003	433,397
Equipment rental	20,100	10,670	9,430
Capital outlay	330,100	241,611	88,489
Interfund transfers	323,300	294,500	28,800
Total disbursements	<u>\$ 4,310,728</u>	<u>\$ 3,695,285</u>	<u>\$ 615,443</u>
Net change in fund balance	\$ (179,384)	\$ 18,720	\$ (198,104)
<b>Fund balance - beginning</b>	<u>379,384</u>	<u>379,384</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 200,000</u>	<u>\$ 398,104</u>	<u>\$ (198,104)</u>
<b>Insurance Fund</b>			
Receipts			
Other	\$ 2,897,035	\$ 2,557,199	\$ 339,836
Interfund transfers	390,050	360,786	29,264
Total receipts	<u>\$ 3,287,085</u>	<u>\$ 2,917,985</u>	<u>\$ 369,100</u>
Disbursements			
Personal service	\$ 565,800	\$ 645,828	\$ (80,028)
Operating expense	3,002,721	2,272,410	730,311
Total disbursements	<u>\$ 3,568,521</u>	<u>\$ 2,918,238</u>	<u>\$ 650,283</u>
Net change in fund balance	\$ (281,436)	\$ (253)	\$ (281,183)
<b>Fund balance - beginning</b>	<u>281,436</u>	<u>281,436</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 281,183</u>	<u>\$ (281,183)</u>

See Notes to Required Supplementary Information

HALL COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2010

Budgetary Comparison Schedules

Note 1. GAAP Requirements

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue fund that has a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the *original budget* and *final budget* amounts. The *original budget* is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. The *final budget* is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. No changes were implemented in the 2010 fiscal year; only one column was used to indicate original and final budgets.

Note 2. Budget Process

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

- Prior to July 1, the elected and appointed officials submit budget requests to the Board of Supervisors for the fiscal year commencing July 1.
- Public hearings are conducted at public meetings to obtain citizen and taxpayer comments.
- Prior to September 20, the budget is legally adopted by the Board of Supervisors through passage of a resolution.
- The Board of Supervisors is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total expenditures of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The Board of Supervisors is also authorized to budget for the transfer of money between County funds.
- During the year, the County monitors budget performance as a management control device.
- Budgeted appropriations lapse at the end of the fiscal year.



HALL COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2010

- The property tax requirement resulting from the budget process is utilized by the County Assessor to establish the tax levy, which attaches as an enforceable lien on property within the County as of January 1. All unpaid taxes are delinquent as of September 1.

Note 3. For the year ended June 30, 2010, expenditures exceeded budgeted appropriations in the Public Safety-Miscellaneous account of the General Fund by \$13,304. This over-expenditure was funded by the available fund balance in the General Fund.

## OTHER SUPPLEMENTARY INFORMATION

HALL COUNTY  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
 NONMAJOR GOVERNMENT FUNDS  
 For the Year Ended June 30, 2010

	Equipment & Improvement Reserve	Building & Improvement Reserve	Insurance Reserve	Sick & Vacation Liability	Special Revenue	Reappraisal
<b>Receipts</b>						
Taxes:						
Property/motor vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts:						
Federal:						
Other grants	-	-	-	-	5,226	-
State:						
Lodging tax	-	-	-	-	-	-
Homestead exemption	-	-	-	-	-	-
Property tax credit	-	-	-	-	-	-
Pro-rate motor vehicles	-	-	-	-	-	-
Carline/airline tax	-	-	-	-	-	-
Grants	-	-	-	-	49,912	-
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	-	-	-	-	-	-
Lottery	-	-	-	-	-	-
Other	106,190	21,999	-	15,645	6,012	-
Interfund transfers	-	100,000	-	20,000	-	-
<b>Total revenues</b>	<b>\$ 106,190</b>	<b>\$ 121,999</b>	<b>\$ -</b>	<b>\$ 35,645</b>	<b>\$ 61,150</b>	<b>\$ -</b>
<b>Disbursements</b>						
Personal service	\$ -	\$ -	\$ -	\$ 44,487	\$ -	\$ -
Operating expense	-	-	-	-	29,519	-
Supplies & material	-	-	-	-	-	-
Equipment rental	-	-	-	-	-	-
Capital outlay	49,834	201,497	-	-	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	-	-	-	-	39,175	13
<b>Total disbursements</b>	<b>\$ 49,834</b>	<b>\$ 201,497</b>	<b>\$ -</b>	<b>\$ 44,487</b>	<b>\$ 68,694</b>	<b>\$ 13</b>
Net change in fund balance	\$ 56,356	\$ (79,498)	\$ -	\$ (8,842)	\$ (7,544)	\$ (13)
<b>Fund balances - beginning</b>	<b>120,810</b>	<b>473,835</b>	<b>508,084</b>	<b>54,559</b>	<b>20,606</b>	<b>13</b>
<b>Fund balances - ending</b>	<b>\$ 177,166</b>	<b>\$ 394,337</b>	<b>\$ 508,084</b>	<b>\$ 45,717</b>	<b>\$ 13,062</b>	<b>\$ -</b>

HALL COUNTY  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
 NONMAJOR GOVERNMENT FUNDS  
 For the Year Ended June 30, 2010

Employment Security	Keno Lottery	Keno Reserve	Street Improvements	Noxious Weed	Visitors Promotion	Visitor Promo Improvement	Canine
\$ -	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	310,417	310,417	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	156,062	-	-	-
119	1,327	1,202	-	-	-	-	-
-	687,623	-	-	-	-	-	-
-	(35,662)	-	3,698	613	-	-	-
11,000	-	-	-	132,988	-	-	-
\$ 11,119	\$ 653,288	\$ 1,202	\$ 3,698	\$ 289,669	\$ 310,417	\$ 310,417	\$ -
\$ 28,365	\$ 11,955	\$ -	\$ -	\$ 117,644	\$ -	\$ -	\$ -
-	536,824	958	-	27,534	310,417	266,710	-
-	-	-	-	97,783	-	-	-
-	-	-	-	-	-	-	-
-	4,126	-	-	20,443	-	-	-
-	-	-	-	-	-	-	-
-	150,000	-	-	26,514	-	-	74
\$ 28,365	\$ 702,905	\$ 958	\$ -	\$ 289,918	\$ 310,417	\$ 266,710	\$ 74
\$ (17,246)	\$ (49,617)	\$ 244	\$ 3,698	\$ (249)	\$ -	\$ 43,707	\$ (74)
38,596	385,203	50,000	60,883	62,703	-	414,488	74
\$ 21,350	\$ 335,586	\$ 50,244	\$ 64,581	\$ 62,454	\$ -	\$ 458,195	\$ -

HALL COUNTY  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Drug Court	Drug Seizure	Drug Enforcement	Federal Drug Forfeiture	Diversion	Inmate Welfare
<b>Receipts</b>						
Taxes:						
Property/motor vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts:						
Federal:						
Other grants	-	-	-	-	-	-
State:						
Lodging tax	-	-	-	-	-	-
Homestead exemption	-	-	-	-	-	-
Property tax credit	-	-	-	-	-	-
Pro-rate motor vehicles	-	-	-	-	-	-
Carline/airline tax	-	-	-	-	-	-
Grants	164,355	-	-	-	-	-
Other	-	-	-	-	-	-
Local fees, licenses, commissions and miscellaneous:						
In-lieu-of tax	-	-	-	-	-	-
911 surcharges	-	-	-	-	-	-
Machine hire	-	-	-	-	-	-
Sale of supplies & materials	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
House arrest	-	-	-	-	-	30,794
Weed spraying assessment	-	-	-	-	-	-
Interest	-	-	-	41	-	-
Lottery	-	-	-	-	-	-
Other	80,365	-	-	34,476	10,337	267,838
Interfund transfers	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 244,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,517</b>	<b>\$ 10,337</b>	<b>\$ 298,632</b>
<b>Disbursements</b>						
Personal service	\$ 154,426	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expense	75,789	-	5,178	3,214	6,540	262,475
Supplies & material	8,732	-	-	-	-	2,173
Equipment rental	-	-	-	-	-	-
Capital outlay	30	-	-	5,899	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	39,772	-	-	-	-	87,000
<b>Total disbursements</b>	<b>\$ 278,749</b>	<b>\$ -</b>	<b>\$ 5,178</b>	<b>\$ 9,113</b>	<b>\$ 6,540</b>	<b>\$ 351,648</b>
Net change in fund balance	\$ (34,029)	\$ -	\$ (5,178)	\$ 25,404	\$ 3,797	\$ (53,016)
<b>Fund balances - beginning</b>	<b>266,050</b>	<b>256</b>	<b>13,718</b>	<b>18,273</b>	<b>18,071</b>	<b>129,483</b>
<b>Fund balances - ending</b>	<b>\$ 232,021</b>	<b>\$ 256</b>	<b>\$ 8,540</b>	<b>\$ 43,677</b>	<b>\$ 21,868</b>	<b>\$ 76,467</b>

HALL COUNTY  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

ADA Fund	Institutions	Dependent	Veterans Services	Emergency Management	Total Nonmajor Governmental Funds
\$ -	\$ 26,698	\$ 36,745	\$ 14,147	\$ -	\$ 77,596
-	-	4,895	-	-	10,121
-	-	-	-	-	620,834
-	764	961	463	-	2,188
-	907	1,066	600	-	2,573
-	131	181	69	-	381
-	68	87	40	-	195
-	-	-	-	-	214,267
-	-	-	-	-	-
-	-	-	-	-	-
-	128	171	90	-	389
-	-	-	-	265,851	265,851
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,794
-	-	-	-	-	156,062
-	-	-	-	-	2,689
-	-	-	-	-	687,623
-	-	-	-	-	511,511
-	-	-	-	-	263,988
<u>\$ -</u>	<u>\$ 28,696</u>	<u>\$ 44,106</u>	<u>\$ 15,409</u>	<u>\$ 265,851</u>	<u>\$ 2,847,062</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,877
-	11,581	113,187	12,766	261,000	1,923,692
-	-	-	-	-	108,688
-	-	-	-	-	-
-	-	-	-	-	281,829
-	-	-	-	-	-
-	-	-	-	-	342,548
<u>\$ -</u>	<u>\$ 11,581</u>	<u>\$ 113,187</u>	<u>\$ 12,766</u>	<u>\$ 261,000</u>	<u>\$ 3,013,634</u>
\$ -	\$ 17,115	\$ (69,081)	\$ 2,643	\$ 4,851	\$ (166,572)
-	41,909	126,440	37,503	45,117	2,886,674
<u>\$ -</u>	<u>\$ 59,024</u>	<u>\$ 57,359</u>	<u>\$ 40,146</u>	<u>\$ 49,968</u>	<u>\$ 2,720,102</u>

HALL COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2010

	State	Schools	Natural Resource District	Fire Districts	Municipalities	Agricultural Society
<b>ASSETS</b>						
Cash and cash equivalents						
Total assets - beginning	\$ 791,020	\$ 1,517,596	\$ 49,434	\$ 9,866	\$ 297,146	\$ 6,595
Additions	14,801,200	49,678,812	1,783,725	543,664	9,145,072	195,809
Deductions	(14,685,328)	(50,112,303)	(1,807,459)	(543,923)	(9,224,767)	(200,043)
Total assets - ending	<u>\$ 906,892</u>	<u>\$ 1,084,105</u>	<u>\$ 25,700</u>	<u>\$ 9,607</u>	<u>\$ 217,451</u>	<u>\$ 2,361</u>
<b>LIABILITIES</b>						
Due to other governments						
Total liabilities - beginning	\$ 791,020	\$ 1,517,596	\$ 49,434	\$ 9,866	\$ 297,146	\$ 6,595
Additions	14,801,200	49,678,812	1,783,725	543,664	9,145,072	195,809
Deductions	(14,685,328)	(50,112,303)	(1,807,459)	(543,923)	(9,224,767)	(200,043)
Total liabilities - ending	<u>\$ 906,892</u>	<u>\$ 1,084,105</u>	<u>\$ 25,700</u>	<u>\$ 9,607</u>	<u>\$ 217,451</u>	<u>\$ 2,361</u>

HALL COUNTY  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2010

Partial Payment	Townships	Airport Authority	Social Security	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 28,248	\$ 5,441	\$ 21,150	\$ 170	\$ 392	\$ -	\$ 7,329	\$ 2,734,387
6,485,139 (6,497,645)	27 -	818,512 (827,212)	- -	1,799 (1,739)	1,013 (1,013)	1,965 (4,083)	83,456,737 (83,905,515)
<u>\$ 15,742</u>	<u>\$ 5,468</u>	<u>\$ 12,450</u>	<u>\$ 170</u>	<u>\$ 452</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ 2,285,609</u>
\$ 28,248	\$ 5,441	\$ 21,150	\$ 170	\$ 392	\$ -	\$ 7,329	\$ 2,734,387
6,485,139 (6,497,645)	27 -	818,512 (827,212)	- -	1,799 (1,739)	1,013 (1,013)	1,965 (4,083)	83,456,737 (83,905,515)
<u>\$ 15,742</u>	<u>\$ 5,468</u>	<u>\$ 12,450</u>	<u>\$ 170</u>	<u>\$ 452</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ 2,285,609</u>



HALL COUNTY  
 SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND BY DEPARTMENT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For The Year Ended June 30, 2009

	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	\$ 298,734	\$ 243,678	\$ 641,272	\$ 353,267	\$ -	\$ 162,671	\$ 244,445	\$ 101,988	\$ 418,481
Operating expenses	4,016	84,665	11,988	39,207	4,000	9,560	347,274	8,848	4,097
Supplies/material	765	4,350	10,551	7,913	-	2,543	633	23,626	6,288
Equipment rental	-	-	-	-	-	-	-	-	-
Capital outlay	-	417	14,585	-	-	5,593	120,984	-	3,130
Interfund transfers	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 303,515</b>	<b>\$ 333,110</b>	<b>\$ 678,396</b>	<b>\$ 400,387</b>	<b>\$ 4,000</b>	<b>\$ 180,367</b>	<b>\$ 713,336</b>	<b>\$ 134,462</b>	<b>\$ 431,996</b>
Budget	307,804	341,716	739,659	447,322	4,000	186,424	739,915	150,556	451,797
Favorable	\$ 4,289	\$ 8,606	\$ 61,263	\$ 46,935	\$ -	\$ 6,057	\$ 26,579	\$ 16,094	\$ 19,801

	Public Safety								
	Sheriff	Attorney	Jail	Building Inspector	Misc	Probation Officer	Grants	Juvenile Diversion/Attention	Safety
Disbursements:									
Personal service	\$ 2,289,014	\$ 1,214,933	\$ 4,131,225	\$ 67,098	\$ -	\$ -	\$ -	\$ 134,689	\$ -
Operating expenses	131,468	53,772	1,261,254	1,628	446,855	6,314	-	892	4,905
Supplies/material	93,726	12,902	68,292	4,794	-	18,479	-	2,326	23
Equipment rental	-	-	-	-	-	8,873	-	-	-
Capital outlay	140,499	527	16,442	-	-	8,433	137,191	-	-
Interfund transfers	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 2,654,707</b>	<b>\$ 1,282,134</b>	<b>\$ 5,477,213</b>	<b>\$ 73,520</b>	<b>\$ 446,855</b>	<b>\$ 42,099</b>	<b>\$ 137,191</b>	<b>\$ 137,907</b>	<b>\$ 4,928</b>
Budget	3,019,631	1,354,030	5,553,071	75,086	433,551	42,225	376,370	147,500	7,900
Favorable	\$ 364,924	\$ 71,896	\$ 75,858	\$ 1,566	\$ (13,304)	\$ 126	\$ 239,179	\$ 9,593	\$ 2,972

HALL COUNTY  
 SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS  
 GENERAL FUND BY DEPARTMENT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For The Year Ended June 30, 2009

General Government									
Special Election	Justice System	County Court System	Building and Grounds	Agriculture Ext. Agent	Misc.	District Judge	Public Defender	Equipment Acquisition	Cadastral Maps
\$ 156	\$ 13,096	\$ -	\$ 264,590	\$ 131,213	\$ 376	\$ 120,615	\$ 492,790	\$ -	\$ 77,884
4,053	1,231,486	341	171,809	51,747	1,168,688	1,070	30,709	-	440
-	-	25,599	17,321	2,975	-	2,192	1,636	-	2,917
-	-	-	-	4,080	-	-	-	-	-
-	-	-	60,124	1,063	-	282	4,000	-	5,000
-	-	-	-	-	-	-	-	-	-
\$ 4,209	\$ 1,244,582	\$ 25,940	\$ 513,844	\$ 191,078	\$ 1,169,064	\$ 124,159	\$ 529,135	\$ -	\$ 86,241
24,288	1,378,530	26,028	551,396	232,919	1,494,179	130,621	537,836	-	88,740
\$ 20,079	\$ 133,948	\$ 88	\$ 37,552	\$ 41,841	\$ 325,115	\$ 6,462	\$ 8,701	\$ -	\$ 2,499

Public Works		Public Welfare and Social Services		Culture and Recreation			Public Health	Other	Totals	Totals
Surveyor	Misc.	Veteran's Service Officer	Misc.	Parks	Stuhr Museum	Misc.	Misc.	Transfers	(Memorandum only) 2010	(Memorandum only) 2009
\$ 84,987	\$ -	\$ 247,989	\$ 342,081	\$ 149,798	\$ -	\$ -	\$ -	\$ -	\$ 12,227,070	\$ 12,454,646
731	110,811	31,968	92,822	59,125	860,000	53,455	529,065	-	6,819,063	5,958,369
220	-	3,249	3,479	9,736	-	-	-	-	326,535	325,913
-	-	-	-	-	-	-	-	-	12,953	8,866
1,500	-	1,284	9,305	4,584	-	108,953	-	-	643,896	926,280
-	-	-	-	-	-	-	-	1,777,593	1,777,593	1,545,618
\$ 87,438	\$ 110,811	\$ 284,490	\$ 447,687	\$ 223,243	\$ 860,000	\$ 162,408	\$ 529,065	\$ 1,777,593	\$ 21,807,110	\$ 21,219,692
88,252	120,666	297,952	513,576	234,596	860,000	164,455	529,065	1,777,593	23,429,249	22,720,455
\$ 814	\$ 9,855	\$ 13,462	\$ 65,889	\$ 11,353	\$ -	\$ 2,047	\$ -	\$ -	\$ 1,622,139	\$ 1,500,763

HALL COUNTY  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
OFFICE OF THE CLERK  
For the Year Ended June 30, 2010  
With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Imprest - Vendor	\$ 22,993,754	\$ 26,236,340
Imprest - Payroll	11,515,526	11,459,946
Title fees	72,787	263,521
Recording fees	210	222
Photo copy	211	318
Marriage licenses	9,235	8,180
Plat books	491	711
Games and parks	267	3,727
Miscellaneous	<u>437</u>	<u>88</u>
Total receipts	\$ 34,592,918	\$ 37,973,053
Disbursements:		
Imprest - Vendor	\$ 22,993,754	\$ 26,236,340
Imprest - Payroll	11,515,526	11,459,946
Title fees	96,282	291,406
Recording fees	210	304
Photo copy	219	539
Marriage licenses	9,115	10,615
Plat books	522	837
Game and parks	<u>562</u>	<u>3,584</u>
Total disbursements	<u>\$ 34,616,190</u>	<u>\$ 38,003,571</u>
Receipts over (under) disbursements	\$ (23,272)	\$ (30,518)
Cash balance, beginning of year	<u>36,412</u>	<u>66,930</u>
Cash balance, end of year	<u><u>\$ 13,140</u></u>	<u><u>\$ 36,412</u></u>
Cash balance consists of:		
Cash on hand	\$ 27	\$ 527
Cash in bank	<u>13,113</u>	<u>35,885</u>
Total cash balance	<u><u>\$ 13,140</u></u>	<u><u>\$ 36,412</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE CLERK OF THE DISTRICT COURT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
<b>Receipts:</b>		
Fees	\$ 297,453	\$ 316,165
Interest	-	2,167
Trust receipts	535,107	907,073
Alimony/Child Support Work Release/Judgements	<u>1,201,554</u>	<u>1,347,727</u>
<b>Total receipts</b>	<b>\$ 2,034,114</b>	<b>\$ 2,573,132</b>
<b>Disbursements:</b>		
Fees	\$ 301,956	\$ 312,240
Interest	157	2,789
Trust disbursements	521,850	431,786
Alimony/Child Support Work Release/Judgements	<u>1,203,441</u>	<u>1,395,465</u>
<b>Total disbursements</b>	<b>\$ 2,027,404</b>	<b>\$ 2,142,280</b>
<b>Receipts over (under) disbursements</b>	<b>\$ 6,710</b>	<b>\$ 430,852</b>
<b>Cash balance, beginning of year</b>	<b><u>913,263</u></b>	<b><u>482,411</u></b>
<b>Cash balance, end of year</b>	<b><u>\$ 919,973</u></b>	<b><u>\$ 913,263</u></b>
<b>Cash balance consists of:</b>		
Cash on hand	\$ 200	\$ 100
Cash in bank	<u>919,773</u>	<u>913,163</u>
<b>Total cash balance</b>	<b><u>\$ 919,973</u></b>	<b><u>\$ 913,263</u></b>
<b>Cash balance due to other governments</b>	<b><u>\$ 11,415</u></b>	<b><u>\$ 10,116</u></b>
<b>Cash balance due to others</b>	<b><u>\$ 893,728</u></b>	<b><u>\$ 887,081</u></b>

HALL COUNTY  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
OFFICE OF THE COUNTY SHERIFF  
For the Year Ended June 30, 2010  
With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Writ fees, commissions, mileage, etc.	\$ 447,578	\$ 423,896
Vehicle inspection	34,380	35,710
Distress warrant collections	50,193	73,570
Hand gun permits	945	1,135
Law enforcement	<u>2,602</u>	<u>4,157</u>
Total receipts	\$ 535,698	\$ 538,468
Disbursements:		
Writ fees, commissions, mileage, etc.	\$ 443,094	\$ 423,444
Vehicle inspection	34,170	35,670
Distress warrant collection	50,193	73,570
Hand gun permits	955	1,130
Law enforcement	<u>2,603</u>	<u>4,156</u>
Total disbursements	<u>\$ 531,015</u>	<u>\$ 537,970</u>
Receipts over (under) disbursements	\$ 4,683	\$ 498
Cash balance, beginning of year	<u>37,324</u>	<u>36,826</u>
Cash balance, end of year	<u><u>\$ 42,007</u></u>	<u><u>\$ 37,324</u></u>
Cash balance consists of:		
Cash on hand	\$ 1,332	\$ 1,169
Cash in bank	<u>40,675</u>	<u>36,155</u>
Total cash balance	<u><u>\$ 42,007</u></u>	<u><u>\$ 37,324</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 DEPARTMENT OF CORRECTIONS  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
ICE detainee housing	\$ 1,567,801	\$ 728,151
State prisoner housing	229,595	175,009
Federal prisoner housing	3,055	2,168
Miscellaneous receipts	4,985	6,352
Inmate welfare	8,272	6,301
Inmate trust	<u>1,118,057</u>	<u>1,056,578</u>
Total receipts	\$ 2,931,765	\$ 1,974,559
Disbursements:		
ICE detainee housing	\$ 1,567,801	\$ 728,151
State prisoner housing	229,595	177,880
Federal prisoner housing	3,055	2,611
Miscellaneous receipts	1,967	5,743
Inmate welfare	8,204	6,871
Inmate trust	<u>1,099,719</u>	<u>1,092,643</u>
Total disbursements	<u>\$ 2,910,341</u>	<u>\$ 2,013,899</u>
Receipts over (under) disbursements	\$ 21,424	\$ (39,340)
Cash balance, beginning of year	<u>19,958</u>	<u>59,298</u>
Cash balance, end of year	<u><u>\$ 41,382</u></u>	<u><u>\$ 19,958</u></u>
Cash balance consists of:		
Cash on hand	\$ 7,391	\$ 605
Cash in bank	<u>33,991</u>	<u>19,353</u>
Total cash balance	<u><u>\$ 41,382</u></u>	<u><u>\$ 19,958</u></u>
Cash balance due to others	<u><u>\$ 17,480</u></u>	<u><u>\$ 12,333</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE NOXIOUS WEED DEPARTMENT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Service fees	\$ 156,062	\$ 161,341
Other receipts	<u>613</u>	<u>2</u>
Total receipts	\$ 156,675	\$ 161,343
Disbursements:		
County Treasurer	\$ 157,500	\$ 160,500
Other disbursements	<u>44</u>	<u>553</u>
Total disbursements	<u>\$ 157,544</u>	<u>\$ 161,053</u>
Receipts over (under) disbursements	\$ (869)	\$ 290
Cash balance, beginning of year	<u>1,133</u>	<u>843</u>
Cash balance, end of year	<u><u>\$ 264</u></u>	<u><u>\$ 1,133</u></u>
Cash balance consists of:		
Cash on hand	\$ 96	\$ 83
Cash in bank	<u>168</u>	<u>1,050</u>
Total cash balance	<u><u>\$ 264</u></u>	<u><u>\$ 1,133</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE COUNTY ATTORNEY  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Check restitution	\$ 50,529	\$ 75,961
Criminal restitution	13,568	5,802
Law enforcement	9,556	12,974
Federal drug forfeiture	<u>8,288</u>	<u>18,273</u>
Total receipts	\$ 81,941	\$ 113,010
Disbursements:		
Check restitution	\$ 50,505	\$ 76,021
Criminal restitution	13,393	8,130
Law enforcement	8,833	12,605
Federal drug forfeiture	<u>26,561</u>	<u>-</u>
Total disbursements	<u>\$ 99,292</u>	<u>\$ 96,756</u>
Receipts over (under) disbursements	\$ (17,351)	\$ 16,254
Cash balance, beginning of year	<u>24,000</u>	<u>7,746</u>
Cash balance, end of year	<u><u>\$ 6,649</u></u>	<u><u>\$ 24,000</u></u>
Cash balance consists of:		
Cash on hand	\$ 180	\$ 218
Cash in bank	<u>6,469</u>	<u>23,782</u>
Total cash balance	<u><u>\$ 6,649</u></u>	<u><u>\$ 24,000</u></u>
Cash balance due to others	<u><u>\$ 105</u></u>	<u><u>\$ -</u></u>



HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE HIGHWAY DEPARTMENT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Service fees	<u>\$ 168,931</u>	<u>\$ 218,098</u>
Total receipts	\$ 168,931	\$ 218,098
Disbursements:		
County Treasurer	<u>\$ 168,929</u>	<u>\$ 218,098</u>
Total disbursements	<u>\$ 168,929</u>	<u>\$ 218,098</u>
Receipts over (under) disbursements	\$ 2	\$ -
Cash balance, beginning of year	-	-
Cash balance, end of year	<u><u>\$ 2</u></u>	<u><u>\$ -</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 2</u></u>	<u><u>\$ -</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE BUILDING INSPECTOR  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Service fees	<u>\$ 32,601</u>	<u>\$ 76,878</u>
Total receipts	\$ 32,601	\$ 76,878
Disbursements:		
County Treasurer	<u>\$ 33,827</u>	<u>\$ 80,125</u>
Total disbursements	<u>\$ 33,827</u>	<u>\$ 80,125</u>
Receipts over disbursements	\$ (1,226)	\$ (3,247)
Cash balance, beginning of year	<u>3,511</u>	<u>6,758</u>
Cash balance, end of year	<u><u>\$ 2,285</u></u>	<u><u>\$ 3,511</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 2,285</u></u>	<u><u>\$ 3,511</u></u>

HALL COUNTY  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
OFFICE OF THE REGISTER OF DEEDS  
For the Year Ended June 30, 2010  
With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Recording fees	\$ 169,160	\$ 186,459
Document stamp tax	377,301	320,481
Copies	<u>4,567</u>	<u>4,747</u>
Total receipts	\$ 551,028	\$ 511,687
Disbursements:		
County Treasurer:		
Recording fees	\$ 175,896	\$ 177,997
Document stamp tax	81,488	73,080
Copies	4,611	4,774
State:		
Document stamp tax	<u>285,244</u>	<u>255,814</u>
Total disbursements	<u>\$ 547,239</u>	<u>\$ 511,665</u>
Receipts over (under) disbursements	\$ 3,789	\$ 22
Cash balance, beginning of year	<u>49,587</u>	<u>49,565</u>
Cash balance, end of year	<u><u>\$ 53,376</u></u>	<u><u>\$ 49,587</u></u>
Cash balance consists of:		
Cash on hand	\$ 43	\$ 70
Cash in bank	<u>53,333</u>	<u>49,517</u>
Total cash balance	<u><u>\$ 53,376</u></u>	<u><u>\$ 49,587</u></u>
Cash balance due to State of Nebraska	<u><u>\$ 29,123</u></u>	<u><u>\$ 23,405</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF VETERAN'S SERVICE  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
County Treasurer	<u>\$ 19,427</u>	<u>\$ 13,152</u>
Total receipts	\$ 19,427	\$ 13,152
Disbursements:		
Medical/Funeral expenses	\$ 4,154	\$ 4,708
Rent, utilities and food supplies	<u>8,612</u>	<u>9,719</u>
Total disbursements	<u>\$ 12,766</u>	<u>\$ 14,427</u>
Receipts over (under) disbursements	\$ 6,661	\$ (1,275)
Cash balance, beginning of year	<u>16,388</u>	<u>17,663</u>
Cash balance, end of year	<u><u>\$ 23,049</u></u>	<u><u>\$ 16,388</u></u>
Cash balance consists of:		
Cash in bank	<u><u>\$ 23,049</u></u>	<u><u>\$ 16,388</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE COUNTY ASSESSOR  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Copies	<u>\$ 336</u>	<u>\$ 571</u>
Total receipts	\$ 336	\$ 571
Disbursements:		
County Treasurer	<u>\$ 373</u>	<u>\$ 553</u>
Total disbursements	<u>\$ 373</u>	<u>\$ 553</u>
Receipts over (under) disbursements	\$ (37)	\$ 18
Cash balance, beginning of year	<u>53</u>	<u>35</u>
Cash balance, end of year	<u><u>\$ 16</u></u>	<u><u>\$ 53</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 16</u></u>	<u><u>\$ 53</u></u>

HALL COUNTY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
 OFFICE OF THE PARKS AND RECREATION DEPARTMENT  
 For the Year Ended June 30, 2010  
 With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Park fees	\$ 33,116	\$ 25,808
Picnic fees	420	-
Sales tax	1,911	1,465
Lodging tax	<u>1,843</u>	<u>1,365</u>
Total receipts	\$ 37,290	\$ 28,638
Disbursements:		
County Treasurer	<u>\$ 36,920</u>	<u>\$ 27,880</u>
Total disbursements	<u>\$ 36,920</u>	<u>\$ 27,880</u>
Receipts over (under) disbursements	\$ 370	\$ 758
Cash balance, beginning of year	<u>1,010</u>	<u>252</u>
Cash balance, end of year	<u><u>\$ 1,380</u></u>	<u><u>\$ 1,010</u></u>
Cash balance consists of:		
Cash in bank	<u><u>\$ 1,380</u></u>	<u><u>\$ 1,010</u></u>

HALL COUNTY  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES  
EXTENSION OFFICE  
For the Year Ended June 30, 2010  
With Comparative Totals For the Year Ended June 30, 2009

	2010	2009
Receipts:		
Reimbursed expenses - Hall Co.	\$ 63,877	\$ 55,916
Room rental fees	1,149	937
Interest	<u>332</u>	<u>604</u>
Total receipts	\$ 65,358	\$ 57,457
Disbursements:		
Telephone	\$ 1,853	\$ 1,879
Utilities & maintenance	40,037	41,190
Capital outlay	-	18,549
College Park sinking fund	4,500	6,500
Kids' College room rental	-	5,750
Office supplies	3,321	4,474
Insurance	2,452	1,972
Miscellaneous	<u>228</u>	<u>365</u>
Total disbursements	<u>\$ 52,391</u>	<u>\$ 80,679</u>
Receipts over (under) disbursements	\$ 12,967	\$ (23,222)
Cash balance, beginning of year	<u>29,635</u>	<u>52,857</u>
Cash balance, end of year	<u><u>\$ 42,602</u></u>	<u><u>\$ 29,635</u></u>
Cash balance consists of:		
Cash on hand	\$ 6,092	\$ -
Cash in bank	10,841	4,298
Certificates of deposit - restricted	<u>25,669</u>	<u>25,337</u>
Total cash balance	<u><u>\$ 42,602</u></u>	<u><u>\$ 29,635</u></u>

HALL COUNTY  
COMPARATIVE ANALYSIS OF TAX CERTIFIED  
CORRECTIONS AND COLLECTIONS  
For the Year Ended June 30, 2010

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tax certified by Assessor:					
Real estate, personal, specials & intangible	\$ 58,814,168	\$ 62,502,683	\$ 61,903,055	\$ 64,160,874	\$ 66,394,979
Total	<u>\$ 58,814,168</u>	<u>\$ 62,502,683</u>	<u>\$ 61,903,055</u>	<u>\$ 64,160,874</u>	<u>\$ 66,394,979</u>
Corrections:					
Additions	\$ 134,909	\$ 56,597	\$ 35,047	\$ 155,323	\$ 328,818
Deductions	<u>(51,747)</u>	<u>(160,648)</u>	<u>(90,491)</u>	<u>(34,440)</u>	<u>(93,864)</u>
Net additions/(deductions)	<u>\$ 83,162</u>	<u>\$ (104,051)</u>	<u>\$ (55,444)</u>	<u>\$ 120,883</u>	<u>\$ 234,954</u>
Correct certified tax	<u>\$ 58,897,330</u>	<u>\$ 62,398,632</u>	<u>\$ 61,847,611</u>	<u>\$ 64,281,757</u>	<u>\$ 66,629,933</u>
Net tax collected by County Treasurer for year ended:					
June 30, 2006	32,553,309	--	--	--	--
June 30, 2007	26,278,633	33,966,966	--	--	--
June 30, 2008	32,164	28,390,003	34,680,678	--	--
June 30, 2009	4,683	15,892	27,159,465	36,108,416	--
June 30, 2010	<u>542</u>	<u>2,922</u>	<u>14,302</u>	<u>28,059,298</u>	<u>38,222,372</u>
Total net collections	<u>\$ 58,869,331</u>	<u>\$ 62,375,783</u>	<u>\$ 61,854,445</u>	<u>\$ 64,167,714</u>	<u>\$ 38,222,372</u>
Total uncollected tax	<u>\$ 27,999</u>	<u>\$ 22,849</u>	<u>\$ (6,834)</u>	<u>\$ 114,043</u>	<u>\$ 28,407,561</u>
Percentage of uncollected tax	<u>0.05%</u>	<u>0.04%</u>	<u>-0.01%</u>	<u>0.18%</u>	<u>42.63%</u>



## FEDERAL FINANCIAL ASSISTANCE PROGRAMS

HALL COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2010

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Health and Human Services</u>			
Passed through State of Nebraska			
Department of Welfare			
Child Support Enforcement*	93.563	0G1004NE4004	\$ 420,745
Medical Assistance Program	93.778	050905NE5048 051005NE5ADM	38,817
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0G0901NECCDF	104
Passed through Central Nebraska Council			
Alcoholism and Addictions			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	SPF-SIG	<u>2,737</u>
Total-Department of Health and Human Services			<u>\$ 462,403</u>
<u>Federal Emergency Management Agency</u>			
Passed through State of Nebraska			
Civil Defense			
Emergency Management Assistance Program	97.042	43122	\$ 58,833
Homeland Security Grant Program	97.067	2007GET70035 43120	<u>75,301</u>
Total-Department of Federal Emergency Management Agency			<u>\$ 134,134</u>
<u>Department of Justice</u>			
Direct Program:			
Inmate Housing	16.606		\$ 108,737
Bullet Proof Vests Partnership Program	16.607		5,538
Edward Byrne Memorial Justice Assistance Grant Program	16.738		20,000
Organized Crime Drug Enforcement Task Force	Unknown		<u>1,727</u>
Total-Department of Justice			<u>\$ 136,002</u>
<u>Department of the Interior</u>			
Direct Program:			
National Wildlife Refuge Fund	15.659		<u>\$ 4,428</u>
Total-Department of the Interior			<u>\$ 4,428</u>

(Continued)

See Notes to Schedule of Expenditures of Federal Awards

HALL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2010

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Transportation</u>			
Passed through State of Nebraska			
Roads			
Formula Grants for other than Urbanized Areas (note 7) (\$89,522 of ARRA expenditures)*	20.509	RPT-C401 (010) ARRA-C401 (0V29) C4010210	\$ 297,712
State and Community Highway Safety	20.600	SAFETEA-LU 402	2,333
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	SAFETEA-LU 410	21,119
Highway Planning and Construction	20.205	HSIP08	<u>24,198</u>
Total-Department of Transportation			<u>\$ 345,362</u>
<u>Environmental Protection Agency</u>			
Passed through the Nebraska Department of Environmental Quality			
State Clean Diesel Grant Program (\$39,900 of ARRA expenditures)*	66.040	2009 Nebraska Clean Diesel	<u>\$ 39,900</u>
Total-Department of the Interior			<u>\$ 39,900</u>
<u>Executive Office of the President</u>			
Passed through State of Nebraska Office of National Drug Control Policy			
High Intensity Drug Trafficking Areas Program	95.001	18 PMWP634Z 09 HD04	<u>\$ 113,751</u>
Total-Department of Justice			<u>\$ 113,751</u>
<u>Department of Labor</u>			
Direct Program:			
Employee Benefits Security Administration	17.151		<u>\$ 908</u>
Total-Department of Labor			<u>\$ 908</u>
Total Federal Financial Assistance			<u>\$ 1,236,888</u>

\*Major Program

HALL COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2010

Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Hall County, Nebraska (the County), except as noted in Note 5 below. The County's reporting entity is defined in Note 1 to the County's financial statements. Federal awards received directly from federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective federal agency.

Note 2. Basis of Presentation

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

Note 3. Federal Awards

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

Note 4. Major Programs

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

Note 5. Matching Costs

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

Note 6. Non-cash Assistance

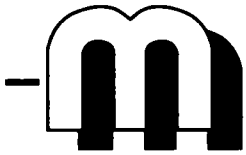
Included in the balance of Formula Grants for other than Urbanized Areas on the Schedule is \$89,522 of ARRA funded non-cash assistance and \$35,808 of additional non-cash assistance. The non-cash assistance was provided in the form of three (3) small buses.

HALL COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2010

Note 7. Subrecipients

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

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Provided to Subrecipients</i>
Formula Grants for other than Urbanized Areas	20.509	\$297,712



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 basic financial statements of Hall County as of and for the year ended June 30, 2010, and have issued our report thereon dated March 30, 2011, 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hall County's internal control 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 that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

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 as items 2010-02 through 2010-05 to be significant deficiencies.

2722 So. LOCUST ST.  
P.O. Box 1767  
GRAND ISLAND, NE 68802  
PHONE 308-382-7850  
FAX 308-382-7240  
MMCPAS.COM

*Compliance and Other Matters*

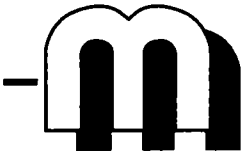
As part of obtaining reasonable assurance about whether Hall County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Hall County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Hall County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Hall County Supervisors, management, 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.*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
March 30, 2011



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Hall County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hall County's major federal programs for the year ended June 30, 2010. Hall County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Hall County's management. Our responsibility is to express an opinion on Hall County'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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hall County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Hall County's compliance with those requirements.

In our opinion, Hall County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Hall County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Hall County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hall County's internal control over compliance.

2722 So. LOCUST ST.  
P.O. Box 1767  
GRAND ISLAND, NE 68802  
PHONE 308-382-7850  
FAX 308-382-7240  
MMCPAS.COM



*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Hall County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Hall County's responses and, accordingly, we express no opinion on the responses.

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.*

McDermott & Miller, P.C.  
Grand Island, Nebraska  
March 30, 2011

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

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

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Are any material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

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

Internal control over major program compliance:

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

Identification of major programs:

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

93.563 Child Support Enforcement
20.509 Formula Grants for other than Urbanized Areas
66.040 State Clean Diesel Grant Program

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Is the auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Section II: Financial Statement Findings**

**Finding 2010-01:** The policies and procedures implemented to approve and pay claims of the County do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by inaccurate or incomplete claim forms, issuance of duplicate checks, inappropriate override of controls, inadequate segregation of duties, and inadequate monitoring. (Material Weakness)

*Criteria:* GASB 34 requires management to establish and maintain a sound system of internal control. GAGAS 1.18 requires management to establish and maintain effective internal control to help ensure that appropriate goals and objectives are met; resources are used efficiently, economically, and effectively, and are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed.

*Condition:* For the year ending June 30, 2010, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the claims process.

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

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

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

*Responsible Official's Response:* The Audit Committee will work with the County Clerk to review the process and procedures involved in submitting and paying claims. The County Board will take a more active role in this process.

**Finding 2010-02:** An ideal system of internal accounting control is that no person should be allowed to control a transaction from its inception to its recording in the accounting records. Although this division of duties is not always possible within your organization because of the limited number of employees, compensating or complementary controls may be implemented to mitigate the risk. (Significant Deficiency)

*Criteria:* GASB 34 requires management to establish and maintain a sound system of internal control. GAGAS 1.18 requires management to establish and maintain effective internal control to help ensure that appropriate goals and objectives are met; resources are used efficiently, economically, and effectively,

and are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed.

*Condition:* For the year ending June 30, 2010, management failed to establish and maintain compensating or complementary controls to mitigate the risk arising from the lack of a sound system of internal control which properly segregates duties.

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

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

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

*Responsible Official's Response:* The Board of Supervisors and management of Hall County will review ways to establish, document and maintain controls which mitigate the lack of segregation of duties. This may include review of bank work by personnel independent of the transaction process or reassigning certain duties to provide more appropriate segregation.

**Finding 2010-03:** The County's policies and procedures related to cash management do not provide proper controls to prevent or detect misstatements related to error or fraud as evidenced by a lack of oversight for the opening, closing, or change in bank or petty cash accounts; failure to prepare accurate and complete bank or cash account reconciliations; and the failure to submit unclaimed property in accordance with state statute. (Significant Deficiency)

*Criteria:* GASB 34 requires management to establish and maintain a sound system of internal control. GAGAS 1.18 requires management to establish and maintain effective internal control to help ensure that appropriate goals and objectives are met; resources are used efficiently, economically, and effectively, and are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed. Nebraska State Statute 69-1310 requires that unclaimed property be reported to the State Treasurer.

*Condition:* For the year ending June 30, 2010, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the cash management process.

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

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

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

*Responsible Official's Response:* The Board of Supervisors and management of Hall County will work together to establish proper procedures for monthly reconciliation and review of all bank accounts and petty cash accounts. The Board of Supervisors will initiate a board resolution for guidance on opening and closing bank accounts. The Board of Supervisors and management of Hall County will require all offices to submit unclaimed property in accordance with state statute.

**Finding 2010-04:** The policies and procedures implemented by the Board of Supervisors to provide internal controls over the County's equipment and property inventory are not appropriately implemented or monitored as evidenced by incomplete inventory reports. (Significant Deficiency)

*Criteria:* GASB 34 requires management to establish and maintain a sound system of internal control. GAGAS 1.18 requires management to establish and maintain effective internal control to help ensure that appropriate goals and objectives are met; resources are used efficiently, economically, and effectively, and are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed. The County's Control over Fixed Assets Policy requires the surprise spot checks conducted by the Board of Supervisors to be conducted in both directions (physical assets to the inventory list and the inventory list to the physical assets).

*Condition:* For the year ending June 30, 2010, management failed to properly implement and monitor the Board of Supervisors' policies and procedures related to equipment and property inventory.

*Cause:* The entity failed to properly implement and monitor the policies and procedures related to equipment and property inventory.

*Effect or Potential Effect:* Without the proper controls, the risk significantly increases that County property may be misappropriated.

*Recommendation:* Proper implementation and sufficient monitoring of the existing equipment and property inventory policies and procedures would greatly diminish the risk of asset misappropriation.

*Responsible Official's Response:* The Audit Committee will conduct training prior to the inspection testing of the fixed assets. The training will provide uniform procedures to be followed to comply with the statutory requirements regarding the checking of fixed asset inventories to and from the inventory documents.

**Finding 2010-05:** The policies and procedures implemented by the County to provide internal controls over the County's payroll process are not appropriately implemented or monitored as evidenced by the disagreement between the withholding statuses indicated on several W-4 forms found in employee personnel files and the amounts of income tax withholding calculated for and withheld for these employees by the payroll software. (Significant Deficiency)

*Criteria:* GASB 34 requires management to establish and maintain a sound system of internal control. GAGAS 1.18 requires management to establish and maintain effective internal control to help ensure that appropriate goals and objectives are met; resources are used efficiently, economically, and effectively, and are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed.

*Condition:* For the year ending June 30, 2010, the County failed to properly implement and monitor policies and procedures related to the payroll process.

*Cause:* The entity failed to properly implement and monitor the policies and procedures related to the payroll process.

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

*Recommendation:* The County should review the implementation of its payroll policies and procedures, monitor these items, and verify that all W-4 withholding statuses correspond with the amounts of income tax withholdings calculated for and withheld for each employee by the payroll software.

*Responsible Official's Response:* The County Clerk's office will verify that all W-4 withholding statuses correspond with the amounts of income tax withholdings calculated for and withheld for each employee by the payroll software.

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

None.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

- 09-1 In an ideal system of internal accounting control, 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.

Status: Planned corrective action completed this fiscal year.

- 09-2 During our audit it was discovered that two employees' W-4 withholding statuses did not agree with the amounts of withholding the payroll software was withholding.

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

Planned Corrective Action: The County Clerk's office will verify that all W-4 withholding statuses correspond with the amounts of income tax withholdings calculated for and withheld for each employee by the payroll software.

- 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 15<sup>th</sup> day of the month following the month of collection violates State Statute 33-130.

Status: Planned corrective action completed this fiscal year.

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

Status: Planned corrective action completed this fiscal year.

- 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.

Status: Planned corrective action completed this fiscal year.

- 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.

Status: Planned corrective action completed this fiscal year.

- 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.

Status: Planned corrective action completed this fiscal year.