

HALL COUNTY

FINANCIAL REPORT

For the Year Ended June 30, 2015

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MCDERMOTT + MILLER

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

County Board of Supervisors
Hall County
Grand Island, Nebraska

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hall County, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise Hall County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hall County, as of June 30, 2015, and the respective changes in financial position-cash basis, thereof for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted for governments in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 and the budgetary comparison information on pages 30 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hall County's basic financial statements. The additional schedules located on pages 38 through 59 and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The additional schedules located on pages 38 through 59 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional schedules located on pages 38 through 59 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, on our consideration of Hall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hall County's internal control over financial reporting and compliance.

McDermott & Miller PC

McDermott & Miller, P.C.
Grand Island, Nebraska
November 13, 2015

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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, 2015. Please read it in conjunction with the County's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The Stuhr Museum of the Prairie Pioneer (Stuhr Museum) is a component unit of the County because of the significance of its relationship with the County. Condensed financial statements of Stuhr Museum as of June 30, 2015 are presented in the notes to the financial statements; see Note 9 for further information. A complete copy of Stuhr Museum's financial statements is on file with the Hall County Clerk.

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

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

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

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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

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

BASIS OF ACCOUNTING

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

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

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

- Governmental activities cash position at June 30, 2015 was \$23,913,399 compared with \$22,379,467 at June 30, 2014. This was an increase of \$1,533,932 or 7%.
- General fund expenditures and transfers were \$24,907,143 for the current fiscal year, compared with \$22,371,645 at June 30, 2014. This is an increase of \$2,535,498 or 11%.
- Federal program expenditures were \$948,085 for the current fiscal year, compared with \$1,038,911 at June 30, 2014. This is a decrease of \$90,826 or 9%.
- Major capital projects of the County included the following:
 - Road Improvement Projects \$2,057,008
 - Road Equipment Purchases, Bridge Repair, and Engineering Fees \$390,602
 - Purchase of new property:
 - Plaza Building at 207 N Pine St \$825,000
 - 115 and 119 S Sycamore \$155,000
 - Repairs to Plaza Building \$98,705
 - Courthouse HVAC project \$148,262
 - County Courtroom #3 \$41,391
 - Courthouse Annex 2nd floor demolition \$97,687

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Governmental Activities

The results of operations for the County indicate an improving financial position. Overall receipts increased and although disbursements increased over the prior year, an overall increase in the net position of the County occurred strengthening the financial position.

The largest single source of receipts for the County is property taxes. The County's property taxes recorded in the governmental funds for 2013-2014 were \$16,968,764 and for 2014-2015, it increased by \$1,141,332 to \$18,110,096.

In 2013-2014, the County's assessed valuation was \$4,258,409,140. In 2014-2015, it increased by \$500,248,116 to \$4,758,657,256.

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

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

	<u>2014-2015</u>	<u>2013-2014</u>	<u>Change</u>	<u>Percentage</u>
Total Assets	\$ 23,913,399	\$ 22,379,467	\$ 1,533,932	6.9%
Total Liabilities	357,722	291,946	65,776	22.5%
Total Net Position	23,555,677	22,087,521	1,468,156	6.6%
Total Restricted Net Position	4,974,503	4,880,216	94,287	1.9%
Total Unrestricted Net Position	18,581,174	17,207,305	1,373,869	8.0%

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

	<u>2014-2015</u>	<u>2013-2014</u>	<u>Change</u>	<u>Percentage</u>
Revenues				
Program Revenues				
Fees and Charges for Services	\$ 12,692,944	\$ 10,739,740	\$ 1,953,204	18.2%
Operating Grants and Contributions	942,231	949,533	(7,302)	(0.8%)
Capital Grants and Contributions	281,932	284,620	(2,688)	(0.9%)
General Revenues				
Property Taxes	18,110,096	16,968,764	1,141,332	6.7%
Other Taxes	5,321,469	5,029,386	292,083	5.8%
Other General Revenue	28,732	33,650	(4,918)	(14.6%)
Total Revenues	<u>\$ 37,377,404</u>	<u>\$ 34,005,693</u>	<u>\$ 3,371,711</u>	<u>9.9%</u>
Program Disbursements				
General Government	\$ 13,174,965	\$ 10,926,309	\$ 2,248,656	20.6%
Public Safety	14,203,389	12,736,897	1,466,492	11.5%
Public Works	5,407,179	4,252,350	1,154,829	27.2%
Public Health	523,869	523,684	185	0.0%
Public Welfare and Social Services	932,843	916,107	16,739	1.8%
Culture and Recreation	1,667,003	1,710,079	(55,076)	(3.2%)
Total Disbursements	<u>\$ 35,909,248</u>	<u>\$ 31,065,426</u>	<u>\$ 4,843,822</u>	<u>15.6%</u>
Change in Net Position	<u>\$ 1,468,156</u>	<u>\$ 2,940,267</u>	<u>\$ (1,472,111)</u>	<u>(50.1%)</u>

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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

	<u>General</u>	<u>Jail Bond</u>	<u>Inheritance</u>	<u>Road</u>	<u>Insurance</u>	<u>Building & Improvement Reserve</u>	<u>Other Governmental Funds</u>
Receipts	\$26,408,982	\$ 1,818,487	\$ 1,021,809	\$ 2,834,688	\$ 2,327,504	\$ 9,200	\$ 2,956,734
Disbursements	(22,590,196)	(1,346,010)	(717,753)	(5,129,947)	(3,165,014)	(437,439)	(2,522,889)
Transfers In	345,000	-	520,262	2,089,413	315,975	1,728,738	107,271
Transfers Out	(2,316,947)	-	(1,728,738)	(268,198)	(290,000)	(150,000)	(352,776)
Net Change in							
Fund Balances Beginning	1,846,839	472,477	(904,420)	(474,044)	(811,535)	1,150,499	188,340
Fund Balance Ending Fund	8,135,399	1,402,091	4,601,254	1,022,913	2,820,936	1,818,662	2,286,266
Balance	9,982,238	1,874,568	3,696,834	548,869	2,009,401	2,969,161	2,474,606

The General Fund had the greatest change in value. This was attributed to an increase in receipts in the General Fund. The decrease in the Inheritance Fund is attributed to an increase of \$1,013,382 of transfers out compared to the prior year. The decrease in the Road Fund is attributable to an increase of disbursements totaling \$1,176,681 compared to the prior year.

The following table shows the property tax rates, by fund or component unit, for fiscal years 2013-2014 and 2014-2015 including a calculation of the amount and percentage by which each levy changed. Note: Levies are expressed in dollars and cents per \$100 of valuation. For example, the County's total property tax for these funds and component unit on a \$100,000 property in 2014-2015 would be \$411.08.

Fund	2013-2014 Levy	2014-2015 Levy	Levy Change	Percentage Change
General Fund	0.364402	0.351453	(0.012949)	-3.55%
Dependent Fund	0.001080	0.001446	0.000366	33.89%
Institutions	0.000046	0.000092	0.000046	100.00%
Jail Bond Fund	0.039000	0.039000	0.000000	0.00%
Veteran's Aid	0.000098	0.000087	(0.000011)	-11.22%
Museum	0.020306	0.019000	(0.001306)	-6.43%
County Totals	0.424932	0.411078	(0.013854)	-3.26%

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

General Fund Budgetary Highlights

In comparing the General Fund's actual expenditures to the budget prepared for the year, mostly favorable variances were noted. Total General Fund expenditures were under budget by \$2,410,398 or 10.67%. This was mostly due to the Public Safety function being under budget by \$1,138,131 and the General Government function being under budget by \$1,111,639. See the Budgetary Comparison Schedule for the General Fund on pages 30-32 for more detailed information.

Over the course of the 2014-2015 fiscal year, the County's General Fund balance increased by approximately \$1,846,839. The following table provides a detailed picture of the increase in fund balance.

	2014-2015 Budget	Year-End Actual	Difference
07/01/14 Beginning Balance		\$ 8,135,399	
Receipts:			
Property/Motor Vehicle Taxes	\$ 18,389,113	\$ 18,062,115	\$ (326,998)
Federal	842,953	598,159	(244,794)
State	576,308	1,370,846	794,538
Other Local	4,975,857	6,377,862	1,402,005
Total Receipts	\$ 24,784,231	\$ 26,408,982	\$ 1,624,751
Expenditures	\$ 25,000,594	\$ 22,590,196	\$ 2,410,398
Net Transfers	\$ (1,971,947)	\$ (1,971,947)	\$ -
Net (Decrease)/Increase	\$ (2,188,310)	\$ 1,846,839	\$ 4,035,149
06/30/15 Ending Balance		<u>\$ 9,982,238</u>	

HALL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Long-term Debt Highlights

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May 2008. These Series 2006 bonds were refinanced in September 2011 with the Series 2011 Refunding Bonds and in January 2012 with the Series 2012 Refunding Bonds. The Series 2011 bonds are payable over a period not longer than 22 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.30% and 4.35%. The Series 2012 bonds are payable over a period not longer than 10 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.35% and 2.40%. For the year ending June 30, 2015, \$471,010 of interest and \$875,000 of principal were paid for the Series 2011 and 2012 bonds. See Note 12 for repayment schedule.

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

Subsequent Events

Subsequent events have been evaluated through November 13, 2015, which is the date the financial statements were available to be issued. The County notes the following items for disclosure.

The County Board has accepted bids for the HVAC project and some minor remodeling for the Hall County Courthouse. The cost estimate is approximately \$2,600,000.

On July 14, 2015, the Hall County Board of Supervisors approved a resolution calling for the early redemption, refinancing and prepayment of \$9,600,000 in aggregate principal amount of the County's General Obligation Bonds, Series 2011. The bond relates to the funding for the County correctional facility. On September 30, 2015 the County closed on this transaction in the final amount of \$8,905,000. The redemption is expected to save the County approximately \$4,162,706 and will reduce the final payment date by 6 years.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

HALL COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2015

		Primary Government
		Governmental Activities
ASSETS		
Pooled cash and cash equivalents	\$	17,862,355
Pooled certificates of deposit		2,397,392
Restricted assets:		
Cash and cash equivalents		2,591,292
Certificates of deposit		1,062,360
Total assets	\$	23,913,399
LIABILITIES		
Due to other governments	\$	72,382
Due to others		285,340
Total liabilities	\$	357,722
NET POSITION		
Restricted for:		
Debt service	\$	1,874,568
Capital projects - Extension Office		26,216
Health and life insurance claims		1,738,330
Parks and recreation		513
911 emergency services		21,355
Visitors promotion/improvement		522,409
Veterans services		43,868
Drug enforcement		64,225
Keno lottery		495,182
Traffic safety		35,661
Indigent welfare		137,909
P&M fund - Register of Deeds		14,267
Unrestricted		18,581,174
Total net position	\$	23,555,677

See Notes to Financial Statements

HALL COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
General government	\$ 13,174,965	\$ 9,208,030	\$ 96,599	\$ 281,210	\$ (3,589,126)
Public safety	14,203,389	592,889	432,742	-	(13,177,758)
Public works	5,407,179	2,889,678	-	722	(2,516,779)
Public health	523,869	-	-	-	(523,869)
Public welfare and social services	932,843	2,347	412,890	-	(517,606)
Culture and recreation	1,667,003	-	-	-	(1,667,003)
Total governmental activities	\$ 35,909,248	\$ 12,692,944	\$ 942,231	\$ 281,932	\$ (21,992,141)
General receipts					
Taxes:					
Property					\$ 18,110,096
Motor vehicle					1,711,883
Property tax credit					657,059
Airline and carline tax allocation					44,209
In-lieu-of tax					94,772
Insurance tax allocation					157,884
Pro-rate motor vehicle					70,514
Homestead					462,606
Lodging					906,452
Inheritance					1,010,778
911 Surcharges					205,312
Fines and licenses					7,170
Interest income					21,562
Total general receipts					\$ 23,460,297
Change in net position					\$ 1,468,156
Net position - beginning					22,087,521
Net position - ending					\$ 23,555,677

See Notes to Financial Statements

HALL COUNTY
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Building & Improvement Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and equivalents	\$ 7,905,473	\$ -	\$ 3,696,834	\$ 548,869	\$ 271,071	\$ 2,969,161	\$ 2,470,947	\$ 17,862,355
Certificates of deposit	2,397,392	-	-	-	-	-	-	2,397,392
Restricted assets:								
Cash and cash equivalents	271	1,874,568	-	-	702,186	-	14,267	2,591,292
Certificates of deposit	26,216	-	-	-	1,036,144	-	-	1,062,360
Total assets	<u>\$ 10,329,352</u>	<u>\$ 1,874,568</u>	<u>\$ 3,696,834</u>	<u>\$ 548,869</u>	<u>\$ 2,009,401</u>	<u>\$ 2,969,161</u>	<u>\$ 2,485,214</u>	<u>\$ 23,913,399</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other governments	\$ 70,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,643	\$ 72,382
Due to others	276,375	-	-	-	-	-	8,965	285,340
Total liabilities	<u>\$ 347,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,608</u>	<u>\$ 357,722</u>
Fund balances:								
Restricted	\$ 26,216	\$ 1,874,568	\$ -	\$ -	\$ 1,738,330	\$ -	\$ 1,335,389	\$ 4,974,503
Committed	-	-	-	548,869	271,071	2,969,161	1,139,217	4,928,318
Assigned	-	-	3,696,834	-	-	-	-	3,696,834
Unassigned	9,956,022	-	-	-	-	-	-	9,956,022
Total fund balances	<u>\$ 9,982,238</u>	<u>\$ 1,874,568</u>	<u>\$ 3,696,834</u>	<u>\$ 548,869</u>	<u>\$ 2,009,401</u>	<u>\$ 2,969,161</u>	<u>\$ 2,474,606</u>	<u>\$ 23,555,677</u>
Total liabilities and fund balances	<u>\$ 10,329,352</u>	<u>\$ 1,874,568</u>	<u>\$ 3,696,834</u>	<u>\$ 548,869</u>	<u>\$ 2,009,401</u>	<u>\$ 2,969,161</u>	<u>\$ 2,485,214</u>	<u>\$ 23,913,399</u>

See Notes to Financial Statements

HALL COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General	Jail Bond Fund	Inheritance Funds	Road Fund	Insurance Fund	Building & Improvement Reserve	Other Governmental Funds	Total Governmental Funds
RECEIPTS								
Property/Motor Vehicle taxes	\$ 18,062,115	\$ 1,695,976	\$ -	\$ -	\$ -	\$ -	\$ 63,886	\$ 19,821,977
Fines and licenses	7,170	-	-	-	-	-	-	7,170
State	1,370,846	113,392	-	2,613,027	-	-	1,158,560	5,255,825
Federal	598,159	-	-	722	-	-	-	598,881
Interest income	9,722	139	11,031	-	-	-	671	21,563
Other	6,360,970	8,980	1,010,778	220,939	2,327,504	9,200	1,733,617	11,671,988
Total receipts	\$ 26,408,982	\$ 1,818,487	\$ 1,021,809	\$ 2,834,688	\$ 2,327,504	\$ 9,200	\$ 2,956,734	\$ 37,377,404
DISBURSEMENTS								
General government	\$ 8,186,274	\$ -	\$ 717,753	\$ -	\$ 3,165,014	\$ 437,439	\$ 668,485	\$ 13,174,965
Public safety	11,941,071	1,346,010	-	-	-	-	916,308	14,203,389
Public works	188,720	-	-	5,129,947	-	-	88,512	5,407,179
Public health	523,869	-	-	-	-	-	-	523,869
Public welfare and social services	831,546	-	-	-	-	-	101,297	932,843
Culture and recreation	918,716	-	-	-	-	-	748,287	1,667,003
Total disbursements	\$ 22,590,196	\$ 1,346,010	\$ 717,753	\$ 5,129,947	\$ 3,165,014	\$ 437,439	\$ 2,522,889	\$ 35,909,248
Excess (deficiency) of receipts over (under) disbursements	\$ 3,818,786	\$ 472,477	\$ 304,056	\$ (2,295,259)	\$ (837,510)	\$ (428,239)	\$ 433,845	\$ 1,468,156
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 345,000	\$ -	\$ 520,262	\$ 2,089,413	\$ 315,975	\$ 1,728,738	\$ 107,271	\$ 5,106,659
Transfers out	(2,316,947)	-	(1,728,738)	(268,198)	(290,000)	(150,000)	(352,776)	(5,106,659)
Total other financing sources	\$ (1,971,947)	\$ -	\$ (1,208,476)	\$ 1,821,215	\$ 25,975	\$ 1,578,738	\$ (245,505)	\$ -
Net change in fund balances	\$ 1,846,839	\$ 472,477	\$ (904,420)	\$ (474,044)	\$ (811,535)	\$ 1,150,499	\$ 188,340	\$ 1,468,156
Fund balances - beginning	8,135,399	1,402,091	4,601,254	1,022,913	2,820,936	1,818,662	2,286,266	22,087,521
Fund balances - ending	\$ 9,982,238	\$ 1,874,568	\$ 3,696,834	\$ 548,869	\$ 2,009,401	\$ 2,969,161	\$ 2,474,606	\$ 23,555,677

See Notes to Financial Statements

HALL COUNTY
 STATEMENT OF FIDUCIARY NET POSITION-CASH BASIS
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 2,753,094</u>
LIABILITIES	
Due to other governments	
State	\$ 1,115,216
Schools	1,224,238
Natural Resource District	24,088
Fire Districts	9,377
Municipalities	325,908
Agricultural Society	1,932
Partial Payment	24,621
Townships	5,582
Airport Authority	19,458
Lodging Sales Tax	422
SID	2,252
Total liabilities	<u>\$ 2,753,094</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>

See Notes to Financial Statements

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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, 2015 are presented in the notes to the financial statements; see Note 9 for further information. A complete copy of Stuhr Museum's financial statements is on file with the Hall County Clerk.

Joint Organizations

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

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

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

Basis of Presentation

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

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

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

Governmental Funds Types

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

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

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Fiduciary Funds Types

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

Basis of Accounting

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

The governmental fund financial statements were also reported on the cash receipts and disbursements basis of accounting. As such, this basis of accounting and measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis. Receipts are recognized when received and disbursements are recognized when paid. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is made.

Cash and Cash Equivalents

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

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Pooled Cash and Investments

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

Cash Held Outside the County Treasurer

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

Investments

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

Capital Assets

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

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

Net Position/Fund Balances

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

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

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

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. See Note 13 Net Position/Fund Balances in the notes to the financial statements for more information.

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Internal Activities

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

Use of Estimates

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

Compensated Absences

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

Note 2. Property Taxes

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

The 2014-2015 fiscal year levy for property taxes was \$19,561,805, or \$.411078 per \$100 of assessed valuation. The 2013-2014 fiscal year levy for property taxes was \$18,095,342, or \$.424932 per \$100 of assessed valuation. Any increase in taxation is limited to the prior year's level, with provisions for growth. It may be increased by 1% by a three-fourths majority vote of the Hall County Board of Supervisors.

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Deposits/Investments

Credit Risk

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

Concentration of Credit Risk

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

Interest Rate Risk

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

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

	<u>Investment Maturities (in years)</u>	
	<1	1-5
CDs	\$ 3,459,752	\$ -
	<u>\$ 3,459,752</u>	<u>\$ -</u>

Nebraska Public Agency Investment Trust (NPAIT) is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. The account maintains a \$1.00 market value price at all times. The trust was invested in Government Agency Securities – 19.59%, Certificate of Deposits in various Nebraska Banks – 18.29%, Demand Deposit and Money Market Accounts – 32.87%, and Repurchase agreements (collateralized by U.S. Government Securities) – 29.25% at June 30, 2015.

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Deposits/Investments (Continued)

The cash and cash equivalents balance as of June 30, 2015 includes \$12,388,439 of funds held at NPAIT. Included in the aforementioned NPAIT balance is \$271 of funds held for others by the Hall County Clerk of the District Court.

An adjustment totaling \$864,664 has been recorded in the financial statements to recognize the cash held at County offices but not yet remitted to the Treasurer for the year ended June 30, 2015.

Additionally, the County was in possession of \$702,186 in cash and \$1,036,144 in certificates of deposit held by a banking institution for the purpose of health insurance plan administration. An adjustment has been recorded in the financial statements to recognize these amounts as of June 30, 2015.

The County utilizes various bank institutions. The institutions have pledged assets or provided insurance contracts in addition to FDIC coverage for County accounts. The County follows Neb. Rev. Stat. Sec. 77-2387 (Reissue 2009) to determine allowed collateral. At June 30, 2015, the amounts on deposit for the County were adequately secured by each institution.

Note 4. Employee's Retirement System

The County Board has adopted the provisions of Neb. Rev. Stat. Secs. 23-2301 to 23-2335 (Reissue 2012), established as law by the County Employees Retirement Act of 1965. The Retirement System for Nebraska Counties is administered by the Public Employees Retirement Board. The Plan covers substantially all permanent employees once they are hired. The Ameritas Group is responsible for administering the plan and acts as the trustee for the Plan's funds. All full time employees, other than law enforcement officials, are required to contribute 4.5% of their total compensation and the County contributes an amount equal to 150% of the employee's contribution. These contribution rates are established pursuant to Neb. Rev. Stat. Secs. 23-2307 and 23-2308 (Reissue 2012). Certified law enforcement officers contribute 5.5% of their total compensation and the County contributes an amount equal to 150% of the first 4.5% of the employees' contribution and an amount equal to 100% on the remaining 1% contribution. Certified law enforcement officers contribution rates are established pursuant to Neb. Rev. Stat. Sec. 23-2332.01 (Reissue 2012). The employees' and employer's contributions are kept in separate accounts. The employees' accounts are fully vested. The employer's account is vested after three years of service. Prior service benefits are paid by the County on a pay-as-you-go basis directly to the retired employees. For the year ended June 30, 2015, the County contributed \$817,045 to the employer's account. Employees contributed \$553,189 to the Plan for the year ended June 30, 2015. The County also paid \$288 directly to retired individuals for prior service benefits on a pay-as-you-go basis. No actuarial calculation has been made of the Plan.

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5. Deferred Compensation Plan

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

Note 6. Contingencies

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

Note 7. Interfund Transfers, Receivables, and Payables

Interfund transfers for the year ended June 30, 2015 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 345,000	\$ 2,316,947
Road Fund	2,089,413	268,198
Street Improvement Fund	-	-
Special Revenue Fund	-	-
Equipment & Improvement Fund	-	-
Sick/Vacation Fund	65,000	-
Building & Land Improvement Fund	1,728,738	150,000
Employment Security Fund	-	-
Insurance Fund	315,975	290,000
Liability Claim Reserve	-	-
Drug Court Fund	21,009	36,042
Federal Drug Forfeiture Fund	-	-
Inheritance Fund	520,262	1,728,738
Keno/Lottery Fund	-	275,000
Inmate Welfare Fund	-	30,000
Noxious Weed Fund	21,262	11,734
Totals	\$ 5,106,659	\$ 5,106,659

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

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

There were no interfund receivables and payables as of June 30, 2015.

Funds in the amount of \$800,000 were transferred to the general fund to cover costs related to the new corrections facility. Payments were to be made as inmate housing receipts exceed budgeted amounts. A \$230,262 payment was recorded during the current year, which addressed the remaining balance to be paid, and \$569,738 of payments were recorded during prior years.

Note 8. Risk Management

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

The County is self-insured for health insurance claims up to \$60,000 of individual claims or 100% of the anticipated group claims. The self-insurance programs are administered within the insurance and insurance reserve funds. Health insurance claims did not exceed the \$60,000 limit for the plan year ending June 30, 2015.

The County utilizes insurance fund cash accounts managed by its third party administrator to pay for the aforementioned claims. The County decreased its overall cash position in these accounts by \$513,462 for the year ending June 30, 2015.

The insurance reserve fund has a reserve of \$508,084 at June 30, 2015. Management believes that the coverage is adequate to preclude any significant uninsured risk of exposure to the County.

Note 9. Stuhr Museum

The Stuhr Museum is a private tax-exempt entity which receives support in the form of property taxes subject to the approval of the Hall County Board of Supervisors. The financial statements of Hall County, Nebraska, do not include the assets, liabilities, fund balances, revenues, and expenses of the Stuhr Museum, except the collection of property taxes and 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, 2015, received an unqualified opinion dated October 23, 2015. The following is a summary of the

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 9. Stuhr Museum (Continued)

Stuhr Museum's June 30, 2015 financial statements (A complete copy of the audited financial statements of Stuhr Museum is on file with the Hall County Clerk.):

Total Assets	\$ 7,769,736
Total Deferred Outflows of Resources	27,060
Total Liabilities	544,132
Total Deferred Inflows of Resources	6,681
Net Position:	
Invested in Capital Assets	7,063,696
Restricted - Expendable	32,762
Unrestricted	149,525
Expenses - General Government	(1,650,638)
Program Revenues	4,727,110
Revenue from Hall County Support	884,716
Investment Income	1,240
Reimbursements	22,554
Miscellaneous Revenue	16,376
Change in Net Position	<u>4,001,358</u>
Beginning Net Position	<u>3,244,625</u>
Ending Net Position	<u><u>\$ 7,245,983</u></u>

Note 10. Related Party Transactions

For the year ended June 30, 2015 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, 2015, was \$508,882.

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, 2015, was \$818,394.

It is the County's policy to pay out all of an employee's accrued but unused compensatory time off upon the employee's separation of employment with the County. The total amount of accrued but unpaid compensatory time off at June 30, 2015, was \$53,607.

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 12. Long-Term Debt

The Hall County voters approved, on November 15, 2005, the issuance of negotiable bonded indebtedness not to exceed \$22,225,000 for the purpose of acquiring, constructing, furnishing, and equipping a county jail and detention facility. The County took possession of the facility in May 2008. These Series 2006 bonds were refinanced in September 2011 with the Series 2011 Refunding Bonds and in January 2012 with the Series 2012 Refunding Bonds. The Series 2011 bonds are payable over a period not longer than 22 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.30% and 4.35%. The Series 2012 bonds are payable over a period not longer than 10 years and callable at the County's option after 5 years. The interest rate fluctuates between 0.35% and 2.40%. For the year ending June 30, 2015, \$471,010 of interest and \$875,000 of principal were paid for the Series 2011 and 2012 bonds.

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

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
6/30/2016	\$ 110,000	\$ 366,110	\$ 476,110
6/30/2017	110,000	364,625	474,625
6/30/2018	115,000	362,708	477,708
6/30/2019	115,000	360,321	475,321
6/30/2020	120,000	357,468	477,468
06/30/21 to 25	650,000	1,731,389	2,381,389
06/30/26 to 30	4,405,000	1,343,389	5,748,389
06/30/31 to 34	3,975,000	272,244	4,247,244
Totals	<u>\$ 9,600,000</u>	<u>\$ 5,158,254</u>	<u>\$ 14,758,254</u>

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 12. Long-Term Debt (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
6/30/2016	\$ 775,000	\$ 97,138	\$ 872,138
6/30/2017	785,000	88,749	873,749
6/30/2018	790,000	79,100	869,100
6/30/2019	805,000	67,726	872,726
6/30/2020	815,000	54,356	869,356
06/30/21 to 23	2,160,000	65,538	2,225,538
Totals	<u>\$ 6,130,000</u>	<u>\$ 452,607</u>	<u>\$ 6,582,607</u>

Changes in long-term debt are as follows:

	<u>Balance 6/30/2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2015</u>
Bonds	<u>\$ 16,605,000</u>	<u>\$ -</u>	<u>\$ (875,000)</u>	<u>\$ 15,730,000</u>

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 13. Net Position/Fund Balances

The government-wide statement of net position reports \$4,974,503 of restricted net position. Net position totaling \$3,109,558 are restricted by enabling legislation.

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

As of June 30, 2015, governmental fund balances are classified as follows:

	General Fund	Jail Bond Fund	Inheritance Fund	Road Fund	Insurance Fund	Building and Improvement Reserve	Other Funds	Total
Fund balances:								
Restricted for:								
Debt service	\$ -	\$1,874,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,874,568
Capital projects - Extension Office	26,216	-	-	-	-	-	-	26,216
Parks & recreation	-	-	-	-	-	-	513	513
911 emergency services	-	-	-	-	-	-	21,355	21,355
Visitors promotion/improvement	-	-	-	-	-	-	522,409	522,409
Veterans services	-	-	-	-	-	-	43,868	43,868
Drug enforcement	-	-	-	-	-	-	64,225	64,225
Keno lottery	-	-	-	-	-	-	495,182	495,182
Traffic safety	-	-	-	-	-	-	35,661	35,661
Health & life insurance claims	-	-	-	-	1,738,330	-	-	1,738,330
Indigent welfare	-	-	-	-	-	-	137,909	137,909
P & M Fund - Register of Deeds	-	-	-	-	-	-	14,267	14,267
Total Restricted	\$ 26,216	\$1,874,568	\$ -	\$ -	\$1,738,330	\$ -	\$1,335,389	\$ 4,974,503
Committed to:								
Street & highways	\$ -	\$ -	\$ -	\$ 548,869	\$ -	\$ -	\$ -	\$ 548,869
Special projects	-	-	-	-	-	-	52,143	52,143
Equipment & improvement costs	-	-	-	-	-	-	147,054	147,054
Sick & vacation compensation	-	-	-	-	-	-	58,226	58,226
Building & land improvements	-	-	-	-	-	2,969,161	-	2,969,161
Unemployment compensation	-	-	-	-	-	-	88,634	88,634
Insurance claims	-	-	-	-	271,071	-	508,084	779,155
Drug court	-	-	-	-	-	-	136,393	136,393
Inmate welfare	-	-	-	-	-	-	100,306	100,306
Weed control	-	-	-	-	-	-	48,377	48,377
Total Committed	\$ -	\$ -	\$ -	\$ 548,869	\$ 271,071	\$ 2,969,161	\$1,139,217	\$ 4,928,318
Assigned to:								
Capital projects	\$ -	\$ -	\$ 3,696,834	\$ -	\$ -	\$ -	\$ -	\$ 3,696,834
Property tax relief	-	-	-	-	-	-	-	-
Total Assigned	\$ -	\$ -	\$ 3,696,834	\$ -	\$ -	\$ -	\$ -	\$ 3,696,834
Unassigned:	\$9,956,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,956,022
Total fund balances	\$9,982,238	\$1,874,568	\$ 3,696,834	\$ 548,869	\$2,009,401	\$ 2,969,161	\$2,474,606	\$23,555,677

HALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 14. Leases

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

Future minimum lease payments under the capital lease are as follows as of June 30, 2015:

6/30/2016	<u>177,275</u>
Total minimum payment	\$ <u>177,275</u>
Less: amount representing interest	<u>(5,330)</u>
Present value of minimum lease payments	<u><u>\$ 171,945</u></u>

Note 15. Financial Statement Presentation

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation.

Note 16. Subsequent Events

Subsequent events have been evaluated through November 13, 2015, which is the date the financial statements were available to be issued. The County notes the following items for disclosure.

The County Board has accepted bids for the HVAC project and some minor remodeling for the Hall County Courthouse. The cost estimate is approximately \$2,600,000.

On July 14, 2015, the Hall County Board of Supervisors approved a resolution calling for the early redemption, refinancing and prepayment of \$9,600,000 in aggregate principal amount of the County's General Obligation Bonds, Series 2011. The bond relates to the funding for the County correctional facility. On September 30, 2015 the County closed on this transaction in the final amount of \$8,905,000. The redemption is expected to save the County approximately \$4,162,706 and will reduce the final payment date by 6 years.

OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 GENERAL GOVERNMENTAL FUND
 For the Year Ended June 30, 2015

Receipts	Budget (Original & Final)	Actual	Favorable (Unfavorable)
Taxes			
Property and motor vehicle taxes/fees	\$ 18,389,113	\$ 18,062,115	\$ (326,998)
Intergovernmental receipts			
Federal			
Inmate housing	3,000	3,605	605
Child support-Title IV-D	370,000	269,839	(100,161)
Medical Assistance Program	35,000	143,052	108,052
Other	434,953	181,663	(253,290)
State			
Airline and carline tax allocation	53,300	41,526	(11,774)
Insurance tax allocation	100,000	157,884	57,884
Pro-rate motor vehicle	57,900	64,575	6,675
Homestead exemption	-	417,582	417,582
Property tax credit	-	592,680	592,680
Other	365,108	96,599	(268,509)
Local fees, licenses, commissions and miscellaneous			
Licenses and permits	12,216	13,120	904
In lieu of taxes	74,100	85,397	11,297
Inter local agreements	355,993	351,602	(4,391)
Treasurer fees	274,600	293,108	18,508
Clerk fees	6,200	19,593	13,393
Register of Deeds fees	300,000	324,786	24,786
Clerk of the District Court fees	115,812	126,360	10,548
Election Commissioner	53,532	60,221	6,689
Sheriff fees	2,433,372	3,565,232	1,131,860
Attorney fees	2,500	3,020	520
Jail fees	220,000	288,187	68,187
Interest on investments	9,000	9,722	722
Fines	7,000	7,050	50
Commissions	768,000	889,695	121,695
Miscellaneous	199,532	184,623	(14,909)
Parks and recreation fees	41,000	46,823	5,823
Insurance settlements	103,000	109,323	6,323
Total receipts	\$ 24,784,231	\$ 26,408,982	\$ 1,624,751
Disbursements			
General Government			
Board of Supervisors	\$ 307,206	\$ 297,067	\$ 10,139
Clerk	312,721	291,673	21,048
Treasurer	777,844	723,499	54,345

(CONTINUED)

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 GENERAL GOVERNMENTAL FUND
 For the Year Ended June 30, 2015

Disbursements (Continued)	Budget (Original & Final)	Actual	Favorable (Unfavorable)
Assessor	\$ 386,611	\$ 359,902	\$ 26,709
Superintendent of Schools	4,000	4,000	-
Register of Deeds	170,170	140,188	29,982
Data processing	844,050	815,776	28,274
Election Commissioner	149,922	142,384	7,538
Clerk of the District Court	453,146	436,436	16,710
Special election	53,432	40,237	13,195
Justice system	1,805,255	1,433,659	371,596
County Court system	26,028	25,914	114
Building and Grounds	814,005	783,369	30,636
Agriculture Extension Agent	261,338	209,318	52,020
District Judge	154,315	151,874	2,441
Public Defender	595,247	592,534	2,713
Cadastral maps	153,566	125,978	27,588
Miscellaneous	2,029,057	1,612,466	416,591
Public Safety			
Sheriff	3,523,124	3,098,509	424,615
Attorney	1,571,504	1,530,799	40,705
Jail	6,789,526	6,522,137	267,389
Building Inspector	12,091	11,052	1,039
Probation Officer	82,800	82,669	131
Grants	231,490	13,286	218,204
Juvenile diversion	355,507	262,769	92,738
Safety	7,900	6,363	1,537
Miscellaneous	505,260	413,487	91,773
Public Works			
Surveyor	92,126	90,542	1,584
Miscellaneous	138,609	98,178	40,431
Public Welfare and Social Services			
Veteran's Service Officer	344,370	334,992	9,378
Miscellaneous	605,789	496,554	109,235
Culture and Recreation			
Parks	12,000	12,000	-
Stuhr Museum	874,716	874,716	-
Miscellaneous	32,000	32,000	-
Public Health			
Miscellaneous	523,869	523,869	-
Total disbursements	\$ 25,000,594	\$ 22,590,196	\$ 2,410,398
Excess (deficiency) of receipts over disbursements	\$ (216,363)	\$ 3,818,786	\$ 4,035,149

(CONTINUED)

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 GENERAL GOVERNMENTAL FUND
 For the Year Ended June 30, 2015

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
Other Financing Sources			
Transfers in	\$ 345,000	\$ 345,000	\$ -
Transfers out	<u>(2,316,947)</u>	<u>(2,316,947)</u>	<u>-</u>
Total other financing sources	<u>\$ (1,971,947)</u>	<u>\$ (1,971,947)</u>	<u>\$ -</u>
Net change in fund balance	\$ (2,188,310)	\$ 1,846,839	\$ 4,035,149
Fund balance - beginning	<u>8,135,399</u>	<u>8,135,399</u>	<u>\$ -</u>
Fund balance - ending	<u><u>\$ 5,947,089</u></u>	<u><u>\$ 9,982,238</u></u>	<u><u>\$ 4,035,149</u></u>

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<u>Jail Bond</u>			
Receipts			
Taxes - property/motor vehicle	\$ 1,767,523	\$ 1,695,976	\$ (71,547)
Intergovernmental receipts:			
State:			
Homestead exemption	-	43,290	43,290
Property tax credit	-	61,806	61,806
Pro-rate motor vehicles	5,000	5,715	715
Carline/airline tax	2,500	2,581	81
Local fees, licenses, etc.:			
In-lieu-of tax	6,000	8,980	2,980
Interest	-	139	139
Proceeds of long-term debt	-	-	-
Total receipts	<u>\$ 1,781,023</u>	<u>\$ 1,818,487</u>	<u>\$ 37,464</u>
Disbursements			
Debt servicing	\$ 3,183,114	\$ 1,346,010	\$ 1,837,104
Operating expense	-	-	-
Total disbursements	<u>\$ 3,183,114</u>	<u>\$ 1,346,010</u>	<u>\$ 1,837,104</u>
Net change in fund balance	\$ (1,402,091)	\$ 472,477	\$ 1,874,568
Fund balance - beginning	<u>1,402,091</u>	<u>1,402,091</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,874,568</u>	<u>\$ 1,874,568</u>
<u>Inheritance Tax</u>			
Receipts			
Intergovernmental receipts:			
State - other	\$ -	\$ -	\$ -
Local fees, licenses, etc.:			
Interest	15,000	11,031	(3,969)
Inheritance tax	900,000	1,010,778	110,778
Other income	-	-	-
Interfund transfers	520,262	520,262	-
Total receipts	<u>\$ 1,435,262</u>	<u>\$ 1,542,071</u>	<u>\$ 106,809</u>
Disbursements			
Operating expense	\$ 509,694	\$ -	\$ 509,694
Capital outlay	2,798,084	717,753	2,080,331
Interfund transfers	1,728,738	1,728,738	-
Total disbursements	<u>\$ 5,036,516</u>	<u>\$ 2,446,491</u>	<u>\$ 2,590,025</u>
Net change in fund balance	\$ (3,601,254)	\$ (904,420)	\$ 2,696,834
Fund balance - beginning	<u>4,601,254</u>	<u>4,601,254</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,000,000</u>	<u>\$ 3,696,834</u>	<u>\$ 2,696,834</u>

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
Road Fund			
Receipts			
Intergovernmental receipts:			
Federal - other grants	\$ -	\$ 722	\$ 722
State:			
Highway/street allocations	2,334,522	2,390,588	56,066
Motor vehicle fee	200,000	196,778	(3,222)
Incentive payments	10,500	10,500	-
Grants	16,776	15,161	(1,615)
Local fees, licenses, etc.:			
Machine hire	5,000	11,196	6,196
Sale of supplies & materials	21,000	17,967	(3,033)
Sale of property	10,000	-	(10,000)
Other	192,776	191,776	(1,000)
Interfund transfers	2,089,413	2,089,413	-
Total receipts	<u>\$ 4,879,987</u>	<u>\$ 4,924,101</u>	<u>\$ 44,114</u>
Disbursements			
Personal service	\$ 1,471,043	\$ 1,414,699	\$ 56,344
Operating expense	157,300	127,388	29,912
Supplies/material	972,350	892,687	79,663
Equipment rental	212,276	216,215	(3,939)
Capital outlay	2,573,931	2,478,958	94,973
Interfund transfers	266,000	268,198	(2,198)
Total disbursements	<u>\$ 5,652,900</u>	<u>\$ 5,398,145</u>	<u>\$ 254,755</u>
Net change in fund balance	\$ (772,913)	\$ (474,044)	\$ 298,869
Fund balance - beginning	<u>1,022,913</u>	<u>1,022,913</u>	<u>-</u>
Fund balance - ending	<u>\$ 250,000</u>	<u>\$ 548,869</u>	<u>\$ 298,869</u>
Insurance Fund			
Receipts			
Other	\$ 2,454,096	\$ 2,327,504	\$ (126,592)
Interfund transfers	324,500	315,975	(8,525)
Total receipts	<u>\$ 2,778,596</u>	<u>\$ 2,643,479</u>	<u>\$ (135,117)</u>
Disbursements			
Personal service	\$ 595,000	\$ 653,553	\$ (58,553)
Operating expense	2,462,732	2,511,461	(48,729)
Interfund transfers	290,000	290,000	-
Total disbursements	<u>\$ 3,347,732</u>	<u>\$ 3,455,014</u>	<u>\$ (107,282)</u>
Net change in fund balance	\$ (569,136)	\$ (811,535)	\$ (242,399)
Fund balance - beginning	<u>2,820,936</u>	<u>2,820,936</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,251,800</u>	<u>\$ 2,009,401</u>	<u>\$ (242,399)</u>

See Notes to Other Supplementary Information - Budgetary Comparison

SCHEDULE 2 (CONTINUED)

HALL COUNTY
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
 MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

	Budget (Original & Final)	Actual	Favorable (Unfavorable)
<u>Building & Improvement Reserve</u>			
Receipts			
Other	\$ -	\$ 9,200	\$ 9,200
Interfund transfers	1,728,738	1,728,738	-
Total receipts	<u>\$ 1,728,738</u>	<u>\$ 1,737,938</u>	<u>\$ 9,200</u>
Disbursements			
Capital outlay	\$ 3,397,400	\$ 437,439	\$ 2,959,961
Interfund transfers	150,000	150,000	-
Total disbursements	<u>\$ 3,547,400</u>	<u>\$ 587,439</u>	<u>\$ 2,959,961</u>
Net change in fund balance	\$ (1,818,662)	\$ 1,150,499	\$ 2,969,161
Fund balance - beginning	<u>1,818,662</u>	<u>1,818,662</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 2,969,161</u></u>	<u><u>\$ 2,969,161</u></u>

See Notes to Other Supplementary Information - Budgetary Comparison

HALL COUNTY
NOTES TO OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON
June 30, 2015

Budgetary Comparison Schedules

Note 1. Presentation

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

An amendment to the original budget for the year ended June 30, 2015 was approved by the Board of Supervisors on February 24, 2015 to increase the Sick Vacation fund by \$65,000. This amendment is reflected on the schedule combining receipts, disbursements, and changes in cash basis fund balances for nonmajor governmental funds (Schedule 3).

Note 2. Budget Process

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

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

HALL COUNTY
NOTES TO OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON
June 30, 2015

Note 2. Budget Process (Continued)

- 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. Budget Shortages

There were no expenditures in excess of budgeted appropriations at the appropriate budgetary control level for the year ended June 30, 2015.

OTHER SUPPLEMENTARY INFORMATION

HALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

	Equipment & Improvement Reserve	Insurance Reserve	Sick & Vacation Liability	Special Revenue	Reappraisal	Register of Deeds
Receipts						
Taxes:						
Property/motor vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receipts:						
Federal:						
Other grants	-	-	-	-	-	-
State:						
Lodging tax	-	-	-	-	-	-
Homestead exemption	-	-	-	-	-	-
Property tax credit	-	-	-	-	-	-
Pro-rate motor vehicles	-	-	-	-	-	-
Carline/airline tax	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Local fees, licenses, commissions and miscellaneous:						
P&M fees	-	-	-	-	-	34,489
In-lieu-of tax	-	-	-	-	-	-
911 surcharges	-	-	-	-	-	-
Sale of supplies & materials	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Commissary sales	-	-	-	-	-	-
House arrest	-	-	-	-	-	-
Weed spraying assessment	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Lottery	-	-	-	-	-	-
Other	67,033	-	11,250	2,492	-	-
Interfund transfers	-	-	65,000	-	-	-
Total receipts	\$ 67,033	\$ -	\$ 76,250	\$ 2,492	\$ -	\$ 34,489
Disbursements						
Personal service	\$ -	\$ -	\$ 81,859	\$ -	\$ -	\$ -
Operating expense	-	-	-	-	-	69,609
Supplies & material	-	-	-	-	-	-
Equipment rental	-	-	-	-	-	-
Capital outlay	50,526	-	-	-	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	-	-	-	-	-	-
Total disbursements	\$ 50,526	\$ -	\$ 81,859	\$ -	\$ -	\$ 69,609
Net change in fund balance	\$ 16,507	\$ -	\$ (5,609)	\$ 2,492	\$ -	\$ (35,120)
Fund balances - beginning	130,547	508,084	63,835	50,164	-	49,387
Fund balances - ending	\$ 147,054	\$ 508,084	\$ 58,226	\$ 52,656	\$ -	\$ 14,267
Restricted	\$ -	\$ -	\$ -	\$ 513	\$ -	\$ 14,267
Committed	147,054	508,084	58,226	52,143	-	-
	\$ 147,054	\$ 508,084	\$ 58,226	\$ 52,656	\$ -	\$ 14,267

See Notes to Financial Statements

HALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

	Canine	Drug Court	Drug Seizure	Drug Enforcement	Federal Drug Forfeiture	Diversion
Receipts						
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	-	247,474	-	-	-	-
Other	-	-	-	-	-	-
Local fees, licenses, commissions and miscellaneous:						
P&M fees	-	-	-	-	-	-
In-lieu-of tax	-	-	-	-	-	-
911 surcharges	-	-	-	-	-	-
Sale of supplies & materials	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Commissary sales	-	-	-	-	-	-
House arrest	-	-	-	-	-	-
Weed spraying assessment	-	-	-	-	-	-
Interest	-	-	-	-	22	-
Lottery	-	-	-	-	-	-
Other	-	133,425	-	11,031	-	5,249
Interfund transfers	-	21,009	-	-	-	-
Total receipts	\$ -	\$ 401,908	\$ -	\$ 11,031	\$ 22	\$ 5,249
Disbursements						
Personal service	\$ -	\$ 218,201	\$ -	\$ -	\$ -	\$ -
Operating expense	-	61,363	4,028	5,469	5,734	2,957
Supplies & material	-	9,934	-	-	-	-
Equipment rental	-	2,400	-	-	-	-
Capital outlay	-	6,181	-	-	-	-
Debt servicing	-	-	-	-	-	-
Interfund transfers	-	36,042	-	-	-	-
Total disbursements	\$ -	\$ 334,121	\$ 4,028	\$ 5,469	\$ 5,734	\$ 2,957
Net change in fund balance	\$ -	\$ 67,787	\$ (4,028)	\$ 5,562	\$ (5,712)	\$ 2,292
Fund balances - beginning	-	68,606	20,402	23,192	24,809	33,369
Fund balances - ending	\$ -	\$ 136,393	\$ 16,374	\$ 28,754	\$ 19,097	\$ 35,661
Restricted	\$ -	\$ -	\$ 16,374	\$ 28,754	\$ 19,097	\$ 35,661
Committed	-	136,393	-	-	-	-
	\$ -	\$ 136,393	\$ 16,374	\$ 28,754	\$ 19,097	\$ 35,661

See Notes to Financial Statements

HALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2015

Inmate Welfare	ADA Fund	Institutions	Dependent	Veterans Services	Emergency Management	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 3,217	\$ 56,707	\$ 3,962	\$ -	\$ 63,886
-	-	-	-	-	-	-
-	-	95	1,541	98	-	906,452
-	-	146	2,291	138	-	1,734
-	-	12	199	13	-	2,575
-	-	5	90	6	-	224
-	-	-	-	-	-	101
-	-	-	-	-	-	247,474
-	-	-	-	-	-	-
-	-	-	-	-	-	34,489
-	-	21	349	25	-	395
-	-	-	-	-	205,312	205,312
-	-	-	-	-	-	-
-	-	-	-	-	-	-
264,615	-	-	-	-	-	264,615
37,605	-	-	-	-	-	37,605
-	-	-	-	-	-	55,639
-	-	-	-	-	-	671
-	-	-	-	-	-	755,729
127,960	-	-	2,347	-	-	379,833
-	-	-	-	-	-	107,271
<u>\$ 430,180</u>	<u>\$ -</u>	<u>\$ 3,496</u>	<u>\$ 63,524</u>	<u>\$ 4,242</u>	<u>\$ 205,312</u>	<u>\$ 3,064,005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,071
364,629	-	13,329	75,729	12,239	194,500	2,017,573
5,462	-	-	-	-	-	31,688
-	-	-	-	-	-	2,400
35,450	-	-	-	-	-	92,157
-	-	-	-	-	-	-
30,000	-	-	-	-	-	352,776
<u>\$ 435,541</u>	<u>\$ -</u>	<u>\$ 13,329</u>	<u>\$ 75,729</u>	<u>\$ 12,239</u>	<u>\$ 194,500</u>	<u>\$ 2,875,665</u>
\$ (5,361)	\$ -	\$ (9,833)	\$ (12,205)	\$ (7,997)	\$ 10,812	\$ 188,340
105,667	-	55,829	104,118	51,865	10,543	2,286,266
<u>\$ 100,306</u>	<u>\$ -</u>	<u>\$ 45,996</u>	<u>\$ 91,913</u>	<u>\$ 43,868</u>	<u>\$ 21,355</u>	<u>\$ 2,474,606</u>
\$ -	\$ -	\$ 45,996	\$ 91,913	\$ 43,868	\$ 21,355	\$ 1,335,389
100,306	-	-	-	-	-	1,139,217
<u>\$ 100,306</u>	<u>\$ -</u>	<u>\$ 45,996</u>	<u>\$ 91,913</u>	<u>\$ 43,868</u>	<u>\$ 21,355</u>	<u>\$ 2,474,606</u>

See Notes to Financial Statements

HALL COUNTY
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2015

	State	Schools	Natural Resource District	Fire Districts	Municipalities	Agricultural Society
ASSETS						
Cash and cash equivalents						
Total assets - beginning	\$ 993,809	\$ 1,097,199	\$ 22,706	\$ 11,630	\$ 228,560	\$ 1,963
Additions	11,996,281	64,706,054	1,893,424	502,150	12,520,216	155,801
Deductions	(11,874,874)	(64,579,015)	(1,892,042)	(504,403)	(12,422,868)	(155,832)
Total assets - ending	<u>\$ 1,115,216</u>	<u>\$ 1,224,238</u>	<u>\$ 24,088</u>	<u>\$ 9,377</u>	<u>\$ 325,908</u>	<u>\$ 1,932</u>
LIABILITIES						
Due to other governments						
Total liabilities - beginning	\$ 993,809	\$ 1,097,199	\$ 22,706	\$ 11,630	\$ 228,560	\$ 1,963
Additions	11,996,281	64,706,054	1,893,424	502,150	12,520,216	155,801
Deductions	(11,874,874)	(64,579,015)	(1,892,042)	(504,403)	(12,422,868)	(155,832)
Total liabilities - ending	<u>\$ 1,115,216</u>	<u>\$ 1,224,238</u>	<u>\$ 24,088</u>	<u>\$ 9,377</u>	<u>\$ 325,908</u>	<u>\$ 1,932</u>

See Notes to Financial Statements

HALL COUNTY
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2015

Partial Payment	Townships	Airport Authority	Lodging Sales Tax	Unclaimed Property Trust Fund	SID	Total
\$ 20,362	\$ 5,559	\$ 16,984	\$ 341	\$ -	\$ 2,252	\$ 2,401,365
104,764	23	1,482,772	2,246	4,074	-	93,367,805
(100,505)	-	(1,480,298)	(2,165)	(4,074)	-	(93,016,076)
<u>\$ 24,621</u>	<u>\$ 5,582</u>	<u>\$ 19,458</u>	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,753,094</u>

\$ 20,362	\$ 5,559	\$ 16,984	\$ 341	\$ -	\$ 2,252	\$ 2,401,365
104,764	23	1,482,772	2,246	4,074	-	93,367,805
(100,505)	-	(1,480,298)	(2,165)	(4,074)	-	(93,016,076)
<u>\$ 24,621</u>	<u>\$ 5,582</u>	<u>\$ 19,458</u>	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,753,094</u>

See Notes to Financial Statements

HALL COUNTY
SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS
GENERAL FUND BY DEPARTMENT
For the Year Ended June 30, 2015
With Comparative Totals For The Year Ended June 30, 2014

	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	\$ 294,561	\$ 213,310	\$ 696,307	\$ 326,065	\$ -	\$ 129,843	\$ 268,515	\$ 104,312	\$ 403,703
Operating expenses	2,074	73,189	4,841	23,150	4,000	2,762	377,178	8,138	22,334
Supplies/material	264	4,451	12,657	7,937	-	976	689	22,078	10,370
Equipment rental	-	-	-	-	-	-	-	3,156	-
Capital outlay	168	723	9,694	2,750	-	6,607	169,394	4,700	29
Interfund transfers	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 297,067	\$ 291,673	\$ 723,499	\$ 359,902	\$ 4,000	\$ 140,188	\$ 815,776	\$ 142,384	\$ 436,436
Budget	307,206	312,721	777,844	386,611	4,000	170,170	844,050	149,922	453,146
Favorable	\$ 10,139	\$ 21,048	\$ 54,345	\$ 26,709	\$ -	\$ 29,982	\$ 28,274	\$ 7,538	\$ 16,710

	Public Safety								
	Sheriff	Attorney	Jail	Building Inspector	Misc	Probation Officer	Grants	Juvenile Diversion/Attention	Safety
Disbursements:									
Personal service	\$ 2,734,403	\$ 1,465,688	\$ 4,838,470	\$ 7,714	\$ -	\$ -	\$ -	\$ 188,698	\$ -
Operating expenses	119,342	51,537	1,506,577	2,564	413,487	20,015	-	6,392	3,639
Supplies/material	93,394	12,834	137,270	774	-	29,776	-	3,559	66
Equipment rental	-	-	-	-	-	-	-	57,126	-
Capital outlay	151,370	740	39,820	-	-	32,878	13,286	6,994	2,658
Interfund transfers	-	-	-	-	-	-	-	-	-
Total Disbursements	\$ 3,098,509	\$ 1,530,799	\$ 6,522,137	\$ 11,052	\$ 413,487	\$ 82,669	\$ 13,286	\$ 262,769	\$ 6,363
Budget	3,523,124	1,571,504	6,789,526	12,091	505,260	82,800	231,490	355,507	7,900
Favorable (Unfavorable)	\$ 424,615	\$ 40,705	\$ 267,389	\$ 1,039	\$ 91,773	\$ 131	\$ 218,204	\$ 92,738	\$ 1,537

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF DISBURSEMENTS COMPARED TO BUDGET - CASH BASIS
 GENERAL FUND BY DEPARTMENT
 For the Year Ended June 30, 2015
 With Comparative Totals For The Year Ended June 30, 2014

General Government									
Special Election	Justice System	County Court System	Building and Grounds	Agriculture Ext. Agent	Misc.	District Judge	Public Defender	Equipment Acquisition	Cadastral Maps
\$ 877	\$ 15,611	\$ -	\$ 464,843	\$ 125,221	\$ 288	\$ 145,890	\$ 563,009	\$ -	\$ 104,949
39,360	1,418,048	791	234,130	56,576	1,361,979	1,474	22,365	-	5,871
-	-	17,156	28,488	1,849	-	2,627	3,143	-	658
-	-	-	2,900	3,034	-	-	-	-	-
-	-	7,967	53,008	22,638	250,199	1,883	4,017	-	14,500
-	-	-	-	-	-	-	-	-	-
\$ 40,237	\$ 1,433,659	\$ 25,914	\$ 783,369	\$ 209,318	\$ 1,612,466	\$ 151,874	\$ 592,534	\$ -	\$ 125,978
53,432	1,805,255	26,028	814,005	261,338	2,029,057	154,315	595,247	-	153,566
\$ 13,195	\$ 371,596	\$ 114	\$ 30,636	\$ 52,020	\$ 416,591	\$ 2,441	\$ 2,713	\$ -	\$ 27,588

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) 2015	(Memorandum only) 2014
\$ 89,426	\$ -	\$ 291,792	\$ 338,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,812,059	\$ 12,563,062
471	98,178	43,160	153,173	-	874,716	10,000	523,869	-	7,485,380	6,919,242
345	-	40	4,617	-	-	-	-	-	396,018	405,715
-	-	-	-	-	-	-	-	-	66,216	26,344
300	-	-	200	12,000	-	22,000	-	-	830,523	550,425
-	-	-	-	-	-	-	-	2,316,947	2,316,947	1,906,857
\$ 90,542	\$ 98,178	\$ 334,992	\$ 496,554	\$ 12,000	\$ 874,716	\$ 32,000	\$ 523,869	\$ 2,316,947	\$ 24,907,143	\$ 22,371,645
92,126	138,609	344,370	605,789	12,000	874,716	32,000	523,869	2,316,947	27,317,541	24,175,295
\$ 1,584	\$ 40,431	\$ 9,378	\$ 109,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,410,398	\$ 1,803,650

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE CLERK
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Imprest - Vendor	\$ 26,815,415	\$ 22,706,955
Imprest - Payroll	13,849,862	12,341,189
Recording fees	15	60
Photo copy	3,728	3,826
Marriage licenses	6,135	6,210
Plat books	<u>535</u>	<u>650</u>
Total receipts	\$ 40,675,690	\$ 35,058,890
Disbursements:		
Imprest - Vendor	\$ 26,815,415	\$ 22,706,955
Imprest - Payroll	13,836,543	12,233,624
Recording fees	15	80
Photo copy	3,705	3,775
Marriage licenses	6,075	6,150
Plat books	<u>530</u>	<u>610</u>
Total disbursements	<u>\$ 40,662,283</u>	<u>\$ 34,951,194</u>
Receipts over (under) disbursements	\$ 13,407	\$ 107,696
Cash balance, beginning of year	<u>120,602</u>	<u>12,906</u>
Cash balance, end of year	<u>\$ 134,009</u>	<u>\$ 120,602</u>
Cash balance consists of:		
Cash on hand	\$ 27	\$ 27
Cash in bank	<u>133,982</u>	<u>120,575</u>
Total cash balance	<u>\$ 134,009</u>	<u>\$ 120,602</u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE CLERK OF THE DISTRICT COURT
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Fees	\$ 407,476	\$ 348,617
Interest	13	-
Trust receipts	612,693	359,629
Alimony/Child Support		
Work Release/Judgments	<u>1,614,982</u>	<u>1,515,855</u>
Total receipts	\$ 2,635,164	\$ 2,224,101
Disbursements:		
Fees	\$ 395,468	\$ 349,199
Trust disbursements	573,645	419,905
Alimony/Child Support		
Work Release/Judgments	<u>1,620,573</u>	<u>1,510,713</u>
Total disbursements	<u>\$ 2,589,686</u>	<u>\$ 2,279,817</u>
Receipts over (under) disbursements	\$ 45,478	\$ (55,716)
Cash balance, beginning of year	<u>264,338</u>	<u>320,054</u>
Cash balance, end of year	<u>\$ 309,816</u>	<u>\$ 264,338</u>
Cash balance consists of:		
Cash on hand	\$ 200	\$ 200
Cash in bank	<u>309,616</u>	<u>264,138</u>
Total cash balance	<u>\$ 309,816</u>	<u>\$ 264,338</u>
Cash balance due to other governments	<u>\$ 16,553</u>	<u>\$ 14,458</u>
Cash balance due to others	<u>\$ 275,913</u>	<u>\$ 240,773</u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE COUNTY SHERIFF
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	2015	2014
Receipts:		
Writ fees, commissions, mileage, etc.	\$ 357,392	\$ 308,167
Vehicle inspection	42,150	38,920
Distress warrant collections	170,097	73,577
Hand gun permits	1,135	1,115
Law enforcement	1,191	1,339
Total receipts	\$ 571,965	\$ 423,118
Disbursements:		
Writ fees, commissions, mileage, etc.	\$ 359,697	\$ 301,263
Vehicle inspection	41,950	39,550
Distress warrant collection	170,895	72,679
Hand gun permits	1,140	1,130
Law enforcement	1,191	1,339
Total disbursements	\$ 574,873	\$ 415,961
Receipts over (under) disbursements	\$ (2,908)	\$ 7,157
Cash balance, beginning of year	50,503	43,346
Cash balance, end of year	\$ 47,595	\$ 50,503
Cash balance consists of:		
Cash on hand	\$ 966	\$ 784
Cash in bank	46,629	49,719
Total cash balance	\$ 47,595	\$ 50,503

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 DEPARTMENT OF CORRECTIONS
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
ICE detainee housing	\$ 298,779	\$ 736,326
NDCS prisoner housing	2,817,385	-
Federal prisoner housing	3,055	3,203
Miscellaneous receipts	14,274	5,058
Inmate welfare	17,071	4,149
Inmate trust	<u>1,333,923</u>	<u>1,081,696</u>
Total receipts	\$ 4,484,487	\$ 1,830,432
Disbursements:		
ICE detainee housing	\$ 3,116,164	\$ 736,326
Federal prisoner housing	3,605	3,203
Miscellaneous receipts	859	2,118
Inmate welfare	16,307	4,931
Inmate trust	<u>1,342,705</u>	<u>1,077,640</u>
Total disbursements	<u>\$ 4,479,640</u>	<u>\$ 1,824,218</u>
Receipts over (under) disbursements	\$ 4,847	\$ 6,214
Cash balance, beginning of year	<u>42,388</u>	<u>36,174</u>
Cash balance, end of year	<u><u>\$ 47,235</u></u>	<u><u>\$ 42,388</u></u>
Cash balance consists of:		
Cash on hand	\$ 17,296	\$ 8,466
Cash in bank	<u>29,939</u>	<u>33,922</u>
Total cash balance	<u><u>\$ 47,235</u></u>	<u><u>\$ 42,388</u></u>
Cash balance due to others	<u><u>\$ 8,965</u></u>	<u><u>\$ 7,305</u></u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE NOXIOUS WEED DEPARTMENT
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Service fees	\$ 55,639	\$ 69,137
Other receipts	<u>74</u>	<u>136</u>
Total receipts	\$ 55,713	\$ 69,273
Disbursements:		
County Treasurer	<u>\$ 56,066</u>	<u>\$ 69,000</u>
Total disbursements	<u>\$ 56,066</u>	<u>\$ 69,000</u>
Receipts over (under) disbursements	\$ (353)	\$ 273
Cash balance, beginning of year	<u>934</u>	<u>661</u>
Cash balance, end of year	<u><u>\$ 581</u></u>	<u><u>\$ 934</u></u>
Cash balance consists of:		
Cash on hand	\$ 101	\$ 119
Cash in bank	<u>480</u>	<u>815</u>
Total cash balance	<u><u>\$ 581</u></u>	<u><u>\$ 934</u></u>

See Notes to Financial Statements

HALL COUNTY
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
OFFICE OF THE COUNTY ATTORNEY
For the Year Ended June 30, 2015
With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Check restitution	\$ 27,299	\$ 34,145
Criminal restitution	2,603	4,298
Law enforcement	<u>6,333</u>	<u>9,544</u>
Total receipts	\$ 36,235	\$ 47,987
Disbursements:		
Check restitution	\$ 27,462	\$ 34,053
Criminal restitution	2,443	4,318
Law enforcement	6,266	9,789
Federal drug forfeiture	<u>3,444</u>	<u>-</u>
Total disbursements	<u>\$ 39,615</u>	<u>\$ 48,160</u>
Receipts over (under) disbursements	\$ (3,380)	\$ (173)
Cash balance, beginning of year	<u>5,946</u>	<u>6,119</u>
Cash balance, end of year	<u><u>\$ 2,566</u></u>	<u><u>\$ 5,946</u></u>
Cash balance consists of:		
Cash on hand	\$ 180	\$ 180
Cash in bank	<u>2,386</u>	<u>5,766</u>
Total cash balance	<u><u>\$ 2,566</u></u>	<u><u>\$ 5,946</u></u>
Cash balance due to others	<u><u>\$ 462</u></u>	<u><u>\$ 465</u></u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE HIGHWAY DEPARTMENT
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Service fees	\$ 73,693	\$ 144,268
Total receipts	\$ 73,693	\$ 144,268
Disbursements:		
County Treasurer	\$ 73,693	\$ 144,268
Total disbursements	\$ 73,693	\$ 144,268
Receipts over (under) disbursements	\$ -	\$ -
Cash balance, beginning of year	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>
Cash balance consists of:		
Cash on hand	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE BUILDING INSPECTOR/ZONING
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	2015	2014
Receipts:		
Zoning permits	\$ 9,000	\$ 13,200
Conditional use permits	4,000	1,500
Total receipts	\$ 13,000	\$ 14,700
Disbursements:		
County Treasurer	\$ 13,300	\$ 14,250
Total disbursements	\$ 13,300	\$ 14,250
Receipts over (under) disbursements	\$ (300)	\$ 450
Cash balance, beginning of year	600	150
Cash balance, end of year	\$ 300	\$ 600
Cash balance consists of:		
Cash on hand	\$ 300	\$ 600

See Notes to Financial Statements

HALL COUNTY
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
OFFICE OF THE REGISTER OF DEEDS
For the Year Ended June 30, 2015
With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Recording fees	\$ 212,113	\$ 209,140
Recording fees - P&M Fund	34,489	38,198
Document stamp tax	495,417	553,842
Copies	<u>635</u>	<u>1,019</u>
Total receipts	\$ 742,654	\$ 802,199
Disbursements:		
County Treasurer:		
Recording fees	\$ 213,490	\$ 218,201
Document stamp tax	102,296	122,550
P&M Fund	31,148	35,342
Copies	644	959
State:		
Document stamp tax	358,083	428,982
Miscellaneous	<u>634</u>	<u>366</u>
Total disbursements	\$ 706,295	\$ 806,400
Receipts over (under) disbursements	\$ 36,359	\$ (4,201)
Cash balance, beginning of year	<u>53,357</u>	<u>57,558</u>
Cash balance, end of year	<u>\$ 89,716</u>	<u>\$ 53,357</u>
Cash balance consists of:		
Cash on hand	\$ 7,634	\$ 5,967
Cash in bank	<u>82,082</u>	<u>47,390</u>
Total cash balance	<u>\$ 89,716</u>	<u>\$ 53,357</u>
Cash balance due to State of Nebraska	<u>\$ 54,185</u>	<u>\$ 27,219</u>
Cash balance due to others	<u>\$ -</u>	<u>\$ 82</u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF VETERAN'S SERVICE
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	2015	2014
Receipts:		
County Treasurer	\$ 959	\$ 3,184
Total receipts	\$ 959	\$ 3,184
Disbursements:		
Medical/Funeral expenses	\$ 4,259	\$ -
Rent, utilities and food supplies	7,983	959
Total disbursements	\$ 12,242	\$ 959
Receipts over (under) disbursements	\$ (11,283)	\$ 2,225
Cash balance, beginning of year	36,500	34,275
Cash balance, end of year	\$ 25,217	\$ 36,500
Cash balance consists of:		
Cash in bank	\$ 25,217	\$ 36,500
Cash balance due to other governments	\$ 1,644	\$ 1,644

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE COUNTY ASSESSOR
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Copies	\$ 216	\$ 189
Other Fees	<u>25</u>	<u>25</u>
Total receipts	\$ 241	\$ 214
Disbursements:		
County Treasurer	<u>\$ 227</u>	<u>\$ 225</u>
Total disbursements	<u>\$ 227</u>	<u>\$ 225</u>
Receipts over (under) disbursements	\$ 14	\$ (11)
Cash balance, beginning of year	<u>12</u>	<u>23</u>
Cash balance, end of year	<u><u>\$ 26</u></u>	<u><u>\$ 12</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 26</u></u>	<u><u>\$ 12</u></u>

See Notes to Financial Statements

HALL COUNTY
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BALANCES
 OFFICE OF THE PARKS AND RECREATION DEPARTMENT
 For the Year Ended June 30, 2015
 With Comparative Totals For the Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Receipts:		
Park fees	\$ 45,069	\$ 44,351
Picnic fees	1,870	2,040
Shower fees	274	-
Sales tax	2,415	2,354
Lodging tax	<u>2,241</u>	<u>2,205</u>
Total receipts	\$ 51,869	\$ 50,950
Disbursements:		
County Treasurer	<u>\$ 53,851</u>	<u>\$ 50,150</u>
Total disbursements	<u>\$ 53,851</u>	<u>\$ 50,150</u>
Receipts over (under) disbursements	\$ (1,982)	\$ 800
Cash balance, beginning of year	<u>3,665</u>	<u>2,865</u>
Cash balance, end of year	<u><u>\$ 1,683</u></u>	<u><u>\$ 3,665</u></u>
Cash balance consists of:		
Cash on hand	<u><u>\$ 1,683</u></u>	<u><u>\$ 3,665</u></u>

See Notes to Financial Statements

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

For the Year Ended June 30, 2015
With Comparative Totals For the Year Ended June 30, 2014

	2015	2014
Receipts:		
Reimbursed expenses - Hall Co.	\$ 80,062	\$ 62,646
Room rental fees	4,880	5,795
Vending machine income	1,304	1,415
Interest	65	65
Total receipts	\$ 86,311	\$ 69,921
Disbursements:		
Telephone	\$ 1,172	\$ 1,620
Utilities & maintenance	45,250	43,557
Capital outlay	21,661	-
County sinking fund expenses	14,955	-
College Park sinking fund	-	4,500
Office equipment rental	2,914	2,658
Office supplies	3,629	5,095
Insurance	3,395	3,103
Miscellaneous	2,021	2,603
Total disbursements	\$ 94,997	\$ 63,136
Receipts over (under) disbursements	\$ (8,686)	\$ 6,785
Cash balance, beginning of year	55,869	49,084
Cash balance, end of year	\$ 47,183	\$ 55,869
Cash balance consists of:		
Cash on hand	\$ 20	\$ -
Cash in bank	20,947	29,718
Certificates of deposit - restricted	26,216	26,151
Total cash balance	\$ 47,183	\$ 55,869

See Notes to Financial Statements

HALL COUNTY
 COMPARATIVE ANALYSIS OF TAX CERTIFIED
 CORRECTIONS AND COLLECTIONS
 For the Year Ended June 30, 2015

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tax certified by Assessor:					
Real estate, personal, specials & intangible	\$ 71,375,819	\$ 75,700,634	\$ 79,235,096	\$ 83,188,039	\$ 91,123,870
Total	<u>\$ 71,375,819</u>	<u>\$ 75,700,634</u>	<u>\$ 79,235,096</u>	<u>\$ 83,188,039</u>	<u>\$ 91,123,870</u>
Corrections:					
Additions	\$ 557,408	\$ 51,737	\$ 115,849	\$ 74,018	\$ 40,660
Deductions	<u>(292,917)</u>	<u>(387,145)</u>	<u>(275,663)</u>	<u>(178,469)</u>	<u>(34,436)</u>
Net additions/(deductions)	<u>\$ 264,491</u>	<u>\$ (335,408)</u>	<u>\$ (159,814)</u>	<u>\$ (104,451)</u>	<u>\$ 6,224</u>
Correct certified tax	<u>\$ 71,640,310</u>	<u>\$ 75,365,226</u>	<u>\$ 79,075,282</u>	<u>\$ 83,083,588</u>	<u>\$ 91,130,094</u>
Net tax collected (refunded) by County Treasurer for year ended:					
June 30, 2011	\$ 40,237,277	\$ -	\$ -	\$ -	\$ -
June 30, 2012	31,532,954	42,924,007	-	-	-
June 30, 2013	(169,393)	32,398,447	45,242,940	-	-
June 30, 2014	9,761	17,254	33,865,655	48,140,982	-
June 30, 2015	<u>2,607</u>	<u>24,065</u>	<u>(35,072)</u>	<u>34,948,613</u>	<u>53,681,363</u>
Total net collections	<u>\$ 71,613,206</u>	<u>\$ 75,363,773</u>	<u>\$ 79,073,523</u>	<u>\$ 83,089,595</u>	<u>\$ 53,681,363</u>
Total uncollected tax	<u>\$ 27,104</u>	<u>\$ 1,453</u>	<u>\$ 1,759</u>	<u>\$ (6,007)</u>	<u>\$ 37,448,731</u>
Percentage of uncollected tax	<u>0.04%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>-0.01%</u>	<u>41.09%</u>

See Notes to Financial Statements

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

HALL COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2015

Federal Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Disbursements/ Expenditures
<u>Department of Health and Human Services</u>			
Passed through State of Nebraska Department of Welfare			
Child Support Enforcement*	93.563	0G1004NE4005	\$ 466,597
Medical Assistance Program	93.778	051205NE5ADM	30,367
Total-Department of Health and Human Services			<u>\$ 496,964</u>
<u>Federal Emergency Management Agency</u>			
Passed through State of Nebraska Civil Defense			
Homeland Security Grant Program	97.067	2013 SHSP 2014 SHSP	\$ 6,121 11,548
Total-Federal Emergency Management Agency			<u>\$ 17,669</u>
<u>Department of Justice</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606		\$ 53,897
Edward Byrne Memorial Justice Assistance Grant Program	16.738		6,682
Total-Department of Justice			<u>\$ 60,579</u>
<u>Department of the Interior</u>			
Direct Program:			
National Wildlife Refuge Fund	15.659		\$ 3,687
Total-Department of the Interior			<u>\$ 3,687</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, 2015

Federal Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Transportation</u>			
Passed through State of Nebraska			
Roads			
Formula Grants for other than Urbanized Areas	20.509 RPT-C401 (214 & 215)		\$ 264,052
Passed through Nebraska Office of Highway Safety			
Alcohol Compliance Checks	16.727		\$ 1,785
In-car Cameras	20.616		15,093
Lifesavers' Conference	20.600	0402 (1525)	3,003
Highway Planning and Construction	20.205	HSIP0021 HSIP0026	7,101 1,532
Total Pass Through-Nebraska Office of Highway Safety			\$ 28,514
Total-Department of Transportation			\$ 292,566
<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	13HD04 13HD07 14HD04 14HD07	\$ 76,620
Total-Executive Office of the President			\$ 76,620
Total Federal Financial Assistance			\$ 948,085

*Major Program

See Notes to Schedule of Expenditures of Federal Awards

HALL COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

Note 1. General

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

Note 2. Basis of Presentation

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

Note 3. Federal Awards

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

Note 4. Major Programs

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

Note 5. Matching Costs

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

Note 6. Subrecipients

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

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Provided to Sub-recipients</i>
Formula Grants for other than Urbanized Areas	20.509	\$264,052



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CERTIFIED PUBLIC ACCOUNTANTS

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

County Board of Supervisors
Hall County
Grand Island, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hall County as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Hall County's basic financial statements, and have issued our report thereon dated November 13, 2015. Our report disclosed that, as described in Note 1 to the financial statements, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted for governments in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hall County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hall County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hall County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2015-01 through 2015-03 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Hall County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDermott & Miller PC

McDermott & Miller, P.C.
Grand Island, Nebraska
November 13, 2015



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CERTIFIED PUBLIC ACCOUNTANTS

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

County Board of Supervisors
Hall County
Grand Island, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Hall County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Hall County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Hall County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McDermott & Miller PC

McDermott & Miller, P.C.
Grand Island, Nebraska
November 13, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

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

Internal control over major program compliance:

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

Identification of major programs:

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

93.563 Child Support Enforcement

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

\$300,000

Is the auditee qualified as a low-risk auditee?

Yes No

Section II: Financial Statement Findings

Finding 2015-01: An ideal system of internal accounting control is that no person should be allowed to control a transaction from its inception to its recording in the accounting records. Although this division of duties is not always possible within your organization because of the limited number of employees, compensating or complementary controls may be implemented to mitigate the risk. (Significant Deficiency)

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

Condition: For the year ending June 30, 2015, management failed to establish and maintain compensating or complementary controls to mitigate the risk arising from the lack of a sound system of internal control which properly segregates duties.

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

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

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

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

Finding 2015-02: The County's policies and procedures related to cash management do not provide proper controls to prevent or detect misstatements related to error or fraud as evidenced by monitoring deficiencies in cash balances, deposits, receipt issuances, and requests for reimbursement of funds and incomplete reconciliations. (Significant Deficiency)

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

Condition: For the year ending June 30, 2015, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the cash management process.

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

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

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

Responsible Official's Response: The Board of Supervisors has established procedures related to cash management. The Audit Committee has addressed this issue with particular departments and will continue to work with county officials to remind them of these procedures.

Finding 2015-03: The County's policies and procedures implemented for the claims process do not provide for the prevention or detection of misstatements due to error or fraud as evidenced by a claim being paid for more than the invoice amount. (Significant Deficiency)

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

Condition: For the year ending June 30, 2015, management failed to establish and maintain a sound system of internal control which properly prevented or detected misstatements in various aspects of the claims process.

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

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

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

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

Section III: Federal Awards Findings

None.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

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

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

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

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

Status: Planned corrective action completed this fiscal year.

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

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