

**AUDIT REPORT  
OF  
GREELEY COUNTY**

**JULY 1, 2009 THROUGH JUNE 30, 2010**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on May 19, 2011**

GREELEY COUNTY

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GREELEY COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2010

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Douglas Wrede	Board of Commissioners	Jan. 2011
Leo Reilly		Jan. 2013
Michael Goldfish		Jan. 2011
Carolyn Sekutera	Assessor	Jan. 2011
James Swanson	Attorney	Jan. 2011
Mindy Grossart	Clerk Election Commissioner Register of Deeds Clerk of the District Court	Jan. 2011
Dave Weeks	Sheriff	Jan. 2011
Vicki Goodrich	Treasurer	Jan. 2011
John Michael Sweeney	Veterans' Service Officer	Appointed
Walter Bjorklund	Weed Superintendent	Appointed
Don Roy	Highway Superintendent	Appointed
Franz Trumler	Planning / Zoning	Appointed



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
[www.auditors.state.ne.us](http://www.auditors.state.ne.us)

### GREELEY COUNTY

### INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Greeley County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greeley County, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Greeley County, as of June 30, 2010, and the respective changes in cash balances thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2011, on our consideration of Greeley 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The County has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, nonmajor budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Signed Original on File

May 10, 2011

Deann Haeffner, CPA  
Assistant Deputy Auditor

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 384,988
Investments (Note 1.D)	1,342
<b>TOTAL ASSETS</b>	<b>\$ 386,330</b>
 <b>NET ASSETS</b>	
Restricted for:	
Veterans' Aid	\$ 1,417
Unrestricted	384,913
<b>TOTAL NET ASSETS</b>	<b>\$ 386,330</b>

The notes to the financial statements are an integral part of this statement.

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

<b>Functions:</b>	Cash Disbursements	<u>Program Cash Receipts</u>		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (772,539)	\$ 90,377	\$ 17,602	\$ (664,560)
Public Safety	(231,545)	32,692	-	(198,853)
Public Works	(1,092,192)	1,685	460,762	(629,745)
Health and Sanitation	(9,929)	-	-	(9,929)
Public Assistance	(11,041)	-	-	(11,041)
Total Governmental Activities	<u>\$ (2,117,246)</u>	<u>\$ 124,754</u>	<u>\$ 478,364</u>	<u>(1,514,128)</u>
 General Receipts:				
Property Taxes				1,252,059
Grants and Contributions Not Restricted to Specific Programs				170,364
Investment Income				10,124
Licenses and Permits				13,790
Miscellaneous				7,080
Total General Receipts				<u>1,453,417</u>
Change in Net Assets				(60,711)
Net Assets - Beginning				447,041
Net Assets - Ending				<u>\$ 386,330</u>

The notes to the financial statements are an integral part of this statement.

GREELEY COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2010

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents (Note 1.D)	\$ 293,155	\$ 7,672	\$ 47,540	\$ 36,621	\$ 384,988
Investments (Note 1.D)	1,342	-	-	-	1,342
<b>TOTAL ASSETS</b>	<u>\$ 294,497</u>	<u>\$ 7,672</u>	<u>\$ 47,540</u>	<u>\$ 36,621</u>	<u>\$ 386,330</u>
<b>FUND BALANCES</b>					
Unreserved, reported in:					
General fund	\$ 294,497	\$ -	\$ -	\$ -	\$ 294,497
Special revenue funds	-	7,672	47,540	36,621	91,833
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 294,497</u>	<u>\$ 7,672</u>	<u>\$ 47,540</u>	<u>\$ 36,621</u>	<u>\$ 386,330</u>

The notes to the financial statements are an integral part of this statement.



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

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>					
Property Taxes	\$ 1,148,978	\$ -	\$ 41,546	\$ 61,535	\$ 1,252,059
Licenses and Permits	11,750	-	-	2,040	13,790
Interest	10,124	-	-	-	10,124
Intergovernmental	113,638	530,826	-	4,264	648,728
Charges for Services	98,069	1,685	-	25,000	124,754
Miscellaneous	3,489	2,071	-	1,520	7,080
<b>TOTAL RECEIPTS</b>	<u>1,386,048</u>	<u>534,582</u>	<u>41,546</u>	<u>94,359</u>	<u>2,056,535</u>
<b>DISBURSEMENTS</b>					
General Government	755,359	-	-	17,180	772,539
Public Safety	160,259	-	-	71,286	231,545
Public Works	-	1,010,923	72,392	8,877	1,092,192
Health and Sanitation	9,929	-	-	-	9,929
Public Assistance	9,952	-	-	1,089	11,041
<b>TOTAL DISBURSEMENTS</b>	<u>935,499</u>	<u>1,010,923</u>	<u>72,392</u>	<u>98,432</u>	<u>2,117,246</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>450,549</u>	<u>(476,341)</u>	<u>(30,846)</u>	<u>(4,073)</u>	<u>(60,711)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	446,000	-	7,000	453,000
Transfers out	(364,000)	-	(89,000)	-	(453,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(364,000)</u>	<u>446,000</u>	<u>(89,000)</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balances	86,549	(30,341)	(119,846)	2,927	(60,711)
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<u>207,948</u>	<u>38,013</u>	<u>167,386</u>	<u>33,694</u>	<u>447,041</u>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<u>\$ 294,497</u>	<u>\$ 7,672</u>	<u>\$ 47,540</u>	<u>\$ 36,621</u>	<u>\$ 386,330</u>

The notes to the financial statements are an integral part of this statement.

GREELEY COUNTY  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
June 30, 2010

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 129,829
 <b>LIABILITIES</b>	
Due to other governments	
State	26,410
Schools	45,249
Educational Service Units	1,109
Technical College	3,283
Natural Resource Districts	1,285
Fire Districts	2,374
Municipalities	11,955
Agricultural Society	169
Cemetery Districts	64
Reclamation Districts	2,981
Road Improvement District	8,849
Airport Authority	121
Others	25,980
<b>TOTAL LIABILITIES</b>	<b>129,829</b>
 <b>TOTAL NET ASSETS</b>	 <b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2010

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Greeley County, Nebraska (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by elected county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the County, or the significance of their relationship with the County is such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These 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.

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**Joint Organization.**

Behavioral Health Region III - The County has entered into an agreement with surrounding counties and the Nebraska Health and Human Services System to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. The Region 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.

The governing board for the Region includes representatives from the participating county boards. 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. Funding is provided by a combination of federal, state, local, and private funding. The County contributed \$4,907 toward the operation of the Region during fiscal year 2010.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Health and Human Services System requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with Loup Basin Public Health Department (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636.

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County made no contributions toward the operation of the Department during fiscal year 2010. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is required to be audited annually in accordance with Neb. Rev. Stat. § 84-304. Financial information for the Department is available in that report.

**B. Basis of Presentation**

**Government-wide Financial Statements.** The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County, and are in the format of government-wide statements as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements was considered immaterial and have not been eliminated. Governmental GAAP would require internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is 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 receipts are reported instead as general receipts.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category - governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

**Road Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes.

The County reports the following additional fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific receipt source that is restricted to disbursements for a specified purpose.

**Agency Funds.** These funds account for assets held by the County as an agent for various local governments.

**C. Measurement Focus, 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 Assets - 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.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

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

**D. Assets and Net Assets**

**Cash and Cash Equivalents.** The County's cash and cash equivalents are considered to be cash on hand and demand deposits.

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. §§ 77-2315, 77-2340, and 77-2341 (Reissue 2009), and generally 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.

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as an disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Concluded)

Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

**Restricted Net Assets.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$1,417 of restricted net assets, all of which is restricted by enabling legislation.

2. **Deposits and Investments**

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2009).

At year end, the County's carrying amount of deposits was \$384,988 for County funds and \$129,829 for Fiduciary funds. The bank balances for all funds totaled \$517,620. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2010, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments are stated at cost, which approximates market. Investments consisted of \$1,342 deposited in the Nebraska Public Agency Investment Trust (NPAIT). 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. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

GREELEY COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes**

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. They may levy taxes in addition to the 50 cent limitation upon a vote of the people.

The levy set in October 2009, for the 2009 taxes which will be materially collected in May and September, 2010, was set at \$.339887/\$100 of assessed valuation. The levy set in October 2008, for the 2008 taxes which were materially collected in May and September, 2009, was set at \$.325712/\$100 of assessed valuation. The amount collected for motor vehicle tax is outlined in State Statute.

Additionally, there is currently a statutory lid limitation which limits taxation to the prior year's level, with provisions for growth. It may be increased by 1% by a three-fourths majority of the County Board.

4. **Retirement System**

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 and may be amended through legislative action.

Participation in the Plan is required of all full time employees. Part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 20. Part time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by Neb. Rev. Stat. §§ 23-2307 and 23-2308 (Reissue 2007), and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's



GREELEY COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**4. Retirement System** (Concluded)

account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2010, 37 employees contributed \$27,181; the County contributed \$40,771. Additionally, for the year ended June 30, 2010, 5 law enforcement employees and the County contributed \$700 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$1,503 directly to 10 retired employees for prior service benefits.

**5. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 78 counties throughout Nebraska.

The County pays an annual deposit premium as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire Pool. If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year, divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be sent to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each county shall remain liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such county's period of membership.

GREELEY COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management** (Concluded)

The agreement with NIRMA provides that NIRMA will provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 500,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the Pool in the last three fiscal years and no assessments are anticipated for fiscal year 2011. The County has not had to pay out any amounts that exceeded coverage provided by the Pool in the last three fiscal years.

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	Transfers from		
	General Fund	Inheritance Fund	
<b>Transfers to</b> Road Fund	\$ 357,000	\$ 89,000	\$ 446,000
Nonmajor Funds	7,000	-	7,000
<b>Total</b>	\$ 364,000	\$ 89,000	\$ 453,000

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**7. Capital Leases Payable**

Changes to the commitments under lease agreement for equipment and amounts to provide for annual rental payments are as follows:

GREELEY COUNTY

**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**7. Capital Leases Payable** (Concluded)

	Motor Grader
Balance July 1, 2009	\$ 76,861
Payments	25,040
Purchases	-
Balance June 30, 2010	\$ 51,821
Future Payments:	
<b>Year</b>	
2011	\$ 28,479
2012	26,106
Total Payments	54,585
Less Interest	2,764
Present Value of Future Minimum Lease Payments	\$ 51,821
Carrying Value of the related Fixed Asset	\$ 184,725

**8. Contingent Liabilities**

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 the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**GREELEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 1,274,593	\$ 1,274,593	\$ 1,148,978	\$ (125,615)
Licenses and Permits	11,525	11,525	11,750	225
Interest	20,000	20,000	10,124	(9,876)
Intergovernmental	83,683	83,683	113,638	29,955
Charges for Services	83,900	83,900	98,069	14,169
Miscellaneous	5,500	5,500	3,489	(2,011)
<b>TOTAL RECEIPTS</b>	<u>1,479,201</u>	<u>1,479,201</u>	<u>1,386,048</u>	<u>(93,153)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	51,465	51,465	49,179	2,286
County Clerk	76,198	76,198	72,045	4,153
County Treasurer	87,057	90,857	85,869	4,988
Superintendent of Schools	1,200	1,200	1,200	-
Election Commissioner	18,950	18,950	11,626	7,324
Clerk of the District Court	26,015	26,015	21,641	4,374
County Court System	7,085	7,085	3,123	3,962
Building and Grounds	54,850	54,850	47,293	7,557
Agricultural Extension Agent	19,833	19,833	18,924	909
Miscellaneous	470,810	465,410	444,459	20,951
Public Safety:				
County Sheriff	70,897	72,497	70,080	2,417
County Attorney	61,422	61,422	59,487	1,935
Miscellaneous	30,279	30,279	30,692	(413)
Public Health:				
Miscellaneous	18,471	18,471	9,929	8,542
Public Assistance:				
Veterans' Service Officer	10,598	10,598	9,458	1,140
Miscellaneous	494	494	494	-
<b>TOTAL DISBURSEMENTS</b>	<u>1,005,624</u>	<u>1,005,624</u>	<u>935,499</u>	<u>70,125</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>473,577</u>	<u>473,577</u>	<u>450,549</u>	<u>(23,028)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(571,000)	(571,000)	(364,000)	207,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(571,000)</u>	<u>(571,000)</u>	<u>(364,000)</u>	<u>207,000</u>
Net Change in Fund Balance	(97,423)	(97,423)	86,549	183,972
<b>FUND BALANCES - BEGINNING</b>	<u>197,423</u>	<u>197,423</u>	<u>207,948</u>	<u>10,525</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 294,497</u>	<u>\$ 194,497</u>

**GREELEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	988,710	988,710	530,826	(457,884)
Charges for Services	1,300	1,300	1,685	385
Miscellaneous	2,500	2,500	2,071	(429)
<b>TOTAL RECEIPTS</b>	<b>992,510</b>	<b>992,510</b>	<b>534,582</b>	<b>(457,928)</b>
<b>DISBURSEMENTS</b>	<b>1,568,224</b>	<b>1,568,224</b>	<b>1,010,923</b>	<b>557,301</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(575,714)</b>	<b>(575,714)</b>	<b>(476,341)</b>	<b>99,373</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	659,000	659,000	446,000	(213,000)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>659,000</b>	<b>659,000</b>	<b>446,000</b>	<b>(213,000)</b>
Net Change in Fund Balance	83,286	83,286	(30,341)	(113,627)
FUND BALANCE - BEGINNING	16,981	16,981	38,013	21,032
FUND BALANCE - ENDING	<u>\$ 100,267</u>	<u>\$ 100,267</u>	<u>\$ 7,672</u>	<u>\$ (92,595)</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 150,000	\$ 150,000	\$ 41,546	\$ (108,454)
<b>TOTAL RECEIPTS</b>	<b>150,000</b>	<b>150,000</b>	<b>41,546</b>	<b>(108,454)</b>
<b>DISBURSEMENTS</b>	<b>217,386</b>	<b>217,386</b>	<b>72,392</b>	<b>144,994</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(67,386)</b>	<b>(67,386)</b>	<b>(30,846)</b>	<b>36,540</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(89,000)	11,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(89,000)</b>	<b>11,000</b>
Net Change in Fund Balance	(167,386)	(167,386)	(119,846)	47,540
FUND BALANCE - BEGINNING	167,386	167,386	167,386	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,540</u>	<u>\$ 47,540</u>

## GREELEY COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

#### BUDGETARY COMPARISON SCHEDULES

##### **GAAP Requirements**

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue fund that has a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the *original budget* and *final budget* amounts. The *original budget* is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes *before* the beginning of the fiscal year. The original budget would also include actual appropriation amounts automatically carried over from prior years when required 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 as approved by the County Board or otherwise legally authorized.

##### **Budgetary Process**

The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts which have actually been received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the county budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board shall adopt the budget and appropriate the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing 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 County Board is also authorized to budget for the transfer of money between County funds.

GREELEY COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2010

	Planning and Zoning Fund	Reappraisal Fund	Institutions Fund	Veterans' Aid Fund	Law Enforcement Fund	Noxious Weed Control Fund	Courthouse Maintenance Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>								
Property Taxes	\$ 13,844	\$ 9	\$ 901	\$ 1,290	\$ 45,491	\$ -	\$ -	\$ 61,535
Licenses and Permits	2,040	-	-	-	-	-	-	2,040
Intergovernmental	929	-	47	95	3,193	-	-	4,264
Charges for Services	-	-	-	-	25,000	-	-	25,000
Miscellaneous	-	-	-	-	1,520	-	-	1,520
<b>TOTAL RECEIPTS</b>	<u>16,813</u>	<u>9</u>	<u>948</u>	<u>1,385</u>	<u>75,204</u>	<u>-</u>	<u>-</u>	<u>94,359</u>
<b>DISBURSEMENTS</b>								
General Government	17,180	-	-	-	-	-	-	17,180
Public Safety	-	-	-	-	71,286	-	-	71,286
Public Works	-	-	-	-	-	8,877	-	8,877
Public Assistance	-	-	1,089	-	-	-	-	1,089
<b>TOTAL DISBURSEMENTS</b>	<u>17,180</u>	<u>-</u>	<u>1,089</u>	<u>-</u>	<u>71,286</u>	<u>8,877</u>	<u>-</u>	<u>98,432</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(367)</u>	<u>9</u>	<u>(141)</u>	<u>1,385</u>	<u>3,918</u>	<u>(8,877)</u>	<u>-</u>	<u>(4,073)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	7,000	-	7,000
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Change in Fund Balances	(367)	9	(141)	1,385	3,918	(1,877)	-	2,927
<b>FUND BALANCES - BEGINNING</b>	<u>6,106</u>	<u>-</u>	<u>7,630</u>	<u>32</u>	<u>16,546</u>	<u>3,371</u>	<u>9</u>	<u>33,694</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 5,739</u>	<u>\$ 9</u>	<u>\$ 7,489</u>	<u>\$ 1,417</u>	<u>\$ 20,464</u>	<u>\$ 1,494</u>	<u>\$ 9</u>	<u>\$ 36,621</u>

**GREELEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PLANNING AND ZONING FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 13,441	\$ 13,441	\$ 13,844	\$ 403
Licenses and Permits	950	950	2,040	1,090
Intergovernmental	740	740	929	189
<b>TOTAL RECEIPTS</b>	<u>15,131</u>	<u>15,131</u>	<u>16,813</u>	<u>1,682</u>
<b>DISBURSEMENTS</b>	<u>17,237</u>	<u>17,237</u>	<u>17,180</u>	<u>57</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,106)	(2,106)	(367)	1,739
FUND BALANCE - BEGINNING	6,106	6,106	6,106	-
FUND BALANCE - ENDING	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 5,739</u>	<u>\$ 1,739</u>
<b>REAPPRAISAL FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 9	\$ 9
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
<b>DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	9	9
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

(Continued)



**GREELEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>INSTITUTIONS FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 901	\$ 901
Intergovernmental	-	-	47	47
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>948</b>	<b>948</b>
<b>DISBURSEMENTS</b>	<b>7,630</b>	<b>7,630</b>	<b>1,089</b>	<b>6,541</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(7,630)	(7,630)	(141)	7,489
FUND BALANCE - BEGINNING	7,630	7,630	7,630	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,489</u>	<u>\$ 7,489</u>
<b>VETERANS' AID FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 1,408	\$ 1,408	\$ 1,290	\$ (118)
Intergovernmental	60	60	95	35
<b>TOTAL RECEIPTS</b>	<b>1,468</b>	<b>1,468</b>	<b>1,385</b>	<b>(83)</b>
<b>DISBURSEMENTS</b>	<b>1,250</b>	<b>1,250</b>	<b>-</b>	<b>1,250</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	218	218	1,385	1,167
FUND BALANCE - BEGINNING	32	32	32	-
FUND BALANCE - ENDING	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 1,417</u>	<u>\$ 1,167</u>

(Continued)

**GREELEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>LAW ENFORCEMENT FUND</u></b>				
<b>RECEIPTS</b>				
Taxes	\$ 47,226	\$ 47,226	\$ 45,491	\$ (1,735)
Intergovernmental	2,500	2,500	3,193	693
Charges for Services	14,500	14,500	25,000	10,500
Miscellaneous	1,500	1,500	1,520	20
<b>TOTAL RECEIPTS</b>	<b>65,726</b>	<b>65,726</b>	<b>75,204</b>	<b>9,478</b>
<b>DISBURSEMENTS</b>	<b>72,272</b>	<b>72,272</b>	<b>71,286</b>	<b>986</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(6,546)	(6,546)	3,918	10,464
FUND BALANCE - BEGINNING	16,546	16,546	16,546	-
FUND BALANCE - ENDING	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 20,464</u>	<u>\$ 10,464</u>
<b><u>NOXIOUS WEED CONTROL FUND</u></b>				
<b>RECEIPTS</b>				
	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>				
	13,050	13,050	8,877	4,173
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,000	12,000	7,000	(5,000)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>12,000</b>	<b>12,000</b>	<b>7,000</b>	<b>(5,000)</b>
Net Change in Fund Balance	(1,050)	(1,050)	(1,877)	(827)
FUND BALANCE - BEGINNING	3,371	3,371	3,371	-
FUND BALANCE - ENDING	<u>\$ 2,321</u>	<u>\$ 2,321</u>	<u>\$ 1,494</u>	<u>\$ (827)</u>

(Continued)

GREELEY COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>COURTHOUSE MAINTENANCE FUND</u></b>				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	9	9	9	-
FUND BALANCE - ENDING	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ -</u>

(Concluded)

**GREELEY COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2010

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Veterans' Service Officer	County Planning and Zoning	County Extension	Total
BALANCE JULY 1, 2009	\$ 2,268	\$ 22,807	\$ 12,807	\$ 499	\$ 7,523	\$ -	\$ 3,591	\$ 49,495
<b>RECEIPTS</b>								
Licenses and Permits	135	-	220	-	-	2,040	-	2,395
Intergovernmental	-	-	-	-	1,000	-	-	1,000
Charges for Services	22,936	1,464	5,055	550	-	-	-	30,005
Miscellaneous	-	-	-	-	8	-	-	8
State Fees	27,540	1,892	-	-	-	-	-	29,432
Other Liabilities	62	16,973	1,348	4,511	-	-	3,608	26,502
<b>TOTAL RECEIPTS</b>	<b>50,673</b>	<b>20,329</b>	<b>6,623</b>	<b>5,061</b>	<b>1,008</b>	<b>2,040</b>	<b>3,608</b>	<b>89,342</b>
<b>DISBURSEMENTS</b>								
Payments to County Treasurer	22,736	1,304	5,274	550	-	2,040	-	31,904
Payments to State Treasurer	26,829	1,710	-	-	-	-	-	28,539
Other Liabilities	82	39,388	1,700	4,507	433	-	4,852	50,962
<b>TOTAL DISBURSEMENTS</b>	<b>49,647</b>	<b>42,402</b>	<b>6,974</b>	<b>5,057</b>	<b>433</b>	<b>2,040</b>	<b>4,852</b>	<b>111,405</b>
BALANCE JUNE 30, 2010	<u>\$ 3,294</u>	<u>\$ 734</u>	<u>\$ 12,456</u>	<u>\$ 503</u>	<u>\$ 8,098</u>	<u>\$ -</u>	<u>\$ 2,347</u>	<u>\$ 27,432</u>
<b>BALANCE CONSISTS OF:</b>								
Due to County Treasurer	\$ 1,553	\$ 200	\$ 1,291	\$ 37	\$ 8,098	\$ -	\$ -	\$ 11,179
Petty Cash	-	-	-	466	-	-	-	466
Due to State Treasurer	1,721	204	-	-	-	-	-	1,925
Due to Others	20	330	11,165	-	-	-	2,347	13,862
BALANCE JUNE 30, 2010	<u>\$ 3,294</u>	<u>\$ 734</u>	<u>\$ 12,456</u>	<u>\$ 503</u>	<u>\$ 8,098</u>	<u>\$ -</u>	<u>\$ 2,347</u>	<u>\$ 27,432</u>

GREELEY COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR**  
**ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2010

Item	2006	2007	2008	2009
Tax Certified by Assessor				
Real Estate	\$ 4,745,123	\$ 4,749,648	\$ 4,890,595	\$ 5,451,962
Personal and Specials	301,358	382,274	395,637	442,702
Total	<u>5,046,481</u>	<u>5,131,922</u>	<u>5,286,232</u>	<u>5,894,664</u>
Corrections				
Additions	2,591	321	1,802	341
Deductions	<u>(4,362)</u>	<u>(1,988)</u>	<u>(1,065)</u>	<u>(883)</u>
Net Additions/ (Deductions)	<u>(1,771)</u>	<u>(1,667)</u>	<u>737</u>	<u>(542)</u>
Corrected Certified Tax	<u>5,044,710</u>	<u>5,130,255</u>	<u>5,286,969</u>	<u>5,894,122</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:				
June 30, 2007	2,945,798	-	-	-
June 30, 2008	2,088,487	2,997,735	-	-
June 30, 2009	5,369	2,111,586	3,119,979	-
June 30, 2010	1,688	11,166	2,151,462	3,529,346
Total Net Collections	<u>5,041,342</u>	<u>5,120,487</u>	<u>5,271,441</u>	<u>3,529,346</u>
Total Uncollected Tax	<u>\$ 3,368</u>	<u>\$ 9,768</u>	<u>\$ 15,528</u>	<u>\$ 2,364,776</u>
Percentage Uncollected Tax	<u>0.07%</u>	<u>0.19%</u>	<u>0.29%</u>	<u>40.12%</u>



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

GREELEY COUNTY  
**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**

Board of Commissioners  
Greeley County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greeley County as of and for the year ended June 30, 2010, and have issued our report thereon dated May 10, 2011. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. Except as noted above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

- The County offices had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

#### Compliance and Other Matters

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

We also noted certain matters that we reported to management of Greeley County in a separate letter dated May 10, 2011.

This report is intended solely for the information and use of management, the County Board, others within the entity, the State Legislature, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Signed Original on File

May 10, 2011

Deann Haeffner, CPA  
Assistant Deputy Auditor



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

May 10, 2011

Board of Commissioners  
Greeley County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Greeley County (County) for the fiscal year ended June 30, 2010, and have issued our report thereon dated May 10, 2011. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the areas as follows:

### **COUNTY OVERALL**

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#### **Segregation of Duties**

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the offices of the County each had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.



## **Leave Policy**

During our audit we noted each elected official had established their own criteria for employee vacation and/or sick leave, but had not documented the policy in a written format.

Good internal control and sound accounting practices require that there be a documented leave policy and that adequate documentation be maintained to track leave balances for employees.

Without proper controls and documentation, including a documented leave policy and a documented review of leave earned and used, there is an increased risk that leave time could be misused or abused.

We recommend the County Board develop and implement a formal leave policy and the elected officials' offices either implement the Board policy or develop a formal policy of their own. We also recommend the County Board review leave usage periodically throughout the year if a carryover policy is in place.

## **COUNTY BOARD**

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### **Claim Procedures**

During our testing of claims we noted the following:

- Claims were not reviewed for delinquent personal property taxes prior to the claims being approved.
- One of 25 claims tested had no supporting documentation attached. The claim was for a \$25 cellular phone reimbursement.

Neb. Rev. Stat. § 23-143 (Reissue 2007) states "The county board of any county, whenever the account or claim of any person, firm or corporation against the county is presented to them for allowance, shall procure from the county treasurer a certificate of the amount of delinquent personal taxes assessed against the person, firm or corporation in whose favor the account or claim is presented, and shall deduct from any amount found due upon such account or claim the amount of such tax, and shall forthwith issue a warrant for the balance remaining, if any."

Good internal controls and sound accounting practices require supporting documentation obtained and attached to claims prior to claims being paid. When adequate procedures are not in place, and supporting documentation is not obtained there is an increased risk of loss, theft, or misuse of funds and noncompliance with State statutes.

We recommend the County Board ensure all claims are reviewed against a listing of delinquent personal property taxes and that adequate supporting documentation is obtained prior to claims being paid.

## **Inventory Policy**

During our audit, we noted the County Board had not established a policy for all officers to follow when completing the annual inventory statements. A lack of guidance for completing the inventory statements resulted in supply type items with immaterial costs being included on the inventory statements. Also during our audit we noted the County Board did not review or approve the deletion of inventory items from the inventory statements. Without a policy being established by the County Board, an accurate accounting of the County's personal property is not maintained.

Good accounting procedures require standardized procedures be established to ensure all offices use the same guidelines when filing an inventory statement of the personal property in the possession of the officer. Additionally, good internal controls require the County Board to review and approve all deletions of inventory from the inventory statements to mitigate the risk of theft, loss, or misuse of County property.

We recommend the County Board establish an inventory policy to be used by County officers when completing their annual inventory statements. We also recommend the County Board review and approve all deletions from the inventory statements.

## **Mileage Reimbursement**

During our audit we noted a Planning and Zoning employee is receiving mileage reimbursement for commuting to and from work which is not added as a taxable wage to the employee's W-2 form.

Internal Revenue Service (IRS) Publication 15-B outlines that employees reimbursed for commuting mileage must have the benefit added as a taxable wage to the employee unless the vehicle meets specific qualifications. The vehicle driven by the County Planning and Zoning employee does not meet the specific qualifications outlined by the IRS and; therefore, should be included as a taxable wage.

When cash reimbursements are made for commuting to and from work, the County is not in compliance with IRS regulations.

We recommend the County Board include mileage reimbursements for commuting to and from work be included as employee wages instead of as a cash reimbursement.

## **Sheriff Deputy Salaries**

Neb. Rev. Stat. § 23-1704.04 (Reissue 2007) states, "The county board shall furnish the sheriff with such deputies as it shall deem necessary and fix the compensation of such deputies who shall be paid by warrant drawn on the general fund."

During our audit we noted the County Sheriff's Deputies salaries are paid out of the Law Enforcement Fund and not the General Fund.

When County Sheriff's Deputies salaries are not paid from the General Fund, the County is not in compliance with State statute.

We recommend the County Sheriff's Deputies salaries be paid out of the General Fund in accordance with State statute.

### **Electronic Data Storage**

During our audit we noted the computer back-up tapes for electronic data programs are not stored in a secure, fireproof location.

Good internal controls and sound business practices require electronic data be routinely backed-up and stored in secure, fireproof locations. Without proper controls and storage of electronic data files, there is an increased risk essential data may be lost or destroyed.

We recommend electronic back-up files be stored in a safe and secure location.

## **COUNTY TREASURER**

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### **Negative Fund Balances**

The County Treasurer's Semi-Annual Statement for January 1, 2010 to June 30, 2010, noted the following four funds had negative balances:

- Central Community College ADA Hazard Fund - (\$5,206)
- State General Fund - (\$375)
- Valleyside School District Fund - (\$3,048)
- Spalding Village Debt Fund - (\$1)

Good internal control and sound accounting practices require that trust fund balances never have a negative balance. Negative balances indicate that funds paid out exceeded the funds received.

We recommend the County Treasurer implement procedures to ensure funds paid to other entities do not exceed funds received for such entity.

### **Cash Items**

During our audit, we noted the County Treasurer maintains a large number of cash items on the daily balance sheet. Cash items represent transactions which have been posted to the accounting records; however, the money has not yet been received. We noted nine cash items totaling \$1,185 at June 30, 2010.

Good internal controls and sound business practices require that receipts be written when, and not prior to, the receipt of monetary payment. When receipts are written prior to actually receiving money, there is an increased risk of the loss or misuse of County funds.

We recommend the County Treasurer not write receipts until money is actually received.

### **Reporting Collection of Taxes**

Neb. Rev. Stat. § 77-1745 (Reissue 2009) states, “The county treasurer shall settle with the county board within thirty days after the first Tuesday in January, and on the first Monday in July in each year, and at such other times as the county board may direct, at which times the county treasurer shall file with the county clerk a statement showing the amount of money collected since last settlement, from what source derived, amount of money paid out, and for what purpose, together with the vouchers for the same, the amount of taxes due and unpaid and the amount of money on hand belonging to the several funds.”

During our audit it was noted the County Treasurer was not filing the statement indicated above with the County Board.

When such statement is not filed, the County Board may be unaware of the amount of money collected and disbursed, the amount of taxes due and unpaid, and the current fund balances. Additionally, not filing this report results in noncompliance with State statute.

We recommend the County Treasurer implement procedures to ensure the statements are filed with the County Board in compliance with State statute.

### **Tax Reconciliation**

During our audit we noted the County Treasurer does not periodically perform a reconciliation of taxes collected to the certified tax amount. Additionally, during testing of the 2008 uncollected taxes report, we noted one statement in the amount of \$728 which had actually been collected.

Good internal controls require a reconciliation be performed between taxes certified and those collected to ensure taxes are correctly collected and recorded. Additionally, good internal controls require a review of uncollected taxes to ensure taxes are properly receipted. Without procedures in place to reconcile taxes collected and uncollected to the certified tax amount, there is an increased risk of the loss or misuse of County funds.

We recommend the County Treasurer periodically perform a reconciliation of taxes collected and taxes remaining uncollected to the certified tax amount and follow up on any discrepancies.

### **Fines and Forfeitures**

Neb. Rev. Stat § 29-2708 (Reissue 2008) states, “All money arising from fines and recognizances shall be credited by the county treasurer to the county school fund except as provided by Article VII, Section 5, Constitution of Nebraska”

During our audit we noted in May 2010, the County Treasurer deposited a \$250 fine in the County General Fund, not the school fines fund, which caused the fine to not be distributed to the county schools. Additionally, we noted the County Treasurer deposited \$270 of bond forfeitures from the County Court into the General Fund; these also should be deposited into the school fines fund.

When money arising from fines and recognizances are not deposited into the school fines fund, the money is not distributed in accordance with State statute.

We recommend procedures be implemented to ensure all fines and bond forfeitures be deposited in the school fines account to ensure monies are correctly distributed to the schools.

### **Unused Property Tax Credit**

Neb. Rev. Stat. § 77-4212 (Reissue 2009) states, “the amount of the credit which cannot be used by the taxpayer shall be returned to the State Treasurer by July 1 of the year the amount disbursed to the county was disbursed.”

We noted the County Treasurer did not return the excess property tax credit in the amount of \$1,555 to the State Treasurer until August 4, 2010.

When procedures are not in place to ensure the timely return of funds to the State, the County Treasurer is not in compliance with State statute.

We recommend the excess tax credit funds be returned to the State Treasurer by July 1st of each year.

### **Postage Fund**

Neb. Rev. Stat. § 23-1601 (Reissue 2007) states, “(1) All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law.”

During our audit we noted the County Treasurer maintains a postage fund where excess money received for postage from customers is put into a box. If someone is short, or if they do not pay postage, the County Treasurer will use money from that box to pay the postage.

When money is not receipted and paid out on warrants issued by the County Board, the County Treasurer is not in compliance with State statute. Additionally there is an increased risk of loss or misuse of County funds.

We recommend the County Treasurer receipt all money and only disburse funds on warrants issued by the County Board.

## **COUNTY SHERIFF**

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### **Accounting Procedures**

Neb. Rev. Stat. § 23-1601 (Reissue 2007) states, in part, "...it is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her."

Sound accounting practice and good internal controls require procedures be in place to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

During our audit, the following was noted:

- At June 30, 2010, the trust fund balance, per the County Sheriff's records, was \$12,056, of which \$11,165 could be identified, leaving an unexplained variance of \$891.
- Accident report fees received by the County Sheriff were not remitted to the County Treasurer. These fees remained in the County Sheriff bank accounts at June 30, 2010, and account for a portion of the \$891 excess balance.
- Deposits were only made on a monthly basis.
- Procedures were not in place to reconcile bank balances to book balances.

When all monies received are not appropriately accounted for and there is a failure to determine asset-to-liability balancing, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff deposit funds on a timelier basis and implement monthly reconciliation procedures. In addition, excess balances and all fees earned on behalf of the County should be remitted to the County Treasurer.

### **Distress Warrants**

Neb. Rev. Stat. § 77-1719.01 (Reissue 2009) states, "On or before August 1 of each year, the sheriff shall report to the county board showing the total amount collected on current distress warrants and the amount remaining uncollected."

The County Sheriff did not file a distress warrant report with the County Board prior to August 1, 2009.

When a distress warrant is not filed with the County Board in accordance with State statute, there is an increased risk County funds will be lost or misused.

We recommend the County Sheriff file a distress warrant report with the County Board as required by State statute.

## COUNTY ATTORNEY

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### **Receipts Not Issued**

Neb. Rev. Stat. § 23-1207 (Reissue 2007) states, “It shall be the duty of the county attorney, whenever he or she shall receive any money or other property in his or her official capacity, to give to the person paying or depositing such money or other property duplicate receipts, one of which shall be filed by such person with the county clerk.” Also, a good internal control plan requires receipts be written for all money received to establish control over cash received and sound accounting practices require records maintained to adequately support all money received.

During testing we noted the following:

- Receipts are not issued for all monies received by the County Attorney.
- The County Attorney does not maintain a fee record to document money collected.
- The collection of a \$10 filing fee for one of the insufficient fund complaints tested could not be verified.

When receipts are not written and no record is maintained for monies received, there is an increased risk of loss or misuse of County Funds.

We recommend receipts be issued for all monies received and adequate accounting records for those receipts and disbursements be maintained.

*County Attorney’s Response: I thank your office for its recommendations and I will let you know we already purchased a receipt book, in which all monies will be entered into our books. I understand ALL monies will need to be recorded and we will balance the books on a weekly basis, in order to bring any mistakes to light more quickly.*

### **Balancing Procedures**

Sound accounting practice and good internal controls require procedures be in place to ensure office assets (cash on hand, reconciled bank balance, accounts receivable, etc.) are in agreement with office liabilities (fees and trust accounts) on at least a monthly basis. Balancing procedures should include the timely identification and resolution of all variances noted.

The trust account maintained by the County Attorney was not periodically reconciled to the bank account balance. As a result, at June 30, 2010, the County Attorney had a trust balance of \$17 which could not be identified and \$20 of fees collected in 2008 that had never been remitted to the County Treasurer.

When adequate records are not maintained there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend record keeping and balancing procedures be implemented to ensure adequate accounting records are maintained

to support the trust balance and that, all fees collected by the County Attorney are remitted to the County Treasurer in a timely manner.

*County Attorney's Response: We will zero out our trust fund in June and do better work in making sure all monies are distributed as quickly as possible to the correct people.*

### **Petty Cash**

Neb. Rev. Stat. § 23-106 (Reissue 2007) states, in part, "The county board shall have the authority to establish a petty cash fund for such county ... board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message."

During our audit, we noted the County Attorney's petty cash account was not authorized by the County Board. Furthermore, the petty cash account was not maintained at a specific amount, as of June 30, 2010, the petty cash account had \$466.

When petty cash accounts are established without the authorization of the County Board, there is an increased risk of loss or misuse of funds. Furthermore, when the budget message does not reflect the correct authorized petty cash amounts, the public is not notified of the approved petty cash amounts available to County officials.

We recommend petty cash funds only be maintained if established by the County Board and all petty cash funds established be stated in the budget message.

*County Attorney's Response: I am also putting a "petty cash fund" on the agenda for the County Board, at the next meeting, so we will get a petty cash fund approved for our office, or the funds will be returned to Greeley County general fund and the account closed. The fund will also be returned to \$500, prior to the account closing or the account being approved.*

### **Timesheets**

Good internal controls and sound accounting practices require that one set of records be maintained for the tracking of employee hours worked and leave taken to ensure the accurate recording and/or reporting of time. Maintaining two separate sets of records may cause discrepancies in leave balances and increases the risk of error or misuse.

During our audit, we noted the following:

- The County Attorney's office maintained a set of timesheets to record employees' time worked and leave taken separate from what was reported to the County Board.
- The County Attorney's records showed 56 hours of vacation time and 32 hours of funeral leave used for an employee that was not shown on the timesheets submitted to the County Board.



When separate sets of records are maintained for employees' hours and leave usage, there is an increased risk for the loss of funds due to inaccurate or fraudulent claims for leave payout upon employee termination.

We recommend timesheets submitted to the County Board for payroll claims accurately report employees' time worked, including leave time used.

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## **COUNTY EXTENSION OFFICE**

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### **Office Receipts**

Good internal control requires checks be restrictively endorsed upon receipt and receipts be prepared for all monies received.

During our audit we noted the County Extension Office did not have procedures in place to document the receipt of monies collected. The amount collected in fiscal year 2010 was \$3,607. In addition, office policy was to restrictively endorse checks upon deposit, not receipt.

When checks are not restrictively endorsed immediately upon receipt and appropriate records are not maintained to document collections, there is an increased risk funds will be misused or lost.

We recommend the County Extension Office implement procedures to ensure checks are restrictively endorsed immediately upon receipt and receipts are written for all monies collected.

### **Cooperative Extension Bank Account**

A good internal control plan would require the County be aware of all bank accounts established under the County's Federal Tax Identification Number (FTIN) and exercise adequate control over such bank accounts.

During our audit we noted the County Extension Office has one bank account established under the County's FTIN which had a \$2,370 bank balance at June 30, 2010; however, the activity in the account, which is largely educational and programming related, appears to be identical to that of other Cooperative Extension offices throughout the State which are established under the University of Nebraska's FTIN.

When internal controls and policies and procedures are not in place to identify all bank accounts with the County's FTIN, there is a greater risk that controls over such bank accounts may not be in place to ensure they are being used in accordance with County policies. A similar comment was noted in the University of Nebraska's Management Letter issued by the Nebraska Auditor of Public Accounts for the fiscal year ended June 30, 2010.

We recommend the County Board and the University work together to determine if this bank account is related to County or University activity. If it is determined to be a University bank

account, the account ownership should be changed to the University's FTIN. If it is determined to be a County bank account, we recommend the County establish procedures to record and report the activity to the County Board in accordance with Board policies and State statutes.

## **PLANNING AND ZONING**

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### **Receipts Not Issued**

A good internal control plan requires receipts be written for all money received to establish control over cash collected.

It was noted during our audit that receipts were not issued and a record was not maintained in the Planning and Zoning office for all monies collected. The office collects money and remits it to the County Treasurer without keeping a record of such collection.

When receipts are not written and no record is maintained for monies received, there is an increased risk of loss or misuse of County funds.

We recommend receipts be issued for all monies upon collection.

It should be noted this report is critical in nature since it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

This report is intended solely for the information and use of the County, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Signed Original on File

Deann Haeffner, CPA  
Assistant Deputy Auditor