

**AUDIT REPORT
OF
RICHARDSON COUNTY**

JULY 1, 2014 THROUGH JUNE 30, 2015

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the Auditor of Public Accounts.**

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Issued on September 9, 2015

RICHARDSON COUNTY

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RICHARDSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2015

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
David Sickel	Board of Commissioners	Jan. 2017
Myron Davidson		Jan. 2019
James Standerford		Jan. 2017
Pam Vice	Assessor	Jan. 2019
Douglas Merz	Attorney	Jan. 2019
Mary Eickhoff	Clerk Election Commissioner Register of Deeds	Jan. 2019
Pamela Scott	Clerk of the District Court	Jan. 2019
Don Pounds	Sheriff	Jan. 2019
Austin Duerfeldt	Treasurer	Jan. 2019
Robert Tichy	Surveyor	Jan. 2019
Mona Godemann	Veterans' Service Officer	Appointed
Joe Wittwer	Weed Superintendent	Appointed
Scott Huppert	Highway Superintendent	Appointed
Brian Dixon	Emergency Manager	Appointed



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RICHARDSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Richardson County, 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 Richardson County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 County'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 County'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 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 aggregate remaining fund information of Richardson County as of June 30, 2015, and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Emphasis of Matters – 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 in the United States of America. Our opinions are not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole, which collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, 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.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 20-32, 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. Such 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 information is fairly stated in all material respects in relation to the basic 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 August 18, 2015, on our consideration of Richardson 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, 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 considering Richardson County's internal control over financial reporting and compliance.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

August 18, 2015

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

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 5,840,779
Investments (Note 1.D)	334,437
TOTAL ASSETS	\$ 6,175,216
NET POSITION	
Restricted for:	
Visitor Promotion	\$ 83,146
Law Enforcement	38,650
Preservation of Records	10,836
Debt Service	290,661
Bridge/Road Projects	299,712
Camp Cornhusker Shelter	65,499
Unrestricted	5,386,712
TOTAL NET POSITION	\$ 6,175,216

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

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

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:				
General Government	\$ (2,817,017)	\$ 275,169	\$ 127,794	\$ (2,414,054)
Public Safety	(1,606,743)	43,774	115,017	(1,447,952)
Public Works	(3,746,953)	3,700	1,714,385	(2,028,868)
Health and Sanitation	(45,622)	-	-	(45,622)
Public Assistance	(85,231)	-	5,958	(79,273)
Culture and Recreation	(25,214)	-	-	(25,214)
Debt Payments	(145,458)	-	-	(145,458)
Total Governmental Activities	<u><u>\$ (8,472,238)</u></u>	<u><u>\$ 322,643</u></u>	<u><u>\$ 1,963,154</u></u>	<u><u>(6,186,441)</u></u>

General Receipts:

Property Taxes	4,759,562
Grants and Contributions Not Restricted to Specific Programs	427,061
Investment Income	9,714
Licenses and Permits	25,894
Miscellaneous	3,935,675
Total General Receipts	<u><u>9,157,906</u></u>
 Increase in Net Position	 2,971,465
Net Position - Beginning of year	3,203,751
Net Position - End of year	<u><u>\$ 6,175,216</u></u>

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

RICHARDSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
 June 30, 2015

	General Fund	Road Fund	Inheritance Fund	Jail Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	\$ 336,885	\$ 118,905	\$ 443,955	\$ 3,700,730	\$ 1,240,304	\$ 5,840,779
Investments (Note 1.D)	-	-	334,437	-	-	334,437
TOTAL ASSETS	\$ 336,885	\$ 118,905	\$ 778,392	\$ 3,700,730	\$ 1,240,304	\$ 6,175,216
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	83,146	83,146
Law Enforcement	-	-	-	-	38,650	38,650
Preservation of Records	-	-	-	-	10,836	10,836
Debt Service	-	-	-	-	290,661	290,661
Bridge/Road Projects	-	-	-	-	299,712	299,712
Camp Cornhusker Shelter	-	-	-	-	65,499	65,499
Committed to:						
Law Enforcement	-	-	-	-	4,985	4,985
Road Maintenance	-	118,905	-	-	347,787	466,692
Aid and Assistance	-	-	-	-	71,529	71,529
Unemployment Benefits	-	-	-	-	21,624	21,624
Weed Control	-	-	-	-	5,875	5,875
County Buildings	-	-	-	3,700,730	-	3,700,730
Assigned to:						
Other Purposes	-	-	778,392	-	-	778,392
Unassigned	336,885	-	-	-	-	336,885
TOTAL CASH BASIS FUND BALANCES	\$ 336,885	\$ 118,905	\$ 778,392	\$ 3,700,730	\$ 1,240,304	\$ 6,175,216

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

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

	General Fund	Road Fund	Inheritance Fund	Jail Bond Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$3,872,738	\$ -	\$ 464,866	\$ -	\$ 421,958	\$ 4,759,562
Licenses and Permits	25,894	-	-	-	-	25,894
Interest	9,714	-	-	-	-	9,714
Intergovernmental	579,813	1,219,649	5,406	-	585,347	2,390,215
Charges for Services	310,065	3,700	-	-	8,878	322,643
Miscellaneous	93,410	132,380	-	3,700,730	9,155	3,935,675
TOTAL RECEIPTS	<u>4,891,634</u>	<u>1,355,729</u>	<u>470,272</u>	<u>3,700,730</u>	<u>1,025,338</u>	<u>11,443,703</u>
DISBURSEMENTS						
General Government	2,545,618	-	257,946	-	13,453	2,817,017
Public Safety	1,405,286	-	-	-	201,457	1,606,743
Public Works	11,998	3,103,812	-	-	631,143	3,746,953
Health and Sanitation	45,622	-	-	-	-	45,622
Public Assistance	76,097	-	-	-	9,134	85,231
Culture and Recreation	-	-	-	-	25,214	25,214
Debt Service:						
Principal Payments	-	-	-	-	80,000	80,000
Interest and Fiscal Charges	-	-	-	-	65,458	65,458
TOTAL DISBURSEMENTS	<u>4,084,621</u>	<u>3,103,812</u>	<u>257,946</u>	<u>-</u>	<u>1,025,859</u>	<u>8,472,238</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>807,013</u>	<u>(1,748,083)</u>	<u>212,326</u>	<u>3,700,730</u>	<u>(521)</u>	<u>2,971,465</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	450,000	1,394,456	-	-	13,196	1,857,652
Transfers out	(1,407,652)	-	(450,000)	-	-	(1,857,652)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(957,652)</u>	<u>1,394,456</u>	<u>(450,000)</u>	<u>-</u>	<u>13,196</u>	<u>-</u>
Net Change in Fund Balances	(150,639)	(353,627)	(237,674)	3,700,730	12,675	2,971,465
CASH BASIS FUND BALANCES - BEGINNING	<u>487,524</u>	<u>472,532</u>	<u>1,016,066</u>	<u>-</u>	<u>1,227,629</u>	<u>3,203,751</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 336,885</u>	<u>\$ 118,905</u>	<u>\$ 778,392</u>	<u>\$3,700,730</u>	<u>\$ 1,240,304</u>	<u>\$ 6,175,216</u>

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

RICHARDSON COUNTY
**STATEMENT OF FIDUCIARY ASSETS AND
 LIABILITIES - CASH BASIS**
FIDUCIARY FUNDS
 June 30, 2015

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 405,277
 LIABILITIES	
Due to other governments	
State	146,985
Schools	173,464
Educational Service Units	1,631
Technical College	6,502
Natural Resource Districts	4,224
Fire Districts	2,380
Municipalities	27,690
Agricultural Society	479
Others	41,922
TOTAL LIABILITIES	405,277
 TOTAL NET ASSETS	 \$ -

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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2015

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Richardson 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 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, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, 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 V – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services 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. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

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 \$30,106 toward the operation of the Region during fiscal year 2015. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Southeast District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Cum. Supp. 2014).

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 contributed no funding toward the operation of the Department during fiscal year 2015. 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 audited in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2014). Financial information for the Department is available in that report.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - 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 were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally 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 are comprised of the following: 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.

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 County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. 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 and is primarily funded by State tax receipts.

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

Jail Bond Fund. This fund is used to account for bond proceeds to be used for the purpose of paying the costs of renovating and improving its existing law enforcement center.

The County reports the following additional non-major governmental 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.

Debt Service Fund. The Highway Allocation Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

Restricted. The fund balance is restricted by external impositions, such as creditors, grantors, or laws or regulations of other governments.

Committed. The fund balance has been designated by the County Board for a specific purpose.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Assigned. The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

Unassigned. This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

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 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 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 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, 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 are generally 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 Position

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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 a 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. 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 Position. 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 position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$788,504 of restricted net position, of which \$459,193 is restricted by enabling legislation.

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 actually 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

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 adopts the budget and appropriates 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 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 County Board is also authorized to budget for the transfer of money between County funds.

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 \$5,840,779 for County funds and \$405,277 for Fiduciary funds. The bank balances for all funds totaled \$6,216,763. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2015, 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 is stated at cost, which approximates market. Investments consisted of \$334,437 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 that 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 participants 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.

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 they 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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

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. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2014, for the 2014 taxes, which will be materially collected in May and September 2015, was set at \$.336394/\$100 of assessed valuation. The levy set in October 2013, for the 2013 taxes, which were materially collected in May and September 2014, was set at \$.364760/\$100 of assessed valuation. The amount collected for the 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. The lid may be increased by 1% upon the approval of 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 23-2334 (Reissue 2012, Cum. Supp. 2014) 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 18. 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 § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's 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. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Retirement System (Concluded)

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, 2015, 79 employees contributed \$107,320, and the County contributed \$159,615. Contributions included \$2,701 in cash contributions towards the supplemental law enforcement plan for seven law enforcement employees. Lastly, the County paid \$1,093 directly to eight retired employees for prior service benefits.

5. Risk Management

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to cover the risk of loss and believes adequate coverage exists for potential exposures. There was no significant reduction of insurance coverage from the prior year, and the County did not incur any expenses that exceeded the coverage amount for the year ended June 30, 2015.

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2015, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Inheritance Fund	
Road Fund	\$ 1,394,456	\$ -	\$ 1,394,456
General Fund	-	450,000	450,000
Nonmajor Funds	13,196		13,196
Total	\$ 1,407,652	\$ 450,000	\$ 1,857,652

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.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Capital Leases Payable

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

	Motor Grader (2012)	Ambulance	Motor Grader (2015)	Total
Balance July 1, 2014	\$ 39,754	\$ 36,615	\$ -	\$ 76,369
Purchases	-	-	229,170	229,170
Payments	39,754	36,615	-	76,369
Balance June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,170</u>	<u>\$ 229,170</u>
Future Payments:				
Year				
2016	\$ -	\$ -	\$ 117,755	\$ 117,755
2017	-	-	117,755	117,755
Total Payments	-	-	235,510	235,510
Less Interest	-	-	6,340	6,340
Present Value of Future Minimum Lease Payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,170</u>	<u>\$ 229,170</u>
Carrying Value of the Related Fixed Asset	<u>\$ 165,250</u>	<u>\$ 139,625</u>	<u>\$ 228,920</u>	<u>\$ 533,795</u>

8. Contingent Liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County Attorney believes the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

9. Long-Term Debt

Highway Allocation Bond Fund

The County issued bonds on May 17, 2011, in the amount of \$2,000,000 for the purpose of paying the costs of certain streets, highways, and roads within Richardson County. The bond payable balance, as of June 30, 2015, was \$1,680,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

RICHARDSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Concluded)

9. **Long-Term Debt** (Concluded)

Future Payments:

Year	Principal	Interest	Total
2016	\$ 80,000	\$ 64,018	\$ 144,018
2017	85,000	62,377	147,377
2018	85,000	60,338	145,338
2019	90,000	58,085	148,085
2020	90,000	55,430	145,430
2021-2025	505,000	228,480	733,480
2026-2030	605,000	118,088	723,088
2031	140,000	6,650	146,650
Total Payments	<u>\$ 1,680,000</u>	<u>\$ 653,466</u>	<u>\$ 2,333,466</u>

Law Enforcement Center Jail Bond Fund

The County issued bonds on June 30, 2015, in the amount of \$3,740,000 for the purpose of paying the costs of renovating and improving its existing law enforcement center and constructing an addition thereto, which has not yet been completed, and certain costs of issuing the Bonds. The bond payable balance, as of June 30, 2015, was \$3,740,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2016	\$ -	\$ 47,305	\$ 47,305
2017	215,000	86,795	301,795
2018	220,000	85,268	305,268
2019	225,000	82,871	307,871
2020	225,000	79,721	304,721
2021-2025	1,200,000	328,889	1,528,889
2026-2030	1,360,000	160,133	1,520,133
2031	295,000	5,015	300,015
Total Payments	<u>\$ 3,740,000</u>	<u>\$ 875,997</u>	<u>\$ 4,615,997</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,329,123	\$ 4,329,123	\$ 3,872,738	\$ (456,385)
Licenses and Permits	29,600	29,600	25,894	(3,706)
Interest	10,000	10,000	9,714	(286)
Intergovernmental	384,159	384,159	579,813	195,654
Charges for Services	336,889	336,889	310,065	(26,824)
Miscellaneous	87,885	87,885	93,410	5,525
TOTAL RECEIPTS	<u>5,177,656</u>	<u>5,177,656</u>	<u>4,891,634</u>	<u>(286,022)</u>
DISBURSEMENTS				
General Government:				
County Commissioners	60,590	60,590	60,577	13
County Clerk	129,834	129,834	125,888	3,946
County Treasurer	149,065	149,065	142,062	7,003
County Assessor	164,780	164,780	164,041	739
Election Commissioner	64,540	64,540	57,416	7,124
Clerk of the District Court	68,889	68,889	68,879	10
County Court System	9,650	9,650	7,271	2,379
CDC - Child Support Agreement	24,448	24,448	21,351	3,097
Building and Grounds	194,057	194,057	190,348	3,709
Agricultural Extension Agent	52,190	52,190	52,018	172
Capital Acquisitions/Armory	250,000	255,650	255,650	-
Miscellaneous	1,309,473	1,303,823	1,400,117	(96,294)
Public Safety				
County Sheriff	337,285	337,285	319,881	17,404
County Attorney	67,725	67,725	59,278	8,447
Investigator	56,550	56,550	54,403	2,147
County Jail	367,462	431,839	431,839	-
Emergency Management	90,236	93,607	93,607	-
Humboldt Sheriff	70,600	72,421	72,421	-
Attorney - Child Support Agreement	76,300	76,300	74,920	1,380
Attorney - Incentive Match	28,238	28,238	24,120	4,118
Nuclear Accident Emergency Prepared	67,800	67,800	67,800	-
Miscellaneous	179,190	109,621	207,017	(97,396)
Public Works				
County Surveyor	13,561	13,561	11,998	1,563
Public Health				
Miscellaneous	46,771	46,771	45,622	1,149
Public Assistance				
Veterans' Service Officer	58,749	58,749	56,418	2,331
Miscellaneous	19,492	19,492	19,679	(187)
TOTAL DISBURSEMENTS	<u>3,957,475</u>	<u>3,957,475</u>	<u>4,084,621</u>	<u>(127,146)</u>

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,220,181	1,220,181	807,013	(413,168)
OTHER FINANCING SOURCES (USES)				
Transfers in	450,000	450,000	450,000	-
Transfers out	(1,907,705)	(1,907,705)	(1,407,652)	500,053
TOTAL OTHER FINANCING SOURCES (USES)	(1,457,705)	(1,457,705)	(957,652)	500,053
Net Change in Fund Balance	(237,524)	(237,524)	(150,639)	86,885
FUND BALANCE - BEGINNING	487,524	487,524	487,524	-
FUND BALANCE - ENDING	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 336,885</u>	<u>\$ 86,885</u>

(Concluded)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	1,246,217	1,246,217	1,219,649	(26,568)
Charges for Services	3,900	3,900	3,700	(200)
Miscellaneous	24,000	24,000	132,380	108,380
TOTAL RECEIPTS	<u>1,274,117</u>	<u>1,274,117</u>	<u>1,355,729</u>	<u>81,612</u>
DISBURSEMENTS	<u>3,644,182</u>	<u>3,644,182</u>	<u>3,103,812</u>	<u>540,370</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,370,065)</u>	<u>(2,370,065)</u>	<u>(1,748,083)</u>	<u>621,982</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,897,533	1,897,533	1,394,456	(503,077)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,897,533</u>	<u>1,897,533</u>	<u>1,394,456</u>	<u>(503,077)</u>
Net Change in Fund Balance	(472,532)	(472,532)	(353,627)	118,905
FUND BALANCE - BEGINNING	472,532	472,532	472,532	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,905</u>	<u>\$ 118,905</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 83,934	\$ 83,934	\$ 464,866	\$ 380,932
Intergovernmental	-	-	5,406	5,406
TOTAL RECEIPTS	<u>83,934</u>	<u>83,934</u>	<u>470,272</u>	<u>386,338</u>
DISBURSEMENTS	<u>650,000</u>	<u>650,000</u>	<u>257,946</u>	<u>392,054</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(566,066)</u>	<u>(566,066)</u>	<u>212,326</u>	<u>778,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(450,000)	(450,000)	(450,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,016,066)	(1,016,066)	(237,674)	778,392
FUND BALANCE - BEGINNING	1,016,066	1,016,066	1,016,066	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,392</u>	<u>\$ 778,392</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JAIL BOND FUND				
RECEIPTS				
Miscellaneous	-	-	3,700,730	3,700,730
TOTAL RECEIPTS	-	-	3,700,730	3,700,730
DISBURSEMENTS				
	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	-	-	3,700,730	3,700,730
Net Change in Fund Balance	-	-	3,700,730	3,700,730
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,700,730	\$ 3,700,730

(Concluded)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FEDERAL MATCHING FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(238,841)	(238,841)	-	238,841
Net Change in Fund Balance	(238,841)	(238,841)	-	238,841
Fund Balance - Beginning	238,841	238,841	238,841	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,841</u>	<u>\$ 238,841</u>
ROAD BUYBACK PROGRAM FUND				
Receipts	\$ 272,021	\$ 272,021	\$ 272,021	\$ -
Disbursements	(510,665)	(510,665)	(210,953)	299,712
Net Change in Fund Balance	(238,644)	(238,644)	61,068	299,712
Fund Balance - Beginning	238,644	238,644	238,644	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,712</u>	<u>\$ 299,712</u>
ROAD/BRIDGE CONSTRUCTION HIGHWAY ALLOCATION FUND				
Receipts	\$ -	\$ -	\$ 2,630	\$ 2,630
Disbursements	(44,075)	(44,075)	(44,075)	-
Net Change in Fund Balance	(44,075)	(44,075)	(41,445)	2,630
Fund Balance - Beginning	44,075	44,075	44,075	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,630</u>	<u>\$ 2,630</u>
ROAD/BRIDGE SINKING FUND				
Receipts	\$ 201,300	\$ 201,300	\$ 271,557	\$ 70,257
Disbursements	(393,634)	(393,634)	(357,575)	36,059
Net Change in Fund Balance	(192,334)	(192,334)	(86,018)	106,316
Fund Balance - Beginning	192,334	192,334	192,334	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,316</u>	<u>\$ 106,316</u>
CIVIL DEFENSE FUND				
Receipts	\$ 515,307	\$ 515,307	\$ 222,843	\$ (292,464)
Disbursements	(515,307)	(515,307)	(157,344)	357,963
Net Change in Fund Balance	-	-	65,499	65,499
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,499</u>	<u>\$ 65,499</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHROMATOGRAPH FUND				
Receipts	\$ 81	\$ 81	\$ 3,285	\$ 3,204
Disbursements	(5,700)	(5,700)	(3,919)	1,781
Net Change in Fund Balance	(5,619)	(5,619)	(634)	4,985
Fund Balance - Beginning	5,619	5,619	5,619	-
Fund Balance - Ending	\$ -	\$ -	\$ 4,985	\$ 4,985

VISITOR'S PROMOTION FUND				
Receipts	\$ 12,961	\$ 12,961	\$ 15,345	\$ 2,384
Disbursements	(45,000)	(45,000)	(21,114)	23,886
Net Change in Fund Balance	(32,039)	(32,039)	(5,769)	26,270
Fund Balance - Beginning	32,039	32,039	32,039	-
Fund Balance - Ending	\$ -	\$ -	\$ 26,270	\$ 26,270

VISITOR'S IMPROVEMENT FUND				
Receipts	\$ 12,961	\$ 12,961	\$ 15,344	\$ 2,383
Disbursements	(58,593)	(58,593)	(4,100)	54,493
Net Change in Fund Balance	(45,632)	(45,632)	11,244	56,876
Fund Balance - Beginning	45,632	45,632	45,632	-
Fund Balance - Ending	\$ -	\$ -	\$ 56,876	\$ 56,876

REGISTER OF DEEDS PRESERVE & MODERNIZE FUND				
Receipts	\$ 6,055	\$ 6,055	\$ 5,593	\$ (462)
Disbursements	(13,000)	(13,000)	(1,702)	11,298
Net Change in Fund Balance	(6,945)	(6,945)	3,891	10,836
Fund Balance - Beginning	6,945	6,945	6,945	-
Fund Balance - Ending	\$ -	\$ -	\$ 10,836	\$ 10,836

EMPLOYMENT SECURITY FUND				
Receipts	\$ 1,590	\$ 1,590	\$ 1,046	\$ (544)
Disbursements	(30,000)	(30,000)	(7,832)	22,168
Net Change in Fund Balance	(28,410)	(28,410)	(6,786)	21,624
Fund Balance - Beginning	28,410	28,410	28,410	-
Fund Balance - Ending	\$ -	\$ -	\$ 21,624	\$ 21,624

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MEDICAL RELIEF FUND				
Receipts	\$ 4	\$ 4	\$ 3	\$ (1)
Disbursements	(66,000)	(66,000)	(2,652)	63,348
Net Change in Fund Balance	(65,996)	(65,996)	(2,649)	63,347
Fund Balance - Beginning	65,996	65,996	65,996	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,347</u>	<u>\$ 63,347</u>
INSTITUTIONS FUND				
Receipts	\$ 4,255	\$ 4,255	\$ 2,934	\$ (1,321)
Disbursements	(13,000)	(13,000)	(4,275)	8,725
Net Change in Fund Balance	(8,745)	(8,745)	(1,341)	7,404
Fund Balance - Beginning	8,745	8,745	8,745	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,404</u>	<u>\$ 7,404</u>
VETERANS' AID FUND				
Receipts	\$ 2,468	\$ 2,468	\$ 2,453	\$ (15)
Disbursements	(3,000)	(3,000)	(2,207)	793
Net Change in Fund Balance	(532)	(532)	246	778
Fund Balance - Beginning	532	532	532	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778</u>	<u>\$ 778</u>
COUNTY DRUG LAW ENFORCEMENT FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(609)	(609)	-	609
Net Change in Fund Balance	(609)	(609)	-	609
Fund Balance - Beginning	609	609	609	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ 609</u>
FEDERAL FORFEITURE FUND				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(6,673)	(6,673)	(1,700)	4,973
Net Change in Fund Balance	(6,673)	(6,673)	(1,700)	4,973
Fund Balance - Beginning	6,673	6,673	6,673	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,973</u>	<u>\$ 4,973</u>

(Continued)

RICHARDSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE SERVICES FUND				
Receipts	\$ 74,292	\$ 74,292	\$ 71,179	\$ (3,113)
Disbursements	(78,594)	(78,594)	(42,413)	36,181
Net Change in Fund Balance	(4,302)	(4,302)	28,766	33,068
Fund Balance - Beginning	4,302	4,302	4,302	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,068</u>	<u>\$ 33,068</u>
HIGHWAY ALLOCATION BOND FUND				
Receipts	\$ 51,400	\$ 51,400	\$ 137,994	\$ 86,594
Disbursements	(349,925)	(349,925)	(145,858)	204,067
Net Change in Fund Balance	(298,525)	(298,525)	(7,864)	290,661
Fund Balance - Beginning	298,525	298,525	298,525	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,661</u>	<u>\$ 290,661</u>
NOXIOUS WEED FUND				
Receipts	\$ -	\$ -	\$ 1,111	\$ 1,111
Disbursements	(19,880)	(19,880)	(18,140)	1,740
Transfers in	10,172	10,172	13,196	3,024
Transfers out	-	-	-	-
Net Change in Fund Balance	(9,708)	(9,708)	(3,833)	5,875
Fund Balance - Beginning	9,708	9,708	9,708	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,875</u>	<u>\$ 5,875</u>

(Concluded)

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

	Federal Matching Fund	Road Buyback Program Fund	Road/Bridge Construction Highway Allocation Fund	Road/Bridge Sinking Fund	Civil Defense Fund	Chromatograph Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ 254,113	\$ -	\$ -
Intergovernmental	-	272,021	-	17,444	222,843	-
Charges for Services	-	-	-	-	-	3,285
Miscellaneous	-	-	2,630	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>272,021</u>	<u>2,630</u>	<u>271,557</u>	<u>222,843</u>	<u>3,285</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	3,919
Public Safety	-	-	-	-	157,344	-
Public Works	-	210,953	44,075	357,575	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>210,953</u>	<u>44,075</u>	<u>357,575</u>	<u>157,344</u>	<u>3,919</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>61,068</u>	<u>(41,445)</u>	<u>(86,018)</u>	<u>65,499</u>	<u>(634)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	61,068	(41,445)	(86,018)	65,499	(634)
FUND BALANCES - BEGINNING	<u>238,841</u>	<u>238,644</u>	<u>44,075</u>	<u>192,334</u>	<u>-</u>	<u>5,619</u>
FUND BALANCES - ENDING	<u>\$ 238,841</u>	<u>\$ 299,712</u>	<u>\$ 2,630</u>	<u>\$ 106,316</u>	<u>\$ 65,499</u>	<u>\$ 4,985</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	299,712	-	-	-	-
Camp Cornhusker Shelter	-	-	-	-	65,499	-
Committed to:						
Law Enforcement	-	-	-	-	-	4,985
Road Maintenance	238,841	-	2,630	106,316	-	-
Aid and Assistance	-	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-	-
Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 238,841</u>	<u>\$ 299,712</u>	<u>\$ 2,630</u>	<u>\$ 106,316</u>	<u>\$ 65,499</u>	<u>\$ 4,985</u>

(Continued)

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

	Visitor's Promotion Fund	Visitor's Improvement Fund	Register of Deeds Preserve & Modernize Fund	Employment Security Fund	Medical Relief Fund	Institutions Fund
RECEIPTS						
Property Taxes	\$ 15,345	\$ 15,344	\$ -	\$ 945	\$ 3	\$ 2,544
Intergovernmental	-	-	-	101	-	390
Charges for Services	-	-	5,593	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>15,345</u>	<u>15,344</u>	<u>5,593</u>	<u>1,046</u>	<u>3</u>	<u>2,934</u>
DISBURSEMENTS						
General Government	-	-	1,702	7,832	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	2,652	4,275
Culture and Recreation	21,114	4,100	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>21,114</u>	<u>4,100</u>	<u>1,702</u>	<u>7,832</u>	<u>2,652</u>	<u>4,275</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(5,769)</u>	<u>11,244</u>	<u>3,891</u>	<u>(6,786)</u>	<u>(2,649)</u>	<u>(1,341)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,769)	11,244	3,891	(6,786)	(2,649)	(1,341)
FUND BALANCES - BEGINNING	<u>32,039</u>	<u>45,632</u>	<u>6,945</u>	<u>28,410</u>	<u>65,996</u>	<u>8,745</u>
FUND BALANCES - ENDING	<u>\$ 26,270</u>	<u>\$ 56,876</u>	<u>\$ 10,836</u>	<u>\$ 21,624</u>	<u>\$ 63,347</u>	<u>\$ 7,404</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	26,270	56,876	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Preservation of Records	-	-	10,836	-	-	-
Debt Service	-	-	-	-	-	-
Bridge/Road Projects	-	-	-	-	-	-
Camp Cornhusker Shelter	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	63,347	7,404
Unemployment Benefits	-	-	-	21,624	-	-
Weed Control	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 26,270</u>	<u>\$ 56,876</u>	<u>\$ 10,836</u>	<u>\$ 21,624</u>	<u>\$ 63,347</u>	<u>\$ 7,404</u>

(Continued)

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

	Veterans' Aid Fund	County Drug Law Enforcement Fund	Federal Forfeiture Fund	Juvenile Services Fund	Highway Allocation Bond Fund	Noxious Weed Fund	Total Nonmajor Governmental Funds
RECEIPTS							
Property Taxes	\$ 2,260	\$ -	\$ -	\$ -	\$ 131,404	\$ -	\$ 421,958
Intergovernmental	193	-	-	64,654	6,590	1,111	585,347
Charges for Services	-	-	-	-	-	-	8,878
Miscellaneous	-	-	-	6,525	-	-	9,155
TOTAL RECEIPTS	<u>2,453</u>	<u>-</u>	<u>-</u>	<u>71,179</u>	<u>137,994</u>	<u>1,111</u>	<u>1,025,338</u>
DISBURSEMENTS							
General Government	-	-	-	-	-	-	13,453
Public Safety	-	-	1,700	42,413	-	-	201,457
Public Works	-	-	-	-	400	18,140	631,143
Public Assistance	2,207	-	-	-	-	-	9,134
Culture and Recreation	-	-	-	-	-	-	25,214
Debt Service:							
Principal Payments	-	-	-	-	80,000	-	80,000
Interest and Fiscal Charges	-	-	-	-	65,458	-	65,458
TOTAL DISBURSEMENTS	<u>2,207</u>	<u>-</u>	<u>1,700</u>	<u>42,413</u>	<u>145,858</u>	<u>18,140</u>	<u>1,025,859</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>246</u>	<u>-</u>	<u>(1,700)</u>	<u>28,766</u>	<u>(7,864)</u>	<u>(17,029)</u>	<u>(521)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	13,196	13,196
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,196</u>	<u>13,196</u>
Net Change in Fund Balances	246	-	(1,700)	28,766	(7,864)	(3,833)	12,675
FUND BALANCES - BEGINNING	<u>532</u>	<u>609</u>	<u>6,673</u>	<u>4,302</u>	<u>298,525</u>	<u>9,708</u>	<u>1,227,629</u>
FUND BALANCES - ENDING	<u>\$ 778</u>	<u>\$ 609</u>	<u>\$ 4,973</u>	<u>\$ 33,068</u>	<u>\$ 290,661</u>	<u>\$ 5,875</u>	<u>\$ 1,240,304</u>
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	83,146
Law Enforcement	-	609	4,973	33,068	-	-	38,650
Preservation of Records	-	-	-	-	-	-	10,836
Debt Service	-	-	-	-	290,661	-	290,661
Bridge/Road Projects	-	-	-	-	-	-	299,712
Camp Cornhusker Shelter	-	-	-	-	-	-	65,499
Committed to:							
Law Enforcement	-	-	-	-	-	-	4,985
Road Maintenance	-	-	-	-	-	-	347,787
Aid and Assistance	778	-	-	-	-	-	71,529
Unemployment Benefits	-	-	-	-	-	-	21,624
Weed Control	-	-	-	-	-	5,875	5,875
TOTAL FUND BALANCES	<u>\$ 778</u>	<u>\$ 609</u>	<u>\$ 4,973</u>	<u>\$ 33,068</u>	<u>\$ 290,661</u>	<u>\$ 5,875</u>	<u>\$ 1,240,304</u>

(Concluded)

RICHARDSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2015

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Highway Superintendent</u>	<u>Veterans' Service Officer</u>	<u>Total</u>
BALANCES JULY 1, 2014	\$ 8,854	\$ 45,691	\$ 39,342	\$ 2,832	\$ 11,843	\$ 2,679	\$ 111,241
RECEIPTS							
Licenses and Permits	945	-	445	-	-	-	1,390
Charges for Services	57,521	10,279	38,676	860	27,541	-	134,877
Miscellaneous	-	-	3,610	-	-	-	3,610
State Fees	53,098	9,208	455	-	941	-	63,702
Other Liabilities	-	333,891	62,188	22,477	-	3,087	421,643
TOTAL RECEIPTS	<u>111,564</u>	<u>353,378</u>	<u>105,374</u>	<u>23,337</u>	<u>28,482</u>	<u>3,087</u>	<u>625,222</u>
DISBURSEMENTS							
Payments to County Treasurer	58,467	10,558	41,122	860	38,805	-	149,812
Payments to State Treasurer	54,158	9,470	511	-	-	-	64,139
Other Liabilities	-	331,615	89,623	22,680	-	2,032	445,950
TOTAL DISBURSEMENTS	<u>112,625</u>	<u>351,643</u>	<u>131,256</u>	<u>23,540</u>	<u>38,805</u>	<u>2,032</u>	<u>659,901</u>
BALANCES JUNE 30, 2015	<u>\$ 7,793</u>	<u>\$ 47,426</u>	<u>\$ 13,460</u>	<u>\$ 2,629</u>	<u>\$ 1,520</u>	<u>\$ 3,734</u>	<u>\$ 76,562</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 4,668	\$ 1,698	\$ 7,741	\$ -	\$ 520	\$ 3,734	\$ 18,361
Petty Cash	150	-	2,000	-	1,000	-	3,150
Due to State Treasurer	2,975	847	40	-	-	-	3,862
Due to Others	-	44,881	3,679	2,629	-	-	51,189
BALANCES JUNE 30, 2015	<u>\$ 7,793</u>	<u>\$ 47,426</u>	<u>\$ 13,460</u>	<u>\$ 2,629</u>	<u>\$ 1,520</u>	<u>\$ 3,734</u>	<u>\$ 76,562</u>

RICHARDSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2015

Item	2010	2011	2012	2013	2014
Tax Certified by Assessor					
Real Estate	\$ 12,618,090	\$ 14,429,882	\$ 14,882,690	\$ 15,817,593	\$ 18,073,156
Personal and Specials	786,528	966,398	1,032,880	1,127,153	1,293,422
Total	13,404,618	15,396,280	15,915,570	16,944,746	19,366,578
Corrections					
Additions	8,723	21,359	2,943	1,010	963
Deductions	(12,281)	(17,877)	(13,050)	(4,942)	(6,041)
Net Additions/ (Deductions)	(3,558)	3,482	(10,107)	(3,932)	(5,078)
Corrected Certified Tax	13,401,060	15,399,762	15,905,463	16,940,814	19,361,500
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2011	8,240,205	-	-	-	-
June 30, 2012	5,116,800	9,601,311	-	-	-
June 30, 2013	34,546	5,777,776	10,226,730	-	-
June 30, 2014	8,363	16,837	5,662,310	10,962,291	-
June 30, 2015	343	2,945	12,485	5,963,716	12,674,398
Total Net Collections	13,400,257	15,398,869	15,901,525	16,926,007	12,674,398
Total Uncollected Tax	\$ 803	\$ 893	\$ 3,938	\$ 14,807	\$ 6,687,102
Percentage Uncollected Tax	0.01%	0.01%	0.02%	0.09%	34.54%

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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RICHARDSON COUNTY
**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***

Board of Commissioners
Richardson County, 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 Richardson County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Richardson County's basic financial statements, and have issued our report thereon dated August 18, 2015. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Richardson 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 Richardson 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not 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 lacked a segregation of duties, as 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. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

County's Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Richardson 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*.

Additional Items

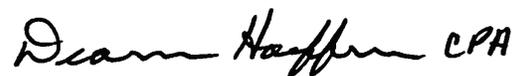
We also noted certain matters that we reported to the management of Richardson County in a separate letter dated August 18, 2015.

Richardson County's Response to Findings

Richardson County's response to the findings identified in our audit is described above. Richardson 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Deann Haeffner, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

August 18, 2015



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 18, 2015

Board of Commissioners
Richardson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Richardson County (County) for the fiscal year ended June 30, 2015, and have issued our report thereon dated August 18, 2015. 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

Segregation of Duties

Good internal control includes a plan of organization, procedures, and documentation 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 lacked a segregation of duties, as 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.

County's Response: We are aware of this concern and understand that it is at times impossible for proper segregation of duties due to limited staff. It is correct to say that funds are also limited to hire more staffing to separate these duties.

COUNTY SHERIFF

Accounting Procedures

During our audit, we noted the following issues with the County Sheriff's accounting procedures:

- At June 30, 2015, office records indicated assets exceeded liabilities by \$3,113.
- Complete and accurate bank reconciliations were not performed on a monthly basis.
- Errors noted on the office's fee sheets included the following:
 - The amount remitted to the Treasurer for fees and mileage in October 2014, November 2014, and May 2015 was the amount collected, not the amount earned.
 - Discrepancies were noted between the receipts issued and the amount reported on the fee sheet.

This comment was included in prior year reports. Prior year discrepancies have not been corrected, contributing to the balancing issues.

Neb. Rev. Stat. § 33-117(3) (Cum. Supp. 2014) requires the County Sheriff to pay all fees earned to the County Treasurer. In addition, good internal control requires procedures be in place to ensure assets (cash on hand, reconciled bank statement, and accounts receivable) agree with office liabilities (fees, trust accounts, and accounts payable); bank reconciliations are performed timely and accurately; all monies received are recorded; and all financial records are complete and accurate.

We recommend the County Sheriff implement numerous financial procedures, including complete and accurate recording of all financial activity, as well as timely, documented monthly balancing procedures, including bank reconciliations and analysis of bank activity.

Commissary Purchases

The County Sheriff maintains a commissary account, which is used to receive revenue generated by inmate purchases of candy, soda, etc.

During our audit, we noted the following regarding the commissary account:

- Records maintained to track revenue from the sale of commissary items were inadequate or could not be provided.

- The amount collected from the sale of commissary items was not deposited timely.
- The entire amount of revenue generated from the sale of commissary items has not been remitted to the County Treasurer.

Neb. Rev. Stat. § 23-1601(1) (Reissue 2012) states the following:

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. 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, except when special provision for payment of county money is otherwise made by law.

When all funds received are not appropriately accounted for and deposited with the County Treasurer, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Sheriff maintain adequate records of the revenue generated from the sale of commissary items. We further recommend all money generated from the commissary activity be deposited timely and remitted to the County Treasurer.

Petty Cash

At June 30, 2015, the County Sheriff's petty cash fund, which was authorized for \$2,000, was short by \$155. Good internal controls and sound accounting practices require that all petty cash funds be reconciled to their authorized amounts. When petty cash funds are not maintained at their authorized amounts, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Sheriff implement procedures to ensure the petty cash fund is maintained or reconciled to its authorized amount.

Unclaimed Property

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2009, Cum. Supp. 2014). Section 69-1307.01 of the Act states that intangible personal property held by public entities or political subdivisions that remains unclaimed for more than three years is presumed abandoned. Section 69-1310 requires that such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. In addition, sound accounting practices require that old accounts be reviewed to determine whether they should still be active.

During our audit, we noted the County Sheriff held four checks totaling \$37 that had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the Act.

We recommend all intangible personal property that remains unclaimed for more than three years be remitted to the State Treasurer in accordance with the Act.

COUNTY BOARD

Publishing of Board Minutes

Neb. Rev. Stat. § 23-122 (Reissue 2012) requires the County Board to publish, within 10 working days after the close of each meeting, a brief statement of the proceedings. Such statement must include “the amount of each claim allowed, the purpose of the claim, and the name of the claimant.”

During our audit, we noted 2 of 10 County Board minutes selected for testing were not published within 10 working days of the meeting. The publication of those two Board meeting minutes ranged from one to six working days late.

When meeting minutes or a brief statement of the proceedings are not published within 10 days of a Board meeting, not only is the County not compliant with § 23-122, but also the general public is not made aware of relevant Board discussions and/or actions in a timely manner.

We recommend the County Board ensure a brief statement of the proceedings are published within 10 working days of the close of a meeting.

County’s Response: The Falls City Journal publishes once a week and at different times it is not possible to achieve this requirement due to holidays and at times the newspaper does not have the space available to print the item that week. The County Board Minutes and all legal publications are also posted on the Richardson County website.

Legislation needs to be passed to allow either more time for publication or to approve the posting of the legal notice on a website as a legal publication in addition to the newspaper legal publication.

Audit Report

Neb. Rev. Stat. § 23-1608(1) (Reissue 2012) states, “Each county board shall cause an examination and a complete and comprehensive annual audit to be made of the books, accounts, records, and affairs of all county officers in the county.”

Subsection (2) of that same statute adds, “The county board shall cause to be published in the same manner as the proceedings of the county board a brief statement disclosing the conclusion of the examination and audit and that such audit report is on file with the county clerk.”

As noted in the preceding finding, § 23-122 requires the County Board to publish, within 10 working days after the close of each meeting, a brief statement of the meeting’s proceedings.

The “brief statement” required by § 23-1608(2) was not published within 10 working days after the issuance of the 2014 Richardson County audit report.

Failure to comply with § 23-1608(2) by publishing timely the required statement regarding a recently released audit report increases the risk of a lack of transparency and/or accountability to the taxpayers and the general public alike.

We recommend the County Board ensure compliance with § 23-1608(2) by publishing the required statement within 10 days after the release of an annual audit report.

County's Response: As noted within the response to the Publishing of Board Minutes, the Falls City Journal publishes once a week and at different times it is not possible to achieve this requirement due to holidays and the space available for printing at the newspaper. The County does have a legal publication section on the Richardson County website and also posts legal notices there.

* * * * *

It should be noted this report is critical in nature, as 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 management with 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 that indicate corrective action has been taken were not verified at this time, but they will be verified in the next 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 it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Deann Haeffner
Assistant Deputy Auditor