

**AUDIT REPORT  
OF  
SAUNDERS COUNTY**

**JULY 1, 2004 THROUGH JUNE 30, 2005**

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**Issued on December 19, 2005**

SAUNDERS COUNTY

**TABLE OF CONTENTS**

	Page
<b>List of County Officials</b>	1
<b>Financial Section</b>	
Independent Auditors' Report	2 - 3
Management's Discussion and Analysis	4 - 7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets - Cash Basis	8
Statement of Activities - Cash Basis	9
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	10
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	11
Statement of Fiduciary Assets and Liabilities - Cash Basis - Fiduciary Funds	12
Notes to Financial Statements	13 - 21
Required Supplementary Information:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	22
Budgetary Comparison Schedule - Budget and Actual - Major Funds	23 - 24
Notes to Required Supplementary Information	25
Combining Statements and Schedules:	
Combining Statement of Receipts, Disbursements, and Changes in Cash Fund Balances - Nonmajor Governmental Funds	26 - 29
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	30 - 38
Schedule of Office Activities	39 - 40
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	41
Schedule of Expenditures of Federal Awards	42
Notes to the Schedule of Expenditures of Federal Awards	43
<b>Government Auditing Standards Section</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44 - 45
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	46 - 47
Schedule of Findings and Questioned Costs	48 - 49

SAUNDERS COUNTY

**LIST OF COUNTY OFFICIALS**

At June 30, 2005

Name	Title	Term Expires
Kenneth Kuncel	Board of Supervisors	Jan. 2007
Dean Busing		Jan. 2007
Scott Sukstorf		Jan. 2009
Doris Karloff		Jan. 2009
Richard Jurgens		Jan. 2007
Leroy Hanson		Jan. 2007
James Fauver		Jan. 2009
Scott Tingelhoff	Attorney	Jan. 2007
Patti Lindgren	Clerk Election Commissioner	Jan. 2007
Don Clark	Register of Deeds	Jan. 2007
JoAnn Cherovsky	Clerk of the District Court	Jan. 2007
Chuck Lacey	Sheriff	Jan. 2007
Patricia Hunter	Treasurer	Jan. 2007
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent Transportation	Appointed
Sheri Schaeffer	Senior Services	Appointed
George Borreson	Planning & Zoning	Appointed
Pam Lausterer	Youth Services	Appointed

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor  
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## SAUNDERS COUNTY

### INDEPENDENT AUDITORS' REPORT

Deann Haeffner, CPA  
Deputy State Auditor  
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Board of Supervisors  
Saunders County, Nebraska

Don Dunlap, CPA  
Asst. Deputy Auditor  
[Don.Dunlap@apa.ne.gov](mailto:Don.Dunlap@apa.ne.gov)

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2005, 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.

Pat Reding, CPA  
Asst. Deputy Auditor  
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Tim Channer, CPA  
Asst. Deputy Auditor  
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Mary Avery  
SAE/Finance Manager  
[Mary.Avery@apa.ne.gov](mailto:Mary.Avery@apa.ne.gov)

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.

Dennis Meyer, CGFM  
Subdivision Budget  
Coordinator  
[Dennis.Meyer@apa.ne.gov](mailto:Dennis.Meyer@apa.ne.gov)

Mark Avery, CPA  
Subdivision Audit  
Review Coordinator  
[Mark.Avery@apa.ne.gov](mailto:Mark.Avery@apa.ne.gov)

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.

Perry Pirsch, JD, MPA  
Legal Counsel  
[Perry.Pirsch@apa.ne.gov](mailto:Perry.Pirsch@apa.ne.gov)

The financial statements referred to above include only the primary government of Saunders County, which consists of all funds, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles

generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Saunders County as of June 30, 2005, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Saunders County, as of June 30, 2005, 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 November 15, 2005, on our consideration of Saunders 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 Management's Discussion and Analysis and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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.

November 15, 2005

  
Deputy State Auditor

## SAUNDERS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Saunders County's financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005. Please read it in conjunction with the County's financial statements, which follow this section.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to Saunders County's basic financial statements. The County's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains information in addition to the basic financial statements.

**Government-Wide Financial Statements.** The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis provide a broad overview of the County's overall financial status. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. The County's financial statements are prepared on the cash basis of accounting and do not include capital assets, accounts receivable, accounts payable, or long-term debt activity, which would need to be considered to assess the financial health of the County. Non-financial factors also need to be considered to assess the overall financial health of the County. Government-wide financial statements divide the County into two kinds of activities:

Governmental activities - The County's basic services are included here. These activities are generally financed through taxes, charges for services, and State and Federal grants/contributions.

Component units - The County report does not include the financial activity of the Saunders County Hospital, a separate legal entity. Although legally separate, the County is financially accountable for the "component unit." Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

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

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

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

SAUNDERS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

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

**Supplementary Information.** This Management's Discussion and Analysis and the budgetary comparison schedules represent financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes. This report also includes optional financial information such as combining statements for nonmajor funds (which are shown in the fund financial statements in a single column), budgetary comparison information for nonmajor funds, a schedule of office activities, and a schedule of taxes certified and collected for political subdivisions in the County. This information is provided to address certain specific needs of various users of the report.

**BASIS OF ACCOUNTING**

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

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

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Changes in Net Assets**

For the fiscal year ended June 30, 2005, net assets of the County (current assets resulting from cash basis transactions) decreased 4 percent.

	Governmental Activities		
	2005	2004	% Change
Restricted	\$ 142,563	\$ 131,985	8%
Unrestricted	4,052,428	4,259,828	-5%
Total Net Assets	\$ 4,194,991	\$ 4,391,813	-4%

SAUNDERS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

**Governmental Activities**

Receipts for the County's governmental activities increased 7 percent, while expenses increased 15 percent.

**CHANGES IN NET ASSETS**

	Governmental Activities		% Change
	2005	2004	
<b>RECEIPTS</b>			
Program Receipts:			
Charges for Services	\$ 757,579	\$ 776,746	-2%
Operating Grants & Contributions	2,637,444	2,217,257	19%
General Receipts:			
Taxes	4,311,644	4,136,349	4%
Non-restricted Grants & Contributions	296,467	318,384	-7%
Investment Interest	93,825	97,163	-3%
Other	327,814	346,106	-5%
Total Receipts	<u>8,424,773</u>	<u>7,892,005</u>	<u>7%</u>
<b>DISBURSEMENTS</b>			
General Government	3,174,507	2,332,399	-36%
Public Safety	2,035,901	2,014,310	-1%
Public Works	2,882,400	2,599,557	-11%
Health & Sanitation	106,946	153,009	30%
Public Assistance	377,298	368,280	-2%
Culture and Recreation	44,543	36,118	-23%
Total Disbursements	<u>8,621,595</u>	<u>7,503,673</u>	<u>-15%</u>
Increase (Decrease) in Net Assets	(196,822)	388,332	-151%
Beginning Net Assets July 1	<u>4,391,813</u>	<u>4,003,481</u>	<u>10%</u>
Ending Net Assets June 30	<u>\$ 4,194,991</u>	<u>\$ 4,391,813</u>	<u>-4%</u>

SAUNDERS COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. No significant changes from the prior year were noted.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

No significant differences were noted between the original and final budget amounts, or between final budget amounts and actual budget results for the General Fund.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

As noted earlier, the financial statements are presented on the cash basis of accounting and therefore do not include capital assets or long-term debt activity.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

No conditions were noted that would be expected to have a significant effect on the financial position or results of operations of the County.

SAUNDERS COUNTY  
**STATEMENT OF NET ASSETS - CASH BASIS**  
 June 30, 2005

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	<u>\$ 4,194,991</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,194,991</u></u>
<b>NET ASSETS</b>	
Restricted for:	
Veterans' Aid	\$ 85,588
911 Emergency Services	35,599
Other Purposes	21,376
Unrestricted	<u>4,052,428</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 4,194,991</u></u>

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

SAUNDERS COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2005

<b>Functions:</b>	Cash Disbursements	<u>Program Cash Receipts</u>		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Assets
<b>Governmental Activities:</b>				
General Government	\$ (3,174,507)	\$ 557,956	\$ 573,453	\$ (2,043,098)
Public Safety	(2,035,901)	100,378	32,687	(1,902,836)
Public Works	(2,882,400)	26,996	1,910,279	(945,125)
Health and Sanitation	(106,946)	-	-	(106,946)
Public Assistance	(377,298)	72,249	121,025	(184,024)
Culture and Recreation	(44,543)	-	-	(44,543)
Total Governmental Activities	<u>\$ (8,621,595)</u>	<u>\$ 757,579</u>	<u>\$ 2,637,444</u>	<u>(5,226,572)</u>

General Receipts:	
Property Taxes	4,311,644
Grants and Contributions Not Restricted to Specific Programs	296,467
Investment Income	93,825
Miscellaneous	327,814
Total General Receipts	<u>5,029,750</u>
Change in Net Assets	(196,822)
Net Assets - Beginning	4,391,813
Net Assets - Ending	<u>\$ 4,194,991</u>

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

SAUNDERS COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2005

	<u>General Fund</u>	<u>Road Fund</u>	<u>Inheritance Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents (Note 1.D)	\$ 735,324	\$ 785,371	\$ 1,009,160	\$ 1,057,661	\$ 607,475	\$ 4,194,991
<b>TOTAL ASSETS</b>	<u>\$ 735,324</u>	<u>\$ 785,371</u>	<u>\$ 1,009,160</u>	<u>\$ 1,057,661</u>	<u>\$ 607,475</u>	<u>\$ 4,194,991</u>
<b>FUND BALANCES</b>						
Unreserved, Reported In:						
General Fund	\$ 735,324	\$ -	\$ -	\$ -	\$ -	\$ 735,324
Special Revenue Funds	-	785,371	1,009,160	1,057,661	607,475	3,459,667
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 735,324</u>	<u>\$ 785,371</u>	<u>\$ 1,009,160</u>	<u>\$ 1,057,661</u>	<u>\$ 607,475</u>	<u>\$ 4,194,991</u>

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

SAUNDERS COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	General Fund	Road Fund	Inheritance Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 3,240,448	\$ 305,329	\$ 574,468	\$ 10,764	\$ 180,635	\$ 4,311,644
Licenses and Permits	214,682	-	-	-	-	214,682
Interest	67,728	-	-	24,216	1,881	93,825
Intergovernmental	233,022	1,973,798	-	497	726,594	2,933,911
Charges for Services	602,637	22,741	-	11,451	120,750	757,579
Miscellaneous	60,102	11,580	-	-	41,450	113,132
<b>TOTAL RECEIPTS</b>	<b>4,418,619</b>	<b>2,313,448</b>	<b>574,468</b>	<b>46,928</b>	<b>1,071,310</b>	<b>8,424,773</b>
<b>DISBURSEMENTS</b>						
General Government	2,332,491	-	134,031	111,474	596,511	3,174,507
Public Safety	1,714,634	-	-	-	321,267	2,035,901
Public Works	138,179	2,483,881	-	-	260,340	2,882,400
Health and Sanitation	73,916	-	-	-	33,030	106,946
Public Assistance	35,320	-	-	-	341,978	377,298
Culture and Recreation	26,000	-	-	-	18,543	44,543
<b>TOTAL DISBURSEMENTS</b>	<b>4,320,540</b>	<b>2,483,881</b>	<b>134,031</b>	<b>111,474</b>	<b>1,571,669</b>	<b>8,621,595</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>98,079</b>	<b>(170,433)</b>	<b>440,437</b>	<b>(64,546)</b>	<b>(500,359)</b>	<b>(196,822)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	343,923	-	-	50,000	515,514	909,437
Transfers Out	(311,113)	-	(408,709)	(188,845)	(770)	(909,437)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>32,810</b>	<b>-</b>	<b>(408,709)</b>	<b>(138,845)</b>	<b>514,744</b>	<b>-</b>
Net Change in Fund Balances	130,889	(170,433)	31,728	(203,391)	14,385	(196,822)
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>604,435</b>	<b>955,804</b>	<b>977,432</b>	<b>1,261,052</b>	<b>593,090</b>	<b>4,391,813</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 735,324</b>	<b>\$ 785,371</b>	<b>\$ 1,009,160</b>	<b>\$ 1,057,661</b>	<b>\$ 607,475</b>	<b>\$ 4,194,991</b>

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

SAUNDERS COUNTY  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**  
**FIDUCIARY FUNDS**  
June 30, 2005

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 2,723,573</u>
 <b>LIABILITIES</b>	
Due to other governments	
State	338,305
Schools	1,279,954
Educational Service Units	4,050
Technical College	18,082
Natural Resource Districts	11,428
Fire Districts	14,808
Municipalities	87,760
Agricultural Society	2,608
Drainage Districts	55,360
Townships	15,169
Sanitary and Improvement Districts	836,009
Hospital	2,796
Others	<u>57,244</u>
<b>TOTAL LIABILITIES</b>	<u>2,723,573</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ -</u></u>

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2005

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Saunders 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.

**Component Unit.** These financial statements present the County (the primary government). The Saunders County Hospital (Hospital) is a component unit of the County because of the significance of its operational and financial relationships with the County. The financial statements do not include the data of the Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

**Joint Organization.**

**Behavioral Health Region V** - 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: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$72,456 toward the operation of the Region during fiscal year 2005. 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 Three Rivers Health Department to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per State Statutes 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. 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 State Statute 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 and the Hospital. Internal activities in these statements 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 revenues, and other nonexchange transactions. The County is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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 revenues generated from estate taxes.

**Building Fund.** This fund is used to account for costs associated with repair and maintenance of the County buildings.

The County reports the following additional fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific revenue source that is restricted to expenditures 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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. Revenues are recognized when received and expenditures 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 revenues are recorded when earned and expenses 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 require governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

**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. Sections 77-2315, 77-2340, and 77-2341 R.R.S. 2003, 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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 expenditure 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 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.

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. Section 77-2315 R.R.S. 2003.

At year end, the County's carrying amount of deposits was \$4,194,991 for County funds and \$2,723,573 for Fiduciary funds. The bank balances for all funds totaled \$6,805,918. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits as of June 30, 2005 were either entirely insured or collateralized with securities held by the County's agent 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 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.

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

The levy set in October 2004, for the 2004 taxes which will be materially collected in May and September, 2005, was set at \$.2156/\$100 of assessed valuation. The levy set in October 2003, for the 2003 taxes which were materially collected in May and September, 2004, was set at \$.21761/\$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 defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan provisions are established under Neb. Rev. Stat. Sections 23-2301 through 23-2335 and may be amended through legislative action.

Participation in the Plan is required of all full time employees upon the completion of 12 months of continuous service and of all full time elected officials upon taking office. Full time or part time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 25 and completing a total of 12 months service within a five-year period. 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. Sections 23-2307 and 23-2308 R.S.Supp., 2004, 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, including the twelve month eligibility period 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.

SAUNDERS 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, 2005, 107 employees contributed \$137,613; the County contributed \$206,419. Additionally, for the year ended June 30, 2005, 15 law enforcement employees and the County contributed \$4,932 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$2,225 directly to 19 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 70 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.

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.

SAUNDERS COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management (Concluded)**

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 300,000	Statutory Limits
Property Damage Claim	\$ 25,000	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 2006. 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, 2005, consisted of the following:

<b>Transfers to</b>	Transfers from				Total
	General Fund	Inheritance Fund	Building Fund	Nonmajor Funds	
General Fund	\$ -	\$ 155,078	\$ 188,845	\$ -	\$ 343,923
Building Fund	50,000	-	-	-	50,000
Nonmajor Funds	261,113	253,631	-	770	515,514
Total	\$ 311,113	\$ 408,709	\$ 188,845	\$ 770	\$ 909,437

Transfers are used to move unrestricted revenues 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:

	Pitney Bowes Postage Machine
Balance July 1, 2004	\$ 7,926
Payments	2,810
Purchases	-
Balance June 30, 2005	\$ 5,116

SAUNDERS COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

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

	Pitney Bowes Postage Machine
Future Payments:	
<b>Year</b>	
2006	\$ 4,200
2007	1,750
2008	-
2009	-
2010	-
2011-2015	-
Total Payments	5,950
Less Interest	834
Present Value of Future Minimum Lease Payments	\$ 5,116
Carrying Value of the related Fixed asset	\$ 12,994

**8. Health Services Bond**

The voters of Saunders County approved a \$22,140,000 bond on June 14, 2005 for the construction of a new hospital, clinic, and care center. The bond proceeds are expected to be received in December 2005 with the first payment due in December 2006.

**9. 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.

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 2,965,992	\$ 2,965,992	\$ 3,240,448	\$ 274,456
Licenses and Permits	155,150	155,150	214,682	59,532
Interest	70,000	70,000	67,728	(2,272)
Intergovernmental	91,150	91,150	233,022	141,872
Charges for Services	465,700	465,700	602,637	136,937
Miscellaneous	50,000	50,000	60,102	10,102
<b>TOTAL RECEIPTS</b>	<b>3,797,992</b>	<b>3,797,992</b>	<b>4,418,619</b>	<b>620,627</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	129,438	129,438	127,508	1,930
County Clerk	122,002	122,002	121,698	304
County Treasurer	241,313	241,313	237,775	3,538
Register of Deeds	81,803	81,803	81,836	(33)
Election Commissioner	71,091	78,923	78,013	910
Building and Zoning	74,525	74,525	69,327	5,198
Board of Equalization	16,941	16,941	7,149	9,792
Clerk of the District Court	71,845	71,845	71,555	290
District Judge	2,700	2,700	2,678	22
Public Defender	101,925	101,925	101,824	101
Building and Grounds	128,192	128,192	127,919	273
Agricultural Extension Agent	72,775	72,775	70,780	1,995
Miscellaneous	1,501,500	1,333,668	1,234,429	99,239
Public Safety				
County Sheriff	815,745	849,745	848,781	964
County Attorney	201,977	201,977	196,232	5,745
County Jail	445,491	571,491	570,125	1,366
Emergency Management	21,058	21,058	21,058	-
Miscellaneous	97,784	97,784	78,438	19,346
Public Works				
County Surveyor	78,084	78,084	76,991	1,093
Highway Department	64,348	64,348	61,188	3,160
Public Health				
Miscellaneous	77,456	77,456	73,916	3,540
Public Assistance				
Veterans' Service Officer	35,486	35,486	35,320	166
Miscellaneous	10,400	10,400	-	10,400
Culture and Recreation				
Miscellaneous	26,750	26,750	26,000	750
<b>TOTAL DISBURSEMENTS</b>	<b>4,490,629</b>	<b>4,490,629</b>	<b>4,320,540</b>	<b>170,089</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>				
	(692,637)	(692,637)	98,079	790,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,323,958	1,323,958	343,923	(980,035)
Transfers Out	(435,756)	(435,756)	(311,113)	124,643
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>888,202</b>	<b>888,202</b>	<b>32,810</b>	<b>(855,392)</b>
Net Change in Fund Balance	195,565	195,565	130,889	(64,676)
<b>FUND BALANCES - BEGINNING</b>	<b>604,435</b>	<b>604,435</b>	<b>604,435</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ 735,324</b>	<b>\$ (64,676)</b>

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 370,546	\$ 370,546	\$ 305,329	\$ (65,217)
Intergovernmental	1,832,100	1,832,100	1,973,798	141,698
Charges for Services	-	-	22,741	22,741
Miscellaneous	48,000	48,000	11,580	(36,420)
<b>TOTAL RECEIPTS</b>	<b>2,250,646</b>	<b>2,250,646</b>	<b>2,313,448</b>	<b>62,802</b>
<b>DISBURSEMENTS</b>	<b>2,956,450</b>	<b>2,956,450</b>	<b>2,483,881</b>	<b>472,569</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(705,804)</b>	<b>(705,804)</b>	<b>(170,433)</b>	<b>535,371</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	(705,804)	(705,804)	(170,433)	535,371
FUND BALANCE - BEGINNING	955,804	955,804	955,804	-
FUND BALANCE - ENDING	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 785,371</u>	<u>\$ 535,371</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 300,500	\$ 300,500	\$ 574,468	\$ 273,968
<b>TOTAL RECEIPTS</b>	<b>300,500</b>	<b>300,500</b>	<b>574,468</b>	<b>273,968</b>
<b>DISBURSEMENTS</b>	<b>152,475</b>	<b>152,475</b>	<b>134,031</b>	<b>18,444</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>148,025</b>	<b>148,025</b>	<b>440,437</b>	<b>292,412</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	100,000	100,000	-	(100,000)
Transfers Out	(1,225,457)	(1,225,457)	(408,709)	816,748
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,125,457)</b>	<b>(1,125,457)</b>	<b>(408,709)</b>	<b>716,748</b>
Net Change in Fund Balance	(977,432)	(977,432)	31,728	1,009,160
FUND BALANCE - BEGINNING	977,432	977,432	977,432	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,009,160</u>	<u>\$ 1,009,160</u>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BUILDING FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 10,000	\$ 10,000	\$ 10,764	\$ 764
Interest	25,000	25,000	24,216	(784)
Intergovernmental	80	80	497	417
Charges for Services	12,000	12,000	11,451	(549)
Miscellaneous	2,000	2,000	-	(2,000)
<b>TOTAL RECEIPTS</b>	<b>49,080</b>	<b>49,080</b>	<b>46,928</b>	<b>(2,152)</b>
<b>DISBURSEMENTS</b>	<b>825,264</b>	<b>825,264</b>	<b>111,474</b>	<b>713,790</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(776,184)</b>	<b>(776,184)</b>	<b>(64,546)</b>	<b>711,638</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	50,000	50,000	50,000	-
Transfers Out	(534,868)	(534,868)	(188,845)	346,023
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(484,868)</b>	<b>(484,868)</b>	<b>(138,845)</b>	<b>346,023</b>
Net Change in Fund Balance	(1,261,052)	(1,261,052)	(203,391)	1,057,661
FUND BALANCE - BEGINNING	1,261,052	1,261,052	1,261,052	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,661</u>	<u>\$ 1,057,661</u>

(Concluded)

## SAUNDERS COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2005

#### 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 revenues 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 revenue 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 expenditures 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.

##### **Excess of Expenditures Over Appropriations**

For the year ended June 30, 2005, expenditures exceeded budgeted appropriations in the Register of Deeds function of the General Fund by \$33. These over-expenditures were funded by the available fund balance in the General Fund.

SAUNDERS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	Special Road Fund	Visitor Promotion Fund	Visitor Improvement Fund	Unemployment Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund
<b>RECEIPTS</b>							
Property Taxes	\$ 167	\$ 7,272	\$ -	\$ 8,860	\$ 17,113	\$ 10,187	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	1,655
Intergovernmental	241	-	-	434	723	674	-
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>408</b>	<b>7,272</b>	<b>-</b>	<b>9,294</b>	<b>17,836</b>	<b>10,861</b>	<b>1,655</b>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	10,664	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	198,168	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	15,637	8,382	-
Culture and Recreation	-	4,823	9,150	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>198,168</b>	<b>4,823</b>	<b>9,150</b>	<b>10,664</b>	<b>15,637</b>	<b>8,382</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(197,760)</b>	<b>2,449</b>	<b>(9,150)</b>	<b>(1,370)</b>	<b>2,199</b>	<b>2,479</b>	<b>1,655</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	214,812	-	-	-	-	-	-
Transfers Out	-	(770)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>214,812</b>	<b>(770)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	17,052	1,679	(9,150)	(1,370)	2,199	2,479	1,655
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>9,816</b>	<b>11,820</b>	<b>15,966</b>	<b>26,485</b>	<b>10,964</b>	<b>83,933</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 17,052</b>	<b>\$ 11,495</b>	<b>\$ 2,670</b>	<b>\$ 14,596</b>	<b>\$ 28,684</b>	<b>\$ 13,443</b>	<b>\$ 85,588</b>

(Continued)

SAUNDERS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	Child Support Agreement - Clerk of District Court Fund	Child Support Agreement - Attorney Fund	Drug Fund	Drug Testing Fund	Transportation Fund	Senior Citizen Services Center Fund	Weed Fund
<b>RECEIPTS</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9
Licenses and Permits	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Intergovernmental	39,542	143,855	-	-	45,357	75,668	-
Charges for Services	-	-	-	-	2,231	70,018	4,255
Miscellaneous	-	228	2,526	-	388	22,968	3,495
<b>TOTAL RECEIPTS</b>	<b>39,542</b>	<b>144,083</b>	<b>2,526</b>	<b>-</b>	<b>47,976</b>	<b>168,654</b>	<b>7,759</b>
<b>DISBURSEMENTS</b>							
General Government	71,076	130,509	-	-	-	-	-
Public Safety	-	-	1,026	540	-	-	-
Public Works	-	-	-	-	-	-	62,172
Health and Sanitation	-	-	-	-	-	-	-
Public Assistance	-	-	-	-	65,185	252,774	-
Culture and Recreation	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>71,076</b>	<b>130,509</b>	<b>1,026</b>	<b>540</b>	<b>65,185</b>	<b>252,774</b>	<b>62,172</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(31,534)</b>	<b>13,574</b>	<b>1,500</b>	<b>(540)</b>	<b>(17,209)</b>	<b>(84,120)</b>	<b>(54,413)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	31,534	37,307	-	-	17,197	60,816	54,096
Transfers Out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>31,534</b>	<b>37,307</b>	<b>-</b>	<b>-</b>	<b>17,197</b>	<b>60,816</b>	<b>54,096</b>
Net Change in Fund Balances	-	50,881	1,500	(540)	(12)	(23,304)	(317)
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>4,063</b>	<b>19,769</b>	<b>3,385</b>	<b>38,092</b>	<b>317</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ 50,881</b>	<b>\$ 5,563</b>	<b>\$ 19,229</b>	<b>\$ 3,373</b>	<b>\$ 14,788</b>	<b>\$ -</b>

(Continued)

SAUNDERS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	Diversion Program Fund	STOP Fund	Federal Grant Fund	Federal Grant Emergency Management Fund	CDBG Fund	Health Department Fund	Property Tax Reimbursement Fund
<b>RECEIPTS</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7
Licenses and Permits	-	-	-	-	-	-	-
Interest	-	204	9	-	-	-	-
Intergovernmental	18,869	-	588	13,230	383,493	-	-
Charges for Services	7,746	34,943	-	-	-	-	-
Miscellaneous	6,354	700	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>32,969</b>	<b>35,847</b>	<b>597</b>	<b>13,230</b>	<b>383,493</b>	<b>-</b>	<b>7</b>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	-	384,262	-	-
Public Safety	104,232	30,085	1,588	13,230	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	33,030	-
Public Assistance	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>104,232</b>	<b>30,085</b>	<b>1,588</b>	<b>13,230</b>	<b>384,262</b>	<b>33,030</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(71,263)</b>	<b>5,762</b>	<b>(991)</b>	<b>-</b>	<b>(769)</b>	<b>(33,030)</b>	<b>7</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	69,220	-	-	-	770	7,337	-
Transfers Out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>69,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>770</b>	<b>7,337</b>	<b>-</b>
Net Change in Fund Balances	(2,043)	5,762	(991)	-	1	(25,693)	7
<b>FUND BALANCES - BEGINNING</b>	<b>13,791</b>	<b>17,704</b>	<b>2,638</b>	<b>-</b>	<b>-</b>	<b>25,693</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 11,748</b>	<b>\$ 23,466</b>	<b>\$ 1,647</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 7</b>

(Continued)

SAUNDERS COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2005

	Jail Project Fund	Flood Control Fund	Youth Camp Fund	Ambulance Fund	E911 Emergency Services Fund	Total Nonmajor Governmental Funds
<b>RECEIPTS</b>						
Property Taxes	\$ 8,448	\$ 78,450	\$ -	\$ -	\$ 50,122	\$ 180,635
Licenses and Permits	-	-	-	-	-	-
Interest	-	-	13	-	-	1,881
Intergovernmental	331	3,589	-	-	-	726,594
Charges for Services	-	-	-	1,557	-	120,750
Miscellaneous	55	-	4,376	-	360	41,450
<b>TOTAL RECEIPTS</b>	<b>8,834</b>	<b>82,039</b>	<b>4,389</b>	<b>1,557</b>	<b>50,482</b>	<b>1,071,310</b>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	596,511
Public Safety	28,051	101,194	-	6,723	34,598	321,267
Public Works	-	-	-	-	-	260,340
Health and Sanitation	-	-	-	-	-	33,030
Public Assistance	-	-	-	-	-	341,978
Culture and Recreation	-	-	4,570	-	-	18,543
<b>TOTAL DISBURSEMENTS</b>	<b>28,051</b>	<b>101,194</b>	<b>4,570</b>	<b>6,723</b>	<b>34,598</b>	<b>1,571,669</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(19,217)</b>	<b>(19,155)</b>	<b>(181)</b>	<b>(5,166)</b>	<b>15,884</b>	<b>(500,359)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	20,335	-	-	2,090	-	515,514
Transfers Out	-	-	-	-	-	(770)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>20,335</b>	<b>-</b>	<b>-</b>	<b>2,090</b>	<b>-</b>	<b>514,744</b>
Net Change in Fund Balances	1,118	(19,155)	(181)	(3,076)	15,884	14,385
<b>FUND BALANCES - BEGINNING</b>	<b>4,179</b>	<b>278,593</b>	<b>3,091</b>	<b>3,076</b>	<b>19,715</b>	<b>593,090</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 5,297</b>	<b>\$ 259,438</b>	<b>\$ 2,910</b>	<b>\$ -</b>	<b>\$ 35,599</b>	<b>\$ 607,475</b>

(Concluded)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL ROAD FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 167	\$ 167
Intergovernmental	12,200	12,200	241	(11,959)
<b>TOTAL RECEIPTS</b>	<b>12,200</b>	<b>12,200</b>	<b>408</b>	<b>(11,792)</b>
<b>DISBURSEMENTS</b>	<b>338,000</b>	<b>338,000</b>	<b>198,168</b>	<b>139,832</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	325,800	325,800	214,812	(110,988)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>325,800</b>	<b>325,800</b>	<b>214,812</b>	<b>(110,988)</b>
Net Change in Fund Balance	-	-	17,052	17,052
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,052</b>	<b>\$ 17,052</b>
<b>VISITOR PROMOTION FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 6,000	\$ 6,000	\$ 7,272	\$ 1,272
<b>TOTAL RECEIPTS</b>	<b>6,000</b>	<b>6,000</b>	<b>7,272</b>	<b>1,272</b>
<b>DISBURSEMENTS</b>	<b>15,816</b>	<b>15,816</b>	<b>4,823</b>	<b>10,993</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(770)	(770)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(770)</b>	<b>(770)</b>
Net Change in Fund Balance	(9,816)	(9,816)	1,679	11,495
FUND BALANCE - BEGINNING	9,816	9,816	9,816	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,495</b>	<b>\$ 11,495</b>
<b>VISITOR IMPROVEMENT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
<b>TOTAL RECEIPTS</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>(3,000)</b>
<b>DISBURSEMENTS</b>	<b>14,820</b>	<b>14,820</b>	<b>9,150</b>	<b>5,670</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	(11,820)	(11,820)	(9,150)	2,670
FUND BALANCE - BEGINNING	11,820	11,820	11,820	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,670</b>	<b>\$ 2,670</b>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>UNEMPLOYMENT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 8,994	\$ 8,994	\$ 8,860	\$ (134)
Intergovernmental	40	40	434	394
<b>TOTAL RECEIPTS</b>	<b>9,034</b>	<b>9,034</b>	<b>9,294</b>	<b>260</b>
<b>DISBURSEMENTS</b>	<b>25,000</b>	<b>25,000</b>	<b>10,664</b>	<b>14,336</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	(15,966)	(15,966)	(1,370)	14,596
FUND BALANCE - BEGINNING	15,966	15,966	15,966	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,596</b>	<b>\$ 14,596</b>
<b>MEDICAL RELIEF FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 13,330	\$ 13,330	\$ 17,113	\$ 3,783
Intergovernmental	185	185	723	538
<b>TOTAL RECEIPTS</b>	<b>13,515</b>	<b>13,515</b>	<b>17,836</b>	<b>4,321</b>
<b>DISBURSEMENTS</b>	<b>40,000</b>	<b>40,000</b>	<b>15,637</b>	<b>24,363</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	(26,485)	(26,485)	2,199	28,684
FUND BALANCE - BEGINNING	26,485	26,485	26,485	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,684</b>	<b>\$ 28,684</b>
<b>INSTITUTIONS FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 8,721	\$ 8,721	\$ 10,187	\$ 1,466
Intergovernmental	315	315	674	359
<b>TOTAL RECEIPTS</b>	<b>9,036</b>	<b>9,036</b>	<b>10,861</b>	<b>1,825</b>
<b>DISBURSEMENTS</b>	<b>25,000</b>	<b>25,000</b>	<b>8,382</b>	<b>16,618</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,000	5,000	-	(5,000)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>(5,000)</b>
Net Change in Fund Balance	(10,964)	(10,964)	2,479	13,443
FUND BALANCE - BEGINNING	10,964	10,964	10,964	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,443</b>	<b>\$ 13,443</b>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>VETERANS' AID FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 800	\$ 800	\$ 1,655	\$ 855
<b>TOTAL RECEIPTS</b>	<b>800</b>	<b>800</b>	<b>1,655</b>	<b>855</b>
<b>DISBURSEMENTS</b>	<b>84,733</b>	<b>84,733</b>	<b>-</b>	<b>84,733</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	(83,933)	(83,933)	1,655	85,588
FUND BALANCE - BEGINNING	83,933	83,933	83,933	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,588</u>	<u>\$ 85,588</u>

<b>CHILD SUPPORT AGREEMENT - CLERK OF DISTRICT COURT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 61,723	\$ 61,723	\$ 39,542	\$ (22,181)
<b>TOTAL RECEIPTS</b>	<b>61,723</b>	<b>61,723</b>	<b>39,542</b>	<b>(22,181)</b>
<b>DISBURSEMENTS</b>	<b>71,723</b>	<b>71,723</b>	<b>71,076</b>	<b>647</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,000	10,000	31,534	21,534
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,000</b>	<b>10,000</b>	<b>31,534</b>	<b>21,534</b>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>CHILD SUPPORT AGREEMENT - ATTORNEY FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 102,120	\$ 102,120	\$ 143,855	\$ 41,735
Miscellaneous	-	-	228	228
<b>TOTAL RECEIPTS</b>	<b>102,120</b>	<b>102,120</b>	<b>144,083</b>	<b>41,963</b>
<b>DISBURSEMENTS</b>	<b>141,770</b>	<b>141,770</b>	<b>130,509</b>	<b>11,261</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	39,650	39,650	37,307	(2,343)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>39,650</b>	<b>39,650</b>	<b>37,307</b>	<b>(2,343)</b>
Net Change in Fund Balance	-	-	50,881	50,881
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,881</u>	<u>\$ 50,881</u>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Miscellaneous	10,000	10,000	2,526	(7,474)
<b>TOTAL RECEIPTS</b>	<b>14,000</b>	<b>14,000</b>	<b>2,526</b>	<b>(11,474)</b>
<b>DISBURSEMENTS</b>	<b>18,063</b>	<b>18,063</b>	<b>1,026</b>	<b>17,037</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	(4,063)	(4,063)	1,500	5,563
FUND BALANCE - BEGINNING	4,063	4,063	4,063	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,563</u>	<u>\$ 5,563</u>

<b>DRUG TESTING FUND</b>				
<b>RECEIPTS</b>				
Charges for Services	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
<b>TOTAL RECEIPTS</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>	<b>(1,200)</b>
<b>DISBURSEMENTS</b>	<b>20,969</b>	<b>20,969</b>	<b>540</b>	<b>20,429</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	(19,769)	(19,769)	(540)	19,229
FUND BALANCE - BEGINNING	19,769	19,769	19,769	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,229</u>	<u>\$ 19,229</u>

<b>TRANSPORTATION FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 42,040	\$ 42,040	\$ 45,357	\$ 3,317
Charges for Services	2,000	2,000	2,231	231
Miscellaneous	500	500	388	(112)
<b>TOTAL RECEIPTS</b>	<b>44,540</b>	<b>44,540</b>	<b>47,976</b>	<b>3,436</b>
<b>DISBURSEMENTS</b>	<b>78,776</b>	<b>78,776</b>	<b>65,185</b>	<b>13,591</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	30,851	30,851	17,197	(13,654)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,851</b>	<b>30,851</b>	<b>17,197</b>	<b>(13,654)</b>
Net Change in Fund Balance	(3,385)	(3,385)	(12)	3,373
FUND BALANCE - BEGINNING	3,385	3,385	3,385	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,373</u>	<u>\$ 3,373</u>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SENIOR CITIZEN SERVICES CENTER FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 83,020	\$ 83,020	\$ 75,668	\$ (7,352)
Charges for Services	70,100	70,100	70,018	(82)
Miscellaneous	10,000	25,669	22,968	(2,701)
<b>TOTAL RECEIPTS</b>	<b>163,120</b>	<b>178,789</b>	<b>168,654</b>	<b>(10,135)</b>
<b>DISBURSEMENTS</b>	<b>239,577</b>	<b>255,246</b>	<b>252,774</b>	<b>2,472</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	38,365	38,365	60,816	22,451
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>38,365</b>	<b>38,365</b>	<b>60,816</b>	<b>22,451</b>
Net Change in Fund Balance	(38,092)	(38,092)	(23,304)	14,788
FUND BALANCE - BEGINNING	38,092	38,092	38,092	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,788</u>	<u>\$ 14,788</u>
<b>WEED FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 9	\$ 9
Charges for Services	8,500	8,500	4,255	(4,245)
Miscellaneous	-	-	3,495	3,495
<b>TOTAL RECEIPTS</b>	<b>8,500</b>	<b>8,500</b>	<b>7,759</b>	<b>(741)</b>
<b>DISBURSEMENTS</b>	<b>70,309</b>	<b>70,309</b>	<b>62,172</b>	<b>8,137</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	61,492	61,492	54,096	(7,396)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>61,492</b>	<b>61,492</b>	<b>54,096</b>	<b>(7,396)</b>
Net Change in Fund Balance	(317)	(317)	(317)	-
FUND BALANCE - BEGINNING	317	317	317	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DIVERSION PROGRAM FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 18,869	\$ 18,869	\$ 18,869	\$ -
Charges for Services	8,000	8,000	7,746	(254)
Miscellaneous	5,000	5,000	6,354	1,354
<b>TOTAL RECEIPTS</b>	<b>31,869</b>	<b>31,869</b>	<b>32,969</b>	<b>1,100</b>
<b>DISBURSEMENTS</b>	<b>114,080</b>	<b>114,080</b>	<b>104,232</b>	<b>9,848</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	68,420	68,420	69,220	800
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>68,420</b>	<b>68,420</b>	<b>69,220</b>	<b>800</b>
Net Change in Fund Balance	(13,791)	(13,791)	(2,043)	11,748
FUND BALANCE - BEGINNING	13,791	13,791	13,791	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,748</u>	<u>\$ 11,748</u>

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STOP FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 100	\$ 100	\$ 204	\$ 104
Charges for Services	24,850	24,850	34,943	10,093
Miscellaneous	-	-	700	700
<b>TOTAL RECEIPTS</b>	<b>24,950</b>	<b>24,950</b>	<b>35,847</b>	<b>10,897</b>
<b>DISBURSEMENTS</b>	<b>42,654</b>	<b>42,654</b>	<b>30,085</b>	<b>12,569</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	(17,704)	(17,704)	5,762	23,466
FUND BALANCE - BEGINNING	17,704	17,704	17,704	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,466</u>	<u>\$ 23,466</u>

<b>FEDERAL GRANT FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ -	\$ -	\$ 9	\$ 9
Intergovernmental	237,362	237,362	588	(236,774)
<b>TOTAL RECEIPTS</b>	<b>237,362</b>	<b>237,362</b>	<b>597</b>	<b>(236,765)</b>
<b>DISBURSEMENTS</b>	<b>230,000</b>	<b>230,000</b>	<b>1,588</b>	<b>228,412</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(10,000)	(10,000)	-	10,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>	<b>10,000</b>
Net Change in Fund Balance	(2,638)	(2,638)	(991)	1,647
FUND BALANCE - BEGINNING	2,638	2,638	2,638	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,647</u>	<u>\$ 1,647</u>

<b>FEDERAL GRANT EMERGENCY MANAGEMENT FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 660,000	\$ 660,000	\$ 13,230	\$ (646,770)
<b>TOTAL RECEIPTS</b>	<b>660,000</b>	<b>660,000</b>	<b>13,230</b>	<b>(646,770)</b>
<b>DISBURSEMENTS</b>	<b>760,000</b>	<b>760,000</b>	<b>13,230</b>	<b>746,770</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	200,000	200,000	-	(200,000)
Transfers Out	(100,000)	(100,000)	-	100,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>(100,000)</b>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CDBG FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 383,493	\$ (716,507)
<b>TOTAL RECEIPTS</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>383,493</b>	<b>(716,507)</b>
<b>DISBURSEMENTS</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>384,262</b>	<b>715,738</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	770	770
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>770</b>	<b>770</b>
Net Change in Fund Balance	-	-	1	1
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>HEALTH DEPARTMENT FUND</b>				
<b>RECEIPTS</b>				
	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,337	7,337	7,337	-
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,337</b>	<b>7,337</b>	<b>7,337</b>	<b>-</b>
Net Change in Fund Balance	(25,693)	(25,693)	(25,693)	-
FUND BALANCE - BEGINNING	25,693	25,693	25,693	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PROPERTY TAX REIMBURSEMENT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ -	\$ -	\$ 7	\$ 7
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>
<b>DISBURSEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	7
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7</b>	<b>\$ 7</b>

(Continued)

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>JAIL PROJECT FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 7,741	\$ 7,741	\$ 8,448	\$ 707
Intergovernmental	80	80	331	251
Miscellaneous	-	-	55	55
<b>TOTAL RECEIPTS</b>	<b>7,821</b>	<b>7,821</b>	<b>8,834</b>	<b>1,013</b>
<b>DISBURSEMENTS</b>	<b>40,000</b>	<b>40,000</b>	<b>28,051</b>	<b>11,949</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	28,000	28,000	20,335	(7,665)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>28,000</b>	<b>28,000</b>	<b>20,335</b>	<b>(7,665)</b>
Net Change in Fund Balance	(4,179)	(4,179)	1,118	5,297
FUND BALANCE - BEGINNING	4,179	4,179	4,179	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,297</u>	<u>\$ 5,297</u>

<b>FLOOD CONTROL FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 73,050	\$ 73,050	\$ 78,450	\$ 5,400
Intergovernmental	1,025	1,025	3,589	2,564
<b>TOTAL RECEIPTS</b>	<b>74,075</b>	<b>74,075</b>	<b>82,039</b>	<b>7,964</b>
<b>DISBURSEMENTS</b>	<b>352,668</b>	<b>352,668</b>	<b>101,194</b>	<b>251,474</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	(278,593)	(278,593)	(19,155)	259,438
FUND BALANCE - BEGINNING	278,593	278,593	278,593	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,438</u>	<u>\$ 259,438</u>

<b>YOUTH CAMP FUND</b>				
<b>RECEIPTS</b>				
Interest	\$ 20	\$ 20	\$ 13	\$ (7)
Miscellaneous	5,500	5,500	4,376	(1,124)
<b>TOTAL RECEIPTS</b>	<b>5,520</b>	<b>5,520</b>	<b>4,389</b>	<b>(1,131)</b>
<b>DISBURSEMENTS</b>	<b>8,611</b>	<b>8,611</b>	<b>4,570</b>	<b>4,041</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	(3,091)	(3,091)	(181)	2,910
FUND BALANCE - BEGINNING	3,091	3,091	3,091	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,910</u>	<u>\$ 2,910</u>

SAUNDERS COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>AMBULANCE FUND</b>				
<b>RECEIPTS</b>				
Charges for Services	\$ 10,001	\$ 10,001	\$ 1,557	\$ (8,444)
<b>TOTAL RECEIPTS</b>	<b>10,001</b>	<b>10,001</b>	<b>1,557</b>	<b>(8,444)</b>
<b>DISBURSEMENTS</b>	<b>25,000</b>	<b>25,000</b>	<b>6,723</b>	<b>18,277</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	11,923	11,923	2,090	(9,833)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>11,923</b>	<b>11,923</b>	<b>2,090</b>	<b>(9,833)</b>
Net Change in Fund Balance	(3,076)	(3,076)	(3,076)	-
FUND BALANCE - BEGINNING	3,076	3,076	3,076	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>E911 EMERGENCY SERVICES FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 45,000	\$ 45,000	\$ 50,122	\$ 5,122
Miscellaneous	-	-	360	360
<b>TOTAL RECEIPTS</b>	<b>45,000</b>	<b>45,000</b>	<b>50,482</b>	<b>5,482</b>
<b>DISBURSEMENTS</b>	<b>70,000</b>	<b>70,000</b>	<b>34,598</b>	<b>35,402</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,285	5,285	-	(5,285)
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,285</b>	<b>5,285</b>	<b>-</b>	<b>(5,285)</b>
Net Change in Fund Balance	(19,715)	(19,715)	15,884	35,599
FUND BALANCE - BEGINNING	19,715	19,715	19,715	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,599</u>	<u>\$ 35,599</u>

(Concluded)

SAUNDERS COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2005

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent	Veterans' Service Officer
BALANCE JULY 1, 2004	\$ 19,364	\$ 22,774	\$ 55,282	\$ 34,021	\$ 2,226	\$ -	\$ 100	\$ 9,461
RECEIPTS								
Property Taxes	5,704	-	-	98,940	-	-	-	-
Licenses and Permits	7,270	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	57,407	-
Charges for Services	35,897	148,877	11,689	49,771	3,010	7,750	22,741	-
Miscellaneous	340	-	-	-	52	-	6,819	23
State Fees	69,041	101,749	15,810	-	-	-	-	-
Other Liabilities	3,000	-	574,811	13,792	70,981	-	-	-
<b>TOTAL RECEIPTS</b>	<b>121,252</b>	<b>250,626</b>	<b>602,310</b>	<b>162,503</b>	<b>74,043</b>	<b>7,750</b>	<b>86,967</b>	<b>23</b>
DISBURSEMENTS								
Payments to County Treasurer	49,176	148,237	11,237	168,730	3,154	7,750	86,967	-
Payments to State Treasurer	69,233	98,467	16,522	-	-	-	-	-
Other Liabilities	-	-	564,010	13,792	71,384	-	-	315
<b>TOTAL DISBURSEMENTS</b>	<b>118,409</b>	<b>246,704</b>	<b>591,769</b>	<b>182,522</b>	<b>74,538</b>	<b>7,750</b>	<b>86,967</b>	<b>315</b>
 BALANCE JUNE 30, 2005	 \$ 22,207	 \$ 26,696	 \$ 65,823	 \$ 14,002	 \$ 1,731	 \$ -	 \$ 100	 \$ 9,169
BALANCE CONSISTS OF:								
Due to County Treasurer	\$ 3,839	\$ 14,476	\$ 1,643	\$ 9,702	\$ -	\$ -	\$ -	\$ 9,169
Petty Cash	12,200	500	700	4,300	200	-	100	-
Due to State Treasurer	6,168	11,720	1,228	-	-	-	-	-
Due to Others	-	-	62,252	-	1,531	-	-	-
BALANCE JUNE 30, 2005	\$ 22,207	\$ 26,696	\$ 65,823	\$ 14,002	\$ 1,731	\$ -	\$ 100	\$ 9,169

(Continued)

SAUNDERS COUNTY  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2005

	County Surveyor	County Health	County Planning and Zoning	County Transportation	County Senior Services	County Youth Services	Total
BALANCE JULY 1, 2004	\$ -	\$ 100	\$ 100	\$ -	\$ 1,099	\$ 50	\$ 144,577
<b>RECEIPTS</b>							
Property Taxes	-	-	-	-	-	-	104,644
Licenses and Permits	-	-	134,482	-	-	-	141,752
Intergovernmental	-	-	-	45,125	75,667	18,869	197,068
Charges for Services	3,828	-	-	2,729	69,030	14,067	369,389
Miscellaneous	-	-	-	-	22,968	4,408	34,610
State Fees	-	-	-	-	-	-	186,600
Other Liabilities	-	-	-	-	-	-	662,584
<b>TOTAL RECEIPTS</b>	<b>3,828</b>	<b>-</b>	<b>134,482</b>	<b>47,854</b>	<b>167,665</b>	<b>37,344</b>	<b>1,696,647</b>
<b>DISBURSEMENTS</b>							
Payments to County Treasurer	3,828	100	134,482	47,854	168,654	37,344	867,513
Payments to State Treasurer	-	-	-	-	-	-	184,222
Other Liabilities	-	-	-	-	-	-	649,501
<b>TOTAL DISBURSEMENTS</b>	<b>3,828</b>	<b>100</b>	<b>134,482</b>	<b>47,854</b>	<b>168,654</b>	<b>37,344</b>	<b>1,701,236</b>
BALANCE JUNE 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 50</u>	<u>\$ 139,988</u>
<b>BALANCE CONSISTS OF:</b>							
Due to County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ 80	\$ -	\$ 38,909
Petty Cash	-	-	100	-	30	50	18,180
Due to State Treasurer	-	-	-	-	-	-	19,116
Due to Others	-	-	-	-	-	-	63,783
BALANCE JUNE 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 50</u>	<u>\$ 139,988</u>

(Concluded)

SAUNDERS COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
 June 30, 2005

Item	2000	2001	2002	2003	2004
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 18,223,901	\$ 20,331,248	\$ 21,792,924	\$ 23,345,155	\$ 24,803,834
Personal and Specials	1,344,537	1,414,112	1,419,469	1,418,549	1,496,577
<b>Total</b>	<b>19,568,438</b>	<b>21,745,360</b>	<b>23,212,393</b>	<b>24,763,704</b>	<b>26,300,411</b>
<b>Corrections</b>					
Additions	31,613	29,135	30,990	20,280	6,541
Deductions	(42,632)	(38,991)	(32,899)	(52,175)	(14,087)
Net Additions/ (Deductions)	(11,019)	(9,856)	(1,909)	(31,895)	(7,546)
<b>Corrected Certified Tax</b>	<b>19,557,419</b>	<b>21,735,504</b>	<b>23,210,484</b>	<b>24,731,809</b>	<b>26,292,865</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2001	10,835,781	-	-	-	-
June 30, 2002	8,659,041	12,060,908	-	-	-
June 30, 2003	51,142	9,567,710	12,948,417	-	-
June 30, 2004	9,067	95,113	10,188,774	13,778,715	-
June 30, 2005	2,044	8,255	71,507	10,929,183	14,772,552
<b>Total Net Collections</b>	<b>19,557,075</b>	<b>21,731,986</b>	<b>23,208,698</b>	<b>24,707,898</b>	<b>14,772,552</b>
<b>Total Uncollected Tax</b>	<b>\$ 344</b>	<b>\$ 3,518</b>	<b>\$ 1,786</b>	<b>\$ 23,911</b>	<b>\$ 11,520,313</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>0.10%</b>	<b>43.82%</b>

SAUNDERS COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Passed through Nebraska Department of Economic Development		
State Small Cities CDBG Program*	14.228	\$ 384,263
Total U.S. Department of Housing and Urban Development		\$ 384,263
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed through Nebraska Military Department		
State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program)	97.004	\$ 13,230
Total U.S. Department of Homeland Security		\$ 13,230
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed through Nebraska Department of Health and Human Services		
Child Support Enforcement	93.563	\$ 192,650
Social Services Block Grant	93.667	\$ 8,177
Total U.S. Department of Health and Human Services		\$ 200,827
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Passed through Nebraska Department of Roads		
Public Transportation Assistance	20.509	\$ 30,676
Total U.S. Department of Transportation		\$ 30,676
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 628,996</b>

SAUNDERS COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. General**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Saunders County (the County), except as noted in Note 2 below. The County's reporting entity is defined in Note 1.A. to the County's financial statements. Federal awards received directly from federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective federal agency.

**2. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The County's reporting entity is defined in Note 1.A. to the financial statements. The accompanying Schedule includes the federal awards programs administered by the County for the fiscal year ended June 30, 2005.

**B. Basis of Presentation**

The accompanying Schedule presents total expenditures for each federal awards program in accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Federal program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

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

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

**C. Basis of Accounting**

The accompanying schedule was prepared on the cash basis of accounting.

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

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## SAUNDERS 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*

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We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County as of and for the year ended June 30, 2005, and have issued our report thereon dated November 15, 2005. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders County Hospital, a component unit of Saunders County. 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 the Saunders County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Saunders County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The following reportable condition was noted:

- 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.

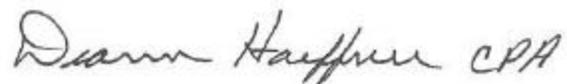
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saunders 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 additional items that we reported to management of Saunders County in a separate letter dated November 15, 2005.

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.



Deputy State Auditor

November 15, 2005

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## SAUNDERS COUNTY REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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### Compliance

We have audited the compliance of Saunders County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Saunders County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Saunders County's management. Our responsibility is to express an opinion on Saunders County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Saunders County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Saunders County's compliance with those requirements.

In our opinion, Saunders County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Saunders County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Saunders County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



Deputy State Auditor

November 15, 2005

SAUNDERS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material weaknesses identified?  X  Yes   No

Reportable conditions identified that are not considered to be material weaknesses?   Yes  X  None Reported

Noncompliance material to financial statements noted?   Yes  X  No

Internal control over major programs:

Material weaknesses identified?   Yes  X  No

Reportable conditions identified that are not considered to be material weaknesses?   Yes  X  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133:   Yes  X  No

Major programs: **State Small Cities CDBG Program, CFDA #14.228**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee:   Yes  X  No

SECTION II. FINANCIAL STATEMENT FINDINGS

Condition - There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Criteria - Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

SAUNDERS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

SECTION II. FINANCIAL STATEMENT FINDINGS (Concluded)

Effect of the Condition - This lack of segregation of duties results in an inadequate overall internal control structure design.

Cause of the Condition - The County does not employ sufficient office personnel to properly segregate accounting functions.

Recommendation - The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with improper segregation of accounting functions.

Views of Responsible Officials - The County understands condition but must consider the cost benefit ratio based on the size of the staff.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.