

**AUDIT REPORT
OF
DAWSON COUNTY**

JULY 1, 2010 THROUGH JUNE 30, 2011

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the Auditor of Public Accounts.**

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Issued on March 19, 2012

DAWSON COUNTY

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DAWSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2011

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bill Stewart	Board of Commissioners	Jan. 2015
Dennis Rickertsen		Jan. 2015
Everett Hagan		Jan. 2013
Dean Kugler		Jan. 2013
P J Jacobson		Jan. 2013
John Moore	Assessor	Jan. 2015
Elizabeth Waterman	Attorney	Jan. 2015
Karla Zlatkovsky	Clerk Election Commissioner	Jan. 2015
Sherry Warner	Clerk of the District Court	Jan. 2015
Ruth Meyer	Register of Deeds	Jan. 2015
Gary Reiber	Sheriff	Jan. 2015
Sharon Wood	Treasurer	Jan. 2015
Earl Linn	Veterans' Service Officer	Appointed
Marty Craig	Weed Superintendent	Appointed
Darold Tagge	Highway Superintendent	Appointed
Pam Holbrook	Planning and Zoning	Appointed
Jake Ripp	Surveyor	Jan. 2015
Brian Woldt	Emergency Manager	Appointed



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

DAWSON COUNTY

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Dawson County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the County's primary government, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash balances of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Dawson County, as of June 30, 2011, 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 March 5, 2012, on our consideration of Dawson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Signed Original on File

March 5, 2012

Deann Haeffner, CPA
Assistant Deputy Auditor

DAWSON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
 June 30, 2011

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 6,510,801
TOTAL ASSETS	\$ 6,510,801
NET ASSETS	
Restricted for:	
Visitor Promotion	\$ 102,587
911 Emergency Services	241,168
Drug Education	4,227
Law Enforcement	37,389
Debt Service	124,457
Aid and Assistance	16,260
Unrestricted	5,984,713
TOTAL NET ASSETS	\$ 6,510,801

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

DAWSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2011

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ (5,426,881)	\$ 638,221	\$ 187,694	\$ (4,600,966)
Public Safety	(4,330,828)	1,107,178	270,439	(2,953,211)
Public Works	(6,983,195)	79,807	1,918,497	(4,984,891)
Public Assistance	(286,087)	-	247,341	(38,746)
Culture and Recreation	(187,580)	-	-	(187,580)
Debt Payments	(1,029,861)	-	-	(1,029,861)
Total Governmental Activities	\$ (18,244,432)	\$ 1,825,206	\$ 2,623,971	(13,795,255)

General Receipts:

Property Taxes	8,364,495
Grants and Contributions Not Restricted to Specific Programs	1,004,322
Investment Income	53,247
Licenses and Permits	97,273
Bond Proceeds	2,700,812
Miscellaneous	729,222
Total General Receipts	12,949,371
Change in Net Assets	(845,884)
Net Assets - Beginning	7,356,685
Net Assets - Ending	\$ 6,510,801

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

DAWSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Road Fund	Inheritance Fund	County Insurance Claim Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents (Note 1.D)	\$ 1,900,090	\$ 457,107	\$ 2,105,985	\$ 713,652	\$ 1,333,967	\$ 6,510,801
TOTAL ASSETS	\$ 1,900,090	\$ 457,107	\$ 2,105,985	\$ 713,652	\$ 1,333,967	\$ 6,510,801
FUND BALANCES						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ 102,587	\$ 102,587
911 Emergency Services	-	-	-	-	241,168	241,168
Drug Education	-	-	-	-	4,227	4,227
Law Enforcement	-	-	-	-	37,389	37,389
Debt Service	-	-	-	-	124,457	124,457
Aid and Assistance	-	-	-	-	16,260	16,260
Committed to:						
Law Enforcement	-	-	-	-	217,719	217,719
Road Maintenance	-	457,107	-	-	-	457,107
Aid and Assistance	-	-	-	-	86,580	86,580
County Property	-	-	-	-	301,532	301,532
Insurance	-	-	-	713,652	52,742	766,394
Historical Society	-	-	-	-	350	350
Weed Control	-	-	-	-	10,025	10,025
General Operations	-	-	-	-	138,931	138,931
Assigned to:						
Other Purposes	-	-	2,105,985	-	-	2,105,985
Unassigned	1,900,090	-	-	-	-	1,900,090
TOTAL CASH BASIS FUND BALANCES	\$ 1,900,090	\$ 457,107	\$ 2,105,985	\$ 713,652	\$ 1,333,967	\$ 6,510,801

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

DAWSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Fund	Road Fund	Inheritance Fund	County Insurance Claim Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$ 6,962,289	\$ -	\$ 688,102	\$ -	\$ 714,104	\$ 8,364,495
Licenses and Permits	97,273	-	-	-	-	97,273
Interest	43,113	-	-	3,676	6,458	53,247
Intergovernmental	1,274,862	1,918,497	-	-	434,934	3,628,293
Charges for Services	1,620,953	-	-	-	204,253	1,825,206
Miscellaneous	127,183	2,767,198	-	289,054	246,599	3,430,034
TOTAL RECEIPTS	<u>10,125,673</u>	<u>4,685,695</u>	<u>688,102</u>	<u>292,730</u>	<u>1,606,348</u>	<u>17,398,548</u>
DISBURSEMENTS						
General Government	3,818,396	-	4,094	1,460,996	143,395	5,426,881
Public Safety	3,485,989	-	-	-	844,839	4,330,828
Public Works	168,181	6,635,668	-	-	179,346	6,983,195
Public Assistance	160,993	-	-	-	125,094	286,087
Culture and Recreation	-	-	-	-	187,580	187,580
Debt Service:						
Principal Payments	-	535,000	-	-	444,000	979,000
Interest and Fiscal Charges	-	37,574	-	-	13,287	50,861
TOTAL DISBURSEMENTS	<u>7,633,559</u>	<u>7,208,242</u>	<u>4,094</u>	<u>1,460,996</u>	<u>1,937,541</u>	<u>18,244,432</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,492,114</u>	<u>(2,522,547)</u>	<u>684,008</u>	<u>(1,168,266)</u>	<u>(331,193)</u>	<u>(845,884)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	119	416,338	-	1,468,168	373,374	2,257,999
Transfers out	(2,048,288)	-	(17,000)	-	(192,711)	(2,257,999)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,048,169)</u>	<u>416,338</u>	<u>(17,000)</u>	<u>1,468,168</u>	<u>180,663</u>	<u>-</u>
Net Change in Fund Balances	443,945	(2,106,209)	667,008	299,902	(150,530)	(845,884)
CASH BASIS FUND BALANCES - BEGINNING	<u>1,456,145</u>	<u>2,563,316</u>	<u>1,438,977</u>	<u>413,750</u>	<u>1,484,497</u>	<u>7,356,685</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 1,900,090</u>	<u>\$ 457,107</u>	<u>\$2,105,985</u>	<u>\$ 713,652</u>	<u>\$ 1,333,967</u>	<u>\$ 6,510,801</u>

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

DAWSON COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUNDS
 June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,604,575
 LIABILITIES	
Due to other governments	
State	398,721
Schools	393,420
Educational Service Units	3,645
Technical College	23,321
Natural Resource Districts	9,877
Fire Districts	1,678
Municipalities	58,961
Agricultural Society	2,490
Drainage Districts	13,783
Airports	3,953
Sanitary and Improvement Districts	20,516
Hospital Districts	4,283
Cemetery Districts	246
Railroad Transportation District	381,328
Clerk of the District Court Trust	252,737
Others	35,616
TOTAL LIABILITIES	1,604,575
 TOTAL NET ASSETS	 \$ -

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Dawson County, Nebraska (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations which are either fiscally dependent on the County or maintain a significant relationship with the County such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

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

Joint Organization.

Behavioral Health Region II - The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region II (Region) consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock, and Red Willow.

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 \$94,591 toward the operation of the Region during fiscal year 2011. In the event of the termination of the agreement, assets would be disposed of in

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

Health Department – The County has entered into an agreement with Two Rivers Public Health Department (Department) to provide public health services. Agreements were established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2009, Supp. 2011).

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department during fiscal year 2011. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is required to be audited annually in accordance with Neb. Rev. Stat. § 84-304(4) (Reissue 2008). Financial information for the Department is available in that report.

B. Basis of Presentation

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

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category - governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

County Insurance Claim Fund. This fund is used to account for employee insurance premiums and health insurance reimbursements and expenditures for health insurance claims.

The County reports the following additional fund types:

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

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

Debt Service Funds. These funds account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as:

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

C. Measurement Focus, Basis of Accounting

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

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

D. Assets and Net Assets

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. §§ 77-2315, 77-2340, and 77-2341 (Reissue 2009), and generally include U.S. Government obligations, certificates of deposit, and time deposits and securities, which are authorized by the Nebraska Investment Council.

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

Restricted Net Assets. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net assets are reported as restricted when constraints placed on their use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$526,088 of restricted net assets, of which \$401,631 is restricted by enabling legislation.

2. **Deposits and Investments**

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. Deposits and Investments (Concluded)

At year end, the County's carrying amount of deposits was \$6,510,801 for County funds and \$1,604,575 for Fiduciary funds. The bank balances for all funds totaled \$8,147,958. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2011, 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.

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 2010, for the 2010 taxes, which will be materially collected in May and September 2011, was set at \$.406878/\$100 of assessed valuation. The levy set in October 2009, for the 2009 taxes, which were materially collected in May and September 2010, was set at \$.398250/\$100 of assessed valuation. The amount collected for motor vehicle tax is outlined in State statute.

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

4. Retirement System

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2335 (Reissue 2007, Cum. Supp. 2010, Supp. 2011) and may be amended through legislative action.

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Prior service benefits are paid directly by the County to the retired employee.

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

For the year ended June 30, 2011, 176 employees contributed \$242,689, and the County contributed \$364,030. Additionally, for the year ended June 30, 2011, 35 law enforcement employees and the County contributed \$13,603 in cash contributions for the supplemental law enforcement plan. Lastly, the County paid \$262 directly to 3 retired employees for prior service benefits.

5. **Risk Management**

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

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and 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, is sent to each county in writing, and each county has sixty days in which to pay the amount of such assessment. Each county remains liable for such assessments, regardless of such county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the Pool incurred during such county's period of membership.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **Risk Management** (Concluded)

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

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

The County has not paid any additional assessments to the pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2012. 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, 2011, consisted of the following:

Transfers to	Transfers from			Total
	General Fund	Inheritance Fund	Nonmajor Funds	
General Fund	\$ -	\$ -	\$ 119	\$ 119
Road Fund	416,338	-	-	416,338
County Insurance Claim Fund	1,350,157	-	118,011	1,468,168
Nonmajor Funds	281,793	17,000	74,581	373,374
Total	\$ 2,048,288	\$ 17,000	\$ 192,711	\$ 2,257,999

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

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

7. **Capital Leases Payable**

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

	Three Explorers	Dispatch Center Remodel	Total
Balance July 1, 2010	\$ -	\$ 36,774	\$ 36,774
Purchases	51,300	-	51,300
Payments	9,700	14,263	23,963
Balance June 30, 2011	<u>\$ 41,600</u>	<u>\$ 22,511</u>	<u>\$ 64,111</u>
Future Payments:			
Year			
2012	\$ 21,374	\$ 15,627	\$ 37,001
2013	21,191	7,813	29,004
Total Payments	<u>42,565</u>	<u>23,440</u>	<u>66,005</u>
Less Interest	965	929	1,894
Present Value of Future Minimum Lease Payments	<u>\$ 41,600</u>	<u>\$ 22,511</u>	<u>\$ 64,111</u>
Carrying Value of the related Fixed Asset	<u>\$ 69,000</u>	<u>\$ -</u>	<u>\$ 69,000</u>

8. **Contingent Liabilities**

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

9. **Long-Term Debt**

Highway Allocation Bonds

The County issued bonds on July 30, 2010, in the amount of \$2,735,000 for the purpose of paying the costs of road improvements. The bond payable balance as of June 30, 2011, was \$2,200,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The County plans to use future highway allocation receipts to pay off the bonds. Principal and interest payments are due January 15 and July 15. Interest rates range from .9% to 2.2%.

DAWSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Future Payments:

Year	Principal	Interest	Total
2012	\$ 0	\$ 18,212	\$ 18,212
2013	540,000	33,455	573,455
2014	545,000	23,398	568,398
2015	555,000	17,315	572,315
2016	560,000	6,160	566,160
Total Payments	<u>\$ 2,200,000</u>	<u>\$ 98,540</u>	<u>\$ 2,298,540</u>

Courthouse Remodel Bonds

The County issued bonds on June 1, 2009, in the amount of \$660,000 for the purpose of paying the costs of a courthouse remodeling project. The bond payable balance as of June 30, 2011, was \$336,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Principal and interest payments are due June 1 and December 1. Interest rates range from 2.1% to 2.45%.

Future Payments:

Year	Principal	Interest	Total
2012	\$ 166,000	\$ 7,651	\$ 173,651
2013	170,000	4,165	174,165
Total Payments	<u>\$ 336,000</u>	<u>\$ 11,816</u>	<u>\$ 347,816</u>

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 7,733,592	\$ 7,733,592	\$ 6,962,289	\$ (771,303)
Licenses and Permits	91,691	91,691	97,273	5,582
Interest	48,350	48,350	43,113	(5,237)
Intergovernmental	1,054,860	1,054,860	1,274,862	220,002
Charges for Services	1,631,950	1,631,950	1,620,953	(10,997)
Miscellaneous	259,489	259,489	127,183	(132,306)
TOTAL RECEIPTS	10,819,932	10,819,932	10,125,673	(694,259)
DISBURSEMENTS				
General Government:				
County Board	84,425	84,425	84,137	288
County Clerk	133,115	133,115	131,232	1,883
County Treasurer	231,774	231,844	231,844	-
Register of Deeds	105,628	105,628	101,638	3,990
County Assessor	338,989	395,144	395,144	-
Election Commissioner	65,450	65,450	48,350	17,100
Zoning Administration	25,310	25,310	22,013	3,297
Clerk of the District Court	203,826	231,019	231,019	-
County Court System	203,950	203,950	198,318	5,632
District Judge	91,118	91,118	86,657	4,461
Public Defender	229,068	229,068	228,192	876
Building and Grounds	332,400	332,400	265,382	67,018
Midwest Drug Court	77,000	77,000	-	77,000
Agricultural Extension Agent	139,588	139,588	129,436	10,152
GIS	46,600	47,027	47,027	-
Child Support	132,713	139,756	139,756	-
Child Support Attorney	22,752	22,752	22,752	-
Miscellaneous	3,083,625	2,980,481	1,455,499	1,524,982
Public Safety:				
County Sheriff	2,736,621	2,736,621	2,758,140	(21,519)
County Attorney	417,725	417,725	395,393	22,332
Sheriff Grants	76,000	76,000	27,557	48,443
County Grants	100,000	100,000	42,175	57,825
Emergency Management	71,470	83,726	83,726	-

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISBURSEMENTS (Continued)				
COPS	43,500	43,500	31,493	12,007
Homeland Security	26,000	26,000	1,860	24,140
Miscellaneous	142,000	142,000	145,645	(3,645)
Public Works:				
County Surveyor	173,804	173,804	168,181	5,623
Public Assistance:				
Veterans' Service Officer	52,799	52,799	48,839	3,960
Senior Citizen Handi-Bus	109,098	109,098	96,084	13,014
County Relief	200,000	200,000	16,070	183,930
TOTAL DISBURSEMENTS	<u>9,696,348</u>	<u>9,696,348</u>	<u>7,633,559</u>	<u>2,062,789</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,123,584</u>	<u>1,123,584</u>	<u>2,492,114</u>	<u>1,368,530</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,010	300,010	119	(299,891)
Transfers out	(2,226,923)	(2,226,923)	(2,048,288)	178,635
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,926,913)</u>	<u>(1,926,913)</u>	<u>(2,048,169)</u>	<u>(121,256)</u>
Net Change in Fund Balance	(803,329)	(803,329)	443,945	1,247,274
FUND BALANCE - BEGINNING	<u>1,433,329</u>	<u>1,433,329</u>	<u>1,456,145</u>	<u>22,816</u>
FUND BALANCE - ENDING	<u>\$ 630,000</u>	<u>\$ 630,000</u>	<u>\$ 1,900,090</u>	<u>\$ 1,270,090</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,634,723	\$ 1,634,723	\$ 1,918,497	\$ 283,774
Miscellaneous	2,830,000	2,830,000	2,767,198	(62,802)
TOTAL RECEIPTS	4,464,723	4,464,723	4,685,695	220,972
DISBURSEMENTS	7,593,540	7,593,540	7,208,242	385,298
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(3,128,817)	(3,128,817)	(2,522,547)	606,270
OTHER FINANCING SOURCES (USES)				
Transfers in	1,788,773	1,788,773	416,338	(1,372,435)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,788,773	1,788,773	416,338	(1,372,435)
Net Change in Fund Balance	(1,340,044)	(1,340,044)	(2,106,209)	(766,165)
FUND BALANCE - BEGINNING	2,563,316	2,563,316	2,563,316	-
FUND BALANCE - ENDING	<u>\$ 1,223,272</u>	<u>\$ 1,223,272</u>	<u>\$ 457,107</u>	<u>\$ (766,165)</u>
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 61,758	\$ 61,758	\$ 688,102	\$ 626,344
TOTAL RECEIPTS	61,758	61,758	688,102	626,344
DISBURSEMENTS	1,115,446	1,115,446	4,094	1,111,352
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,053,688)	(1,053,688)	684,008	1,737,696
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(384,554)	(384,554)	(17,000)	367,554
TOTAL OTHER FINANCING SOURCES (USES)	(384,554)	(384,554)	(17,000)	367,554
Net Change in Fund Balance	(1,438,242)	(1,438,242)	667,008	2,105,250
FUND BALANCE - BEGINNING	1,438,242	1,438,242	1,438,977	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,105,985</u>	<u>\$ 2,105,250</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>COUNTY INSURANCE CLAIM FUND</u>				
RECEIPTS				
Interest	\$ -	\$ -	\$ 3,676	\$ 3,676
Miscellaneous	1,486,250	1,486,250	289,054	(1,197,196)
TOTAL RECEIPTS	<u>1,486,250</u>	<u>1,486,250</u>	<u>292,730</u>	<u>(1,193,520)</u>
 DISBURSEMENTS	 <u>1,900,000</u>	 <u>1,900,000</u>	 <u>1,460,996</u>	 <u>439,004</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	 <u>(413,750)</u>	 <u>(413,750)</u>	 <u>(1,168,266)</u>	 <u>(754,516)</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,468,168	1,468,168
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,468,168</u>	<u>1,468,168</u>
 Net Change in Fund Balance	 (413,750)	 (413,750)	 299,902	 713,652
FUND BALANCE - BEGINNING	413,750	413,750	413,750	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 713,652</u>	<u>\$ 713,652</u>

(Concluded)

DAWSON COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2011

BUDGETARY COMPARISON SCHEDULES

GAAP Requirements

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

Budgetary Process

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

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

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

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

For the Year Ended June 30, 2011

	Visitor's Promotion Fund	Visitor's Development Improvement Fund	Unemployment Compensation Fund	Inventory Maintenance Fund	Parent Child Center Fund
RECEIPTS					
Property Taxes	\$ 87,374	\$ 76,869	\$ 12,620	\$ -	\$ -
Interest	-	-	-	-	-
Intergovernmental	-	-	1,084	-	-
Charges for Services	-	-	-	105,100	-
Miscellaneous	-	-	-	73,863	-
TOTAL RECEIPTS	<u>87,374</u>	<u>76,869</u>	<u>13,704</u>	<u>178,963</u>	<u>-</u>
DISBURSEMENTS					
General Government	-	-	8,261	-	-
Public Safety	-	-	-	143,911	9,000
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	80,951	75,629	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>80,951</u>	<u>75,629</u>	<u>8,261</u>	<u>143,911</u>	<u>9,000</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>6,423</u>	<u>1,240</u>	<u>5,443</u>	<u>35,052</u>	<u>(9,000)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	9,000
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Net Change in Fund Balances	6,423	1,240	5,443	35,052	-
FUND BALANCES - BEGINNING	<u>55,256</u>	<u>39,668</u>	<u>47,299</u>	<u>77,595</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 61,679</u>	<u>\$ 40,908</u>	<u>\$ 52,742</u>	<u>\$ 112,647</u>	<u>\$ -</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ 61,679	\$ 40,908	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	112,647	-
Aid and Assistance	-	-	-	-	-
County Property	-	-	-	-	-
Unemployment Expenses	-	-	52,742	-	-
Historical Society	-	-	-	-	-
Weed Control	-	-	-	-	-
General Operations	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 61,679</u>	<u>\$ 40,908</u>	<u>\$ 52,742</u>	<u>\$ 112,647</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2011

	County Relief Fund	Institutions Fund	Veterans' Aid Fund	Veterans' Money Market Fund	CASA Fund	STOP Fund
RECEIPTS						
Property Taxes	\$ 118	\$ 100,703	\$ 744	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	-	7,877	18	-	18,900	-
Charges for Services	-	-	-	-	16,196	3,150
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>118</u>	<u>108,580</u>	<u>762</u>	<u>-</u>	<u>35,096</u>	<u>3,150</u>
DISBURSEMENTS						
General Government	-	-	-	-	46,069	-
Public Safety	-	-	-	-	-	12,365
Public Works	-	-	-	-	-	-
Public Assistance	-	122,839	2,255	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>122,839</u>	<u>2,255</u>	<u>-</u>	<u>46,069</u>	<u>12,365</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>118</u>	<u>(14,259)</u>	<u>(1,493)</u>	<u>-</u>	<u>(10,973)</u>	<u>(9,215)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	21,070	-
Transfers out	(119)	-	-	-	(9,663)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(119)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,407</u>	<u>-</u>
Net Change in Fund Balances	(1)	(14,259)	(1,493)	-	434	(9,215)
FUND BALANCES - BEGINNING	<u>10</u>	<u>74,508</u>	<u>2,507</u>	<u>23,938</u>	<u>936</u>	<u>16,829</u>
FUND BALANCES - ENDING	<u>\$ 9</u>	<u>\$ 60,249</u>	<u>\$ 1,014</u>	<u>\$ 23,938</u>	<u>\$ 1,370</u>	<u>\$ 7,614</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	7,614
Aid and Assistance	9	60,249	1,014	23,938	1,370	-
County Property	-	-	-	-	-	-
Unemployment Expenses	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
Weed Control	-	-	-	-	-	-
General Operations	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 9</u>	<u>\$ 60,249</u>	<u>\$ 1,014</u>	<u>\$ 23,938</u>	<u>\$ 1,370</u>	<u>\$ 7,614</u>

(Continued)

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

For the Year Ended June 30, 2011

	County Drug Enforcement Fund	Midwest Nebraska Drug Court Fund	Spring Creek Watershed Fund	K-9 Dog Fund	Crime Commission Fund
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	6,043	-	-
Intergovernmental	-	13,924	-	7,580	-
Charges for Services	-	-	-	-	-
Miscellaneous	1,795	1,200	3,700	-	-
TOTAL RECEIPTS	1,795	15,124	9,743	7,580	-
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	1,000	11,629	-	7,860	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	1,000	11,629	-	7,860	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	795	3,495	9,743	(280)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	795	3,495	9,743	(280)	-
FUND BALANCES - BEGINNING	3,432	-	287,337	3,320	8,461
FUND BALANCES - ENDING	\$ 4,227	\$ 3,495	\$ 297,080	\$ 3,040	\$ 8,461
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	4,227	-	-	-	-
Law Enforcement	-	-	-	-	-
Debt Service	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Committed to:					
Law Enforcement	-	3,495	-	3,040	8,461
Aid and Assistance	-	-	-	-	-
County Property	-	-	297,080	-	-
Unemployment Expenses	-	-	-	-	-
Historical Society	-	-	-	-	-
Weed Control	-	-	-	-	-
General Operations	-	-	-	-	-
TOTAL FUND BALANCES	\$ 4,227	\$ 3,495	\$ 297,080	\$ 3,040	\$ 8,461

(Continued)

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

For the Year Ended June 30, 2011

	Historical Society Fund	SCAAP Fund	CASA Grant Fund	County Grant Fund	Victim Witness Fund	Lottery Fund
RECEIPTS						
Property Taxes	\$ 28,148	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	415
Intergovernmental	2,169	-	-	78,416	31,767	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	12,995	-	-	152,522
TOTAL RECEIPTS	<u>30,317</u>	<u>-</u>	<u>12,995</u>	<u>78,416</u>	<u>31,767</u>	<u>152,937</u>
DISBURSEMENTS						
General Government	-	-	4,777	-	-	35,741
Public Safety	-	59,233	-	86,647	45,940	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	31,000	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>31,000</u>	<u>59,233</u>	<u>4,777</u>	<u>86,647</u>	<u>45,940</u>	<u>35,741</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(683)</u>	<u>(59,233)</u>	<u>8,218</u>	<u>(8,231)</u>	<u>(14,173)</u>	<u>117,196</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	22,500	-
Transfers out	-	-	-	(5,187)	(9,646)	(59,605)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,187)</u>	<u>12,854</u>	<u>(59,605)</u>
Net Change in Fund Balances	(683)	(59,233)	8,218	(13,418)	(1,319)	57,591
FUND BALANCES - BEGINNING	<u>1,033</u>	<u>112,430</u>	<u>3,044</u>	<u>22,700</u>	<u>6,317</u>	<u>81,340</u>
FUND BALANCES - ENDING	<u>\$ 350</u>	<u>\$ 53,197</u>	<u>\$ 11,262</u>	<u>\$ 9,282</u>	<u>\$ 4,998</u>	<u>\$ 138,931</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	9,282	-	-
Debt Service	-	-	-	-	-	-
Aid and Assistance	-	-	11,262	-	4,998	-
Committed to:						
Law Enforcement	-	53,197	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Property	-	-	-	-	-	-
Unemployment Expenses	-	-	-	-	-	-
Historical Society	350	-	-	-	-	-
Weed Control	-	-	-	-	-	-
General Operations	-	-	-	-	-	138,931
TOTAL FUND BALANCES	<u>\$ 350</u>	<u>\$ 53,197</u>	<u>\$ 11,262</u>	<u>\$ 9,282</u>	<u>\$ 4,998</u>	<u>\$ 138,931</u>

(Continued)

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

For the Year Ended June 30, 2011

	911					
	E911 Fund	Enhanced Wireless Fund	Dispatch Fund	Dispatch Remodel Fund	COPS Grant Fund	4M Building Fund
RECEIPTS						
Property Taxes	\$ 97,930	\$ 37,575	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	-	-	195,000	-	28,107	36,032
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>97,930</u>	<u>37,575</u>	<u>195,000</u>	<u>-</u>	<u>28,107</u>	<u>36,032</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	48,547
Public Safety	97,600	5,700	363,954	-	-	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>97,600</u>	<u>5,700</u>	<u>363,954</u>	<u>-</u>	<u>-</u>	<u>48,547</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>330</u>	<u>31,875</u>	<u>(168,954)</u>	<u>-</u>	<u>28,107</u>	<u>(12,515)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	241,582	-	-	12,222
Transfers out	(9,789)	-	(98,702)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,789)</u>	<u>-</u>	<u>142,880</u>	<u>-</u>	<u>-</u>	<u>12,222</u>
Net Change in Fund Balances	(9,459)	31,875	(26,074)	-	28,107	(293)
FUND BALANCES - BEGINNING	<u>218,752</u>	<u>-</u>	<u>52,584</u>	<u>2,755</u>	<u>-</u>	<u>4,745</u>
FUND BALANCES - ENDING	<u>\$ 209,293</u>	<u>\$ 31,875</u>	<u>\$ 26,510</u>	<u>\$ 2,755</u>	<u>\$ 28,107</u>	<u>\$ 4,452</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	209,293	31,875	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	28,107	-
Debt Service	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	26,510	2,755	-	-
Aid and Assistance	-	-	-	-	-	-
County Property	-	-	-	-	-	4,452
Unemployment Expenses	-	-	-	-	-	-
Historical Society	-	-	-	-	-	-
Weed Control	-	-	-	-	-	-
General Operations	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 209,293</u>	<u>\$ 31,875</u>	<u>\$ 26,510</u>	<u>\$ 2,755</u>	<u>\$ 28,107</u>	<u>\$ 4,452</u>

(Continued)

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

For the Year Ended June 30, 2011

	Jail Obligation Bond Fund	Courthouse Remodeling Bond Fund	Noxious Weed Control Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ 109,998	\$ 162,025	\$ -	\$ 714,104
Interest	-	-	-	6,458
Intergovernmental	2,656	11,393	11	434,934
Charges for Services	-	-	79,807	204,253
Miscellaneous	524	-	-	246,599
TOTAL RECEIPTS	<u>113,178</u>	<u>173,418</u>	<u>79,818</u>	<u>1,606,348</u>
DISBURSEMENTS				
General Government	-	-	-	143,395
Public Safety	-	-	-	844,839
Public Works	-	-	179,346	179,346
Public Assistance	-	-	-	125,094
Culture and Recreation	-	-	-	187,580
Debt Service:				
Principal Payments	281,000	163,000	-	444,000
Interest and Fiscal Charges	2,702	10,585	-	13,287
TOTAL DISBURSEMENTS	<u>283,702</u>	<u>173,585</u>	<u>179,346</u>	<u>1,937,541</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(170,524)</u>	<u>(167)</u>	<u>(99,528)</u>	<u>(331,193)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	67,000	373,374
Transfers out	-	-	-	(192,711)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>180,663</u>
Net Change in Fund Balances	(170,524)	(167)	(32,528)	(150,530)
FUND BALANCES - BEGINNING	<u>182,945</u>	<u>112,203</u>	<u>42,553</u>	<u>1,484,497</u>
FUND BALANCES - ENDING	<u>\$ 12,421</u>	<u>\$ 112,036</u>	<u>\$ 10,025</u>	<u>\$ 1,333,967</u>
FUND BALANCES:				
Restricted for:				
Visitor Promotion	\$ -	\$ -	\$ -	\$ 102,587
911 Emergency Services	-	-	-	241,168
Drug Education	-	-	-	4,227
Law Enforcement	-	-	-	37,389
Debt Service	12,421	112,036	-	124,457
Aid and Assistance	-	-	-	16,260
Committed to:				
Law Enforcement	-	-	-	217,719
Aid and Assistance	-	-	-	86,580
County Property	-	-	-	301,532
Unemployment Expenses	-	-	-	52,742
Historical Society	-	-	-	350
Weed Control	-	-	10,025	10,025
General Operations	-	-	-	138,931
TOTAL FUND BALANCES	<u>\$ 12,421</u>	<u>\$ 112,036</u>	<u>\$ 10,025</u>	<u>\$ 1,333,967</u>

(Concluded)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>VISITOR'S PROMOTION FUND</u>				
RECEIPTS				
Taxes	\$ 54,854	\$ 54,854	\$ 87,374	\$ 32,520
TOTAL RECEIPTS	<u>54,854</u>	<u>54,854</u>	<u>87,374</u>	<u>32,520</u>
DISBURSEMENTS	<u>110,110</u>	<u>110,110</u>	<u>80,951</u>	<u>29,159</u>
Net Change in Fund Balance	(55,256)	(55,256)	6,423	61,679
FUND BALANCE - BEGINNING	55,256	55,256	55,256	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,679</u>	<u>\$ 61,679</u>
<u>VISITOR'S DEVELOPMENT IMPROVEMENT FUND</u>				
RECEIPTS				
Taxes	\$ 82,832	\$ 82,832	\$ 76,869	\$ (5,963)
TOTAL RECEIPTS	<u>82,832</u>	<u>82,832</u>	<u>76,869</u>	<u>(5,963)</u>
DISBURSEMENTS	<u>122,500</u>	<u>122,500</u>	<u>75,629</u>	<u>46,871</u>
Net Change in Fund Balance	(39,668)	(39,668)	1,240	40,908
FUND BALANCE - BEGINNING	39,668	39,668	39,668	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,908</u>	<u>\$ 40,908</u>
<u>UNEMPLOYMENT COMPENSATION FUND</u>				
RECEIPTS				
Taxes	\$ 15,700	\$ 15,700	\$ 12,620	\$ (3,080)
Intergovernmental	1	1	1,084	1,083
TOTAL RECEIPTS	<u>15,701</u>	<u>15,701</u>	<u>13,704</u>	<u>(1,997)</u>
DISBURSEMENTS	<u>53,000</u>	<u>53,000</u>	<u>8,261</u>	<u>44,739</u>
Net Change in Fund Balance	(37,299)	(37,299)	5,443	42,742
FUND BALANCE - BEGINNING	47,299	47,299	47,299	-
FUND BALANCE - ENDING	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 52,742</u>	<u>\$ 42,742</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>INVENTORY MAINTENANCE FUND</u>				
RECEIPTS				
Charges for Services	\$ 137,405	\$ 137,405	\$ 105,100	\$ (32,305)
Miscellaneous	35,000	35,000	73,863	38,863
TOTAL RECEIPTS	<u>172,405</u>	<u>172,405</u>	<u>178,963</u>	<u>6,558</u>
 DISBURSEMENTS	 <u>250,000</u>	 <u>250,000</u>	 <u>143,911</u>	 <u>106,089</u>
 Net Change in Fund Balance	 (77,595)	 (77,595)	 35,052	 112,647
FUND BALANCE - BEGINNING	<u>77,595</u>	<u>77,595</u>	<u>77,595</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 112,647</u></u>	<u><u>\$ 112,647</u></u>
 <u>PARENT CHILD CENTER FUND</u>				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 DISBURSEMENTS	 <u>9,000</u>	 <u>9,000</u>	 <u>9,000</u>	 <u>-</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	9,000	9,000	9,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
 Net Change in Fund Balance	 -	 -	 -	 -
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY RELIEF FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 118	\$ 118
TOTAL RECEIPTS	-	-	118	118
DISBURSEMENTS				
	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(10)	(10)	(119)	(109)
TOTAL OTHER FINANCING SOURCES (USES)	(10)	(10)	(119)	(109)
Net Change in Fund Balance	(10)	(10)	(1)	9
FUND BALANCE - BEGINNING	10	10	10	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>
INSTITUTIONS FUND				
RECEIPTS				
Taxes	\$ 109,942	\$ 109,942	\$ 100,703	\$ (9,239)
Intergovernmental	3,050	3,050	7,877	4,827
TOTAL RECEIPTS	112,992	112,992	108,580	(4,412)
DISBURSEMENTS				
	137,500	137,500	122,839	14,661
Net Change in Fund Balance	(24,508)	(24,508)	(14,259)	10,249
FUND BALANCE - BEGINNING	74,508	74,508	74,508	-
FUND BALANCE - ENDING	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 60,249</u>	<u>\$ 10,249</u>
VETERANS' AID FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 744	\$ 744
Intergovernmental	-	-	18	18
TOTAL RECEIPTS	-	-	762	762
DISBURSEMENTS				
	2,507	2,507	2,255	252
Net Change in Fund Balance	(2,507)	(2,507)	(1,493)	1,014
FUND BALANCE - BEGINNING	2,507	2,507	2,507	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,014</u>	<u>\$ 1,014</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>VETERANS' MONEY MARKET FUND</u>				
RECEIPTS				
Miscellaneous	\$ 62	\$ 62	\$ -	\$ (62)
TOTAL RECEIPTS	62	62	-	(62)
DISBURSEMENTS				
Net Change in Fund Balance	(23,938)	(23,938)	-	23,938
FUND BALANCE - BEGINNING	23,938	23,938	23,938	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 23,938	\$ 23,938
<u>CASA FUND</u>				
RECEIPTS				
Intergovernmental	\$ 7,587	\$ 7,587	\$ 18,900	\$ 11,313
Charges for Services	-	-	16,196	16,196
Miscellaneous	28,332	28,332	-	(28,332)
TOTAL RECEIPTS	35,919	35,919	35,096	(823)
DISBURSEMENTS				
OTHER FINANCING SOURCES (USES)				
Transfers in	18,383	18,383	21,070	2,687
Transfers out	-	-	(9,663)	(9,663)
TOTAL OTHER FINANCING SOURCES (USES)	18,383	18,383	11,407	(6,976)
Net Change in Fund Balance	(936)	(936)	434	1,370
FUND BALANCE - BEGINNING	936	936	936	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,370	\$ 1,370
<u>STOP FUND</u>				
RECEIPTS				
Charges for Services	\$ 8,171	\$ 8,171	\$ 3,150	\$ (5,021)
TOTAL RECEIPTS	8,171	8,171	3,150	(5,021)
DISBURSEMENTS				
Net Change in Fund Balance	(16,829)	(16,829)	(9,215)	7,614
FUND BALANCE - BEGINNING	16,829	16,829	16,829	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 7,614	\$ 7,614

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY DRUG ENFORCEMENT FUND				
RECEIPTS				
Miscellaneous	\$ 21,568	\$ 21,568	\$ 1,795	\$ (19,773)
TOTAL RECEIPTS	21,568	21,568	1,795	(19,773)
DISBURSEMENTS				
Net Change in Fund Balance	(3,432)	(3,432)	795	4,227
FUND BALANCE - BEGINNING	3,432	3,432	3,432	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,227	\$ 4,227
MIDWEST NEBRASKA DRUG COURT				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 13,924	\$ 13,924
Miscellaneous	3,793	3,793	1,200	(2,593)
TOTAL RECEIPTS	3,793	3,793	15,124	11,331
DISBURSEMENTS				
50,000	50,000	11,629	38,371	
OTHER FINANCING SOURCES (USES)				
Transfers in	46,207	46,207	-	(46,207)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	46,207	46,207	-	(46,207)
Net Change in Fund Balance	-	-	3,495	3,495
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,495	\$ 3,495
SPRING CREEK WATERSHED FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 6,043	\$ 6,043
Miscellaneous	-	-	3,700	3,700
TOTAL RECEIPTS	-	-	9,743	9,743
DISBURSEMENTS				
Net Change in Fund Balance	-	-	9,743	9,743
FUND BALANCE - BEGINNING	-	-	287,337	287,337
FUND BALANCE - ENDING	\$ -	\$ -	\$ 297,080	\$ 297,080

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
K-9 DOG FUND				
RECEIPTS				
Intergovernmental	\$ 11,680	\$ 11,680	\$ 7,580	\$ (4,100)
TOTAL RECEIPTS	11,680	11,680	7,580	(4,100)
DISBURSEMENTS	15,000	15,000	7,860	7,140
Net Change in Fund Balance	(3,320)	(3,320)	(280)	3,040
FUND BALANCE - BEGINNING	3,320	3,320	3,320	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,040</u>	<u>\$ 3,040</u>
CRIME COMMISSION FUND				
RECEIPTS				
Intergovernmental	\$ 1,539	\$ 1,539	\$ -	\$ (1,539)
TOTAL RECEIPTS	1,539	1,539	-	(1,539)
DISBURSEMENTS	10,000	10,000	-	10,000
Net Change in Fund Balance	(8,461)	(8,461)	-	8,461
FUND BALANCE - BEGINNING	8,461	8,461	8,461	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,461</u>	<u>\$ 8,461</u>
HISTORICAL SOCIETY FUND				
RECEIPTS				
Taxes	\$ 29,966	\$ 29,966	\$ 28,148	\$ (1,818)
Intergovernmental	1	1	2,169	2,168
TOTAL RECEIPTS	29,967	29,967	30,317	350
DISBURSEMENTS	31,000	31,000	31,000	-
Net Change in Fund Balance	(1,033)	(1,033)	(683)	350
FUND BALANCE - BEGINNING	1,033	1,033	1,033	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 350</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SCAAP FUND				
RECEIPTS				
Intergovernmental	\$ 95,437	\$ 95,437	\$ -	\$ (95,437)
TOTAL RECEIPTS	<u>95,437</u>	<u>95,437</u>	<u>-</u>	<u>(95,437)</u>
DISBURSEMENTS	<u>161,000</u>	<u>161,000</u>	<u>59,233</u>	<u>101,767</u>
Net Change in Fund Balance	(65,563)	(65,563)	(59,233)	6,330
FUND BALANCE - BEGINNING	<u>65,563</u>	<u>65,563</u>	<u>112,430</u>	<u>46,867</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,197</u>	<u>\$ 53,197</u>
CASA GRANT FUND				
RECEIPTS				
Intergovernmental	\$ 5,950	\$ 5,950	\$ -	\$ (5,950)
Miscellaneous	-	-	12,995	12,995
TOTAL RECEIPTS	<u>5,950</u>	<u>5,950</u>	<u>12,995</u>	<u>7,045</u>
DISBURSEMENTS	<u>8,994</u>	<u>8,994</u>	<u>4,777</u>	<u>4,217</u>
Net Change in Fund Balance	(3,044)	(3,044)	8,218	11,262
FUND BALANCE - BEGINNING	<u>3,044</u>	<u>3,044</u>	<u>3,044</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,262</u>	<u>\$ 11,262</u>
COUNTY GRANT FUND				
RECEIPTS				
Intergovernmental	\$ 827,300	\$ 827,300	\$ 78,416	\$ (748,884)
TOTAL RECEIPTS	<u>827,300</u>	<u>827,300</u>	<u>78,416</u>	<u>(748,884)</u>
DISBURSEMENTS	<u>850,000</u>	<u>850,000</u>	<u>86,647</u>	<u>763,353</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(5,187)	(5,187)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(5,187)</u>	<u>(5,187)</u>
Net Change in Fund Balance	(22,700)	(22,700)	(13,418)	9,282
FUND BALANCE - BEGINNING	<u>22,700</u>	<u>22,700</u>	<u>22,700</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,282</u>	<u>\$ 9,282</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VICTIM WITNESS FUND				
RECEIPTS				
Intergovernmental	\$ 31,766	\$ 31,766	\$ 31,767	\$ 1
TOTAL RECEIPTS	<u>31,766</u>	<u>31,766</u>	<u>31,767</u>	<u>1</u>
DISBURSEMENTS	<u>78,169</u>	<u>78,169</u>	<u>45,940</u>	<u>32,229</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,086	40,086	22,500	(17,586)
Transfers out	-	-	(9,646)	(9,646)
TOTAL OTHER FINANCING SOURCES (USES)	<u>40,086</u>	<u>40,086</u>	<u>12,854</u>	<u>(27,232)</u>
Net Change in Fund Balance	(6,317)	(6,317)	(1,319)	4,998
FUND BALANCE - BEGINNING	6,317	6,317	6,317	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,998</u>	<u>\$ 4,998</u>
LOTTERY FUND				
RECEIPTS				
Interest	\$ -	\$ -	\$ 415	\$ 415
Miscellaneous	38,851	38,851	152,522	113,671
TOTAL RECEIPTS	<u>38,851</u>	<u>38,851</u>	<u>152,937</u>	<u>114,086</u>
DISBURSEMENTS	<u>40,100</u>	<u>40,100</u>	<u>35,741</u>	<u>4,359</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(79,691)	(79,691)	(59,605)	20,086
TOTAL OTHER FINANCING SOURCES (USES)	<u>(79,691)</u>	<u>(79,691)</u>	<u>(59,605)</u>	<u>20,086</u>
Net Change in Fund Balance	(80,940)	(80,940)	57,591	138,531
FUND BALANCE - BEGINNING	81,340	81,340	81,340	-
FUND BALANCE - ENDING	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 138,931</u>	<u>\$ 138,531</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 FUND</u>				
RECEIPTS				
Taxes	\$ 153,028	\$ 153,028	\$ 97,930	\$ (55,098)
TOTAL RECEIPTS	<u>153,028</u>	<u>153,028</u>	<u>97,930</u>	<u>(55,098)</u>
DISBURSEMENTS	<u>361,991</u>	<u>361,991</u>	<u>97,600</u>	<u>264,391</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(9,789)	(9,789)	(9,789)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,789)</u>	<u>(9,789)</u>	<u>(9,789)</u>	<u>-</u>
Net Change in Fund Balance	(218,752)	(218,752)	(9,459)	209,293
FUND BALANCE - BEGINNING	218,752	218,752	218,752	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,293</u>	<u>\$ 209,293</u>
<u>911 ENHANCED WIRELESS FUND</u>				
RECEIPTS				
Taxes	\$ 35,000	\$ 35,000	\$ 37,575	\$ 2,575
TOTAL RECEIPTS	<u>35,000</u>	<u>35,000</u>	<u>37,575</u>	<u>2,575</u>
DISBURSEMENTS	<u>35,000</u>	<u>35,000</u>	<u>5,700</u>	<u>29,300</u>
Net Change in Fund Balance	-	-	31,875	31,875
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,875</u>	<u>\$ 31,875</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DISPATCH FUND				
RECEIPTS				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 195,000	\$ (25,000)
TOTAL RECEIPTS	<u>220,000</u>	<u>220,000</u>	<u>195,000</u>	<u>(25,000)</u>
DISBURSEMENTS	<u>497,166</u>	<u>497,166</u>	<u>363,954</u>	<u>133,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	224,582	224,582	241,582	17,000
Transfers out	-	-	(98,702)	(98,702)
TOTAL OTHER FINANCING SOURCES (USES)	<u>224,582</u>	<u>224,582</u>	<u>142,880</u>	<u>(81,702)</u>
Net Change in Fund Balance	(52,584)	(52,584)	(26,074)	26,510
FUND BALANCE - BEGINNING	52,584	52,584	52,584	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,510</u>	<u>\$ 26,510</u>
DISPATCH REMODEL FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS	<u>2,755</u>	<u>2,755</u>	<u>-</u>	<u>2,755</u>
Net Change in Fund Balance	(2,755)	(2,755)	-	2,755
FUND BALANCE - BEGINNING	2,755	2,755	2,755	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,755</u>	<u>\$ 2,755</u>
COPS GRANT FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 28,107	\$ 28,107
TOTAL RECEIPTS	<u>-</u>	<u>-</u>	<u>28,107</u>	<u>28,107</u>
DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	28,107	28,107
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,107</u>	<u>\$ 28,107</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
4M BUILDING FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 36,032	\$ 36,032
Miscellaneous	36,033	36,033	-	(36,033)
TOTAL RECEIPTS	<u>36,033</u>	<u>36,033</u>	<u>36,032</u>	<u>(1)</u>
DISBURSEMENTS	<u>53,000</u>	<u>53,000</u>	<u>48,547</u>	<u>4,453</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,222	12,222	12,222	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,222</u>	<u>12,222</u>	<u>12,222</u>	<u>-</u>
Net Change in Fund Balance	(4,745)	(4,745)	(293)	4,452
FUND BALANCE - BEGINNING	4,745	4,745	4,745	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,452</u>	<u>\$ 4,452</u>
JAIL OBLIGATION BOND FUND				
RECEIPTS				
Taxes	\$ -	\$ -	\$ 109,998	\$ 109,998
Intergovernmental	17,501	17,501	2,656	(14,845)
Miscellaneous	-	-	524	524
TOTAL RECEIPTS	<u>17,501</u>	<u>17,501</u>	<u>113,178</u>	<u>95,677</u>
DISBURSEMENTS	<u>285,000</u>	<u>285,000</u>	<u>283,702</u>	<u>1,298</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	84,554	84,554	-	(84,554)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>84,554</u>	<u>84,554</u>	<u>-</u>	<u>(84,554)</u>
Net Change in Fund Balance	(182,945)	(182,945)	(170,524)	12,421
FUND BALANCE - BEGINNING	182,945	182,945	182,945	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,421</u>	<u>\$ 12,421</u>

(Continued)

DAWSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COURTHOUSE REMODELING				
BOND FUND				
RECEIPTS				
Taxes	\$ 151,000	\$ 151,000	\$ 162,025	\$ 11,025
Intergovernmental	11,797	11,797	11,393	(404)
TOTAL RECEIPTS	<u>162,797</u>	<u>162,797</u>	<u>173,418</u>	<u>10,621</u>
DISBURSEMENTS	<u>175,000</u>	<u>175,000</u>	<u>173,585</u>	<u>1,415</u>
Net Change in Fund Balance	(12,203)	(12,203)	(167)	12,036
FUND BALANCE - BEGINNING	112,203	112,203	112,203	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 112,036</u>	<u>\$ 12,036</u>
NOXIOUS WEED CONTROL FUND				
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 11	\$ 11
Charges for Services	74,147	74,147	79,807	5,660
TOTAL RECEIPTS	<u>74,147</u>	<u>74,147</u>	<u>79,818</u>	<u>5,671</u>
DISBURSEMENTS	<u>193,850</u>	<u>193,850</u>	<u>179,346</u>	<u>14,504</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	177,150	177,150	67,000	(110,150)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>177,150</u>	<u>177,150</u>	<u>67,000</u>	<u>(110,150)</u>
Net Change in Fund Balance	57,447	57,447	(32,528)	(89,975)
FUND BALANCE - BEGINNING	42,553	42,553	42,553	-
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 10,025</u>	<u>\$ (89,975)</u>

(Concluded)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2011

	<u>County Clerk</u>	<u>Register of Deeds</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Weed Superintendent</u>	<u>Highway Superintendent</u>
BALANCE JULY 1, 2010	\$ 2,349	\$ 22,317	\$ 125,188	\$ 35,892	\$ 11,528	\$ 22,759	\$ -
RECEIPTS							
Licenses and Permits	3,662	-	-	1,230	-	-	-
Intergovernmental	-	-	-	708,256	-	-	-
Charges for Services	285,942	100,336	107,982	499,195	7,210	69,957	-
Miscellaneous	156,683	-	-	1,990	6	-	27,484
State Fees	-	113,468	73,798	-	-	-	-
Other Liabilities	-	-	939,384	415,715	22,084	-	-
TOTAL RECEIPTS	<u>446,287</u>	<u>213,804</u>	<u>1,121,164</u>	<u>1,626,386</u>	<u>29,300</u>	<u>69,957</u>	<u>27,484</u>
DISBURSEMENTS							
Payments to County Treasurer	440,920	99,547	100,547	1,210,053	7,320	79,807	27,484
Payments to State Treasurer	-	110,545	73,970	-	-	-	-
Other Liabilities	4,509	-	797,539	417,710	22,086	-	-
TOTAL DISBURSEMENTS	<u>445,429</u>	<u>210,092</u>	<u>972,056</u>	<u>1,627,763</u>	<u>29,406</u>	<u>79,807</u>	<u>27,484</u>
BALANCE JUNE 30, 2011	<u>\$ 3,207</u>	<u>\$ 26,029</u>	<u>\$ 274,296</u>	<u>\$ 34,515</u>	<u>\$ 11,422</u>	<u>\$ 12,909</u>	<u>\$ -</u>
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 3,207	\$ 10,373	\$ 15,257	\$ 23,496	\$ -	\$ 12,909	\$ -
Petty Cash	-	-	324	1,035	6,156	-	-
Due to State Treasurer	-	15,656	5,978	-	-	-	-
Due to Others	-	-	252,737	9,984	5,266	-	-
BALANCE JUNE 30, 2011	<u>\$ 3,207</u>	<u>\$ 26,029</u>	<u>\$ 274,296</u>	<u>\$ 34,515</u>	<u>\$ 11,422</u>	<u>\$ 12,909</u>	<u>\$ -</u>

(Continued)

DAWSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2011

	Veterans' Service Officer	County Surveyor	County Handibus	County Planning and Zoning	County Child Support	County CASA	Total
BALANCE JULY 1, 2010	\$ 522	\$ -	\$ 1,112	\$ -	\$ 947	\$ -	\$ 222,614
RECEIPTS							
Licenses and Permits	-	-	-	1,660	-	-	6,552
Intergovernmental	-	-	-	-	-	25,665	733,921
Charges for Services	-	33,665	8,792	-	-	-	1,113,079
Miscellaneous	1,001	-	-	-	-	22,426	209,590
State Fees	-	-	-	-	-	-	187,266
Other Liabilities	-	-	-	-	4,791	-	1,381,974
TOTAL RECEIPTS	1,001	33,665	8,792	1,660	4,791	48,091	3,632,382
DISBURSEMENTS							
Payments to County Treasurer	-	33,665	9,440	1,660	-	48,091	2,058,534
Payments to State Treasurer	-	-	-	-	-	-	184,515
Other Liabilities	318	-	-	-	5,098	-	1,247,260
TOTAL DISBURSEMENTS	318	33,665	9,440	1,660	5,098	48,091	3,490,309
BALANCE JUNE 30, 2011	\$ 1,205	\$ -	\$ 464	\$ -	\$ 640	\$ -	\$ 364,687
BALANCE CONSISTS OF:							
Due to County Treasurer	\$ 1,205	\$ -	\$ 464	\$ -	\$ -	\$ -	\$ 66,911
Petty Cash	-	-	-	-	640	-	8,155
Due to State Treasurer	-	-	-	-	-	-	21,634
Due to Others	-	-	-	-	-	-	267,987
BALANCE JUNE 30, 2011	\$ 1,205	\$ -	\$ 464	\$ -	\$ 640	\$ -	\$ 364,687

(Concluded)

DAWSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR
ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2011

Item	2006	2007	2008	2009	2010
Tax Certified by Assessor					
Real Estate	\$ 27,419,551	\$ 27,124,453	\$ 28,216,837	\$ 29,407,114	\$ 31,806,065
Personal and Specials	2,445,579	2,144,973	2,049,085	2,043,535	2,228,160
Total	29,865,130	29,269,426	30,265,922	31,450,649	34,034,225
Corrections					
Additions	86,882	26,343	66,238	38,030	29,063
Deductions	(171,468)	(75,484)	(114,366)	(111,822)	(19,172)
Net Additions/ (Deductions)	(84,586)	(49,141)	(48,128)	(73,792)	9,891
Corrected Certified Tax	29,780,544	29,220,285	30,217,794	31,376,857	34,044,116
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2007	16,819,532	-	-	-	-
June 30, 2008	12,917,542	16,734,149	-	-	-
June 30, 2009	32,183	12,447,513	17,425,703	-	-
June 30, 2010	8,304	31,623	12,749,636	18,273,494	-
June 30, 2011	857	2,855	33,614	13,067,124	19,825,351
Total Net Collections	29,778,418	29,216,140	30,208,953	31,340,618	19,825,351
Total Uncollected Tax	\$ 2,126	\$ 4,145	\$ 8,841	\$ 36,239	\$ 14,218,765
Percentage Uncollected Tax	0.01%	0.01%	0.03%	0.12%	41.77%



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

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

Board of Commissioners
Dawson County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dawson County as of and for the year ended June 30, 2011, and have issued our report thereon dated March 5, 2012. The report notes the financial statements were prepared on the basis of cash receipts and disbursements. Except as noted above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect, or correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, detected or corrected on a timely basis. We consider the following deficiency to be a material weakness:

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

Compliance and Other Matters

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

We also noted certain matters that we reported to management of Dawson County in a separate letter dated March 5, 2012.

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

Signed Original on File

March 5, 2012

Deann Haeffner, CPA
Assistant Deputy Auditor

**MANAGEMENT LETTER
OF
DAWSON COUNTY**

JULY 1, 2010 THROUGH JUNE 30, 2011

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on March 19, 2012



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

March 5, 2012

Board of Commissioners
Dawson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Dawson County (County) for the fiscal year ended June 30, 2011, and have issued our report thereon dated March 5, 2012. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY OVERALL

Segregation of Duties

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

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

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

Petty Cash Funds

We noted the following Petty Cash funds were not included in the budget message at the correct amounts, and lacked documentation of the County Board's authorization:

- County Attorney - \$6,156
- County Sheriff - \$1,035
- Court Appointed Special Advocate - \$13
- Child Support - \$640
- County Board - \$2,200
- Clerk of District Court - \$324

Neb. Rev. Stat. § 23-106(2) (Reissue 2007) states, in part, "The county board shall have the authority to establish a petty cash fund for such county for the purpose of making payments for subsidiary general operational expenditures and purchases. Such county board shall set, by resolution of the board, the amount of money to be carried in such petty cash fund and the dollar limit of an expenditure from such fund and such amount shall be stated in the fiscal policy of the county board budget message."

When petty cash funds are not properly authorized by the County Board and disclosed in the budget message of the County budget document, the County is not in compliance with State statute. In addition, the County is exposed to an increased risk of loss, theft, or misuse of County funds.

We recommend the County Board review petty cash funds used by County offices and, if it is the intention of the County Board for those offices to have approved petty cash funds, a formal resolution should be adopted to outline authorized expenditures and amounts. We further recommend all authorized petty cash funds be properly stated in the budget message of the County budget document.

Fee Rate Approval

We noted the following offices charged fees for services provided; however, the amount of the fees were not set by State statute or the County Board:

- County Surveyor - Hourly rates charged.
- County Handi-bus - Fees charged to ride the Handibus.
- County Highway Department - Rates charged for sale of culverts.
- County Weed Department - Rates charged for spraying services.
- County Clerk - Fees charged for various items such as copies, searches, and vending machine fees.

Neb. Rev. Stat. § 23-106 (Reissue 2007) assigns the responsibility to the County Board for managing the County funds and County business. In addition, good internal control and sound accounting practice requires fees be set by the County Board and documented in board minutes. When the County Board is not approving fees charged, there is an increased risk of loss or misuse of County funds.

We recommend the County Board approve any fees collected that are not established by State statute.

Unclaimed Property

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by public entities or political subdivisions which remained unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding.

During our audit, we noted the following offices held funds which had remained unclaimed for more than three years and had not been remitted to the State Treasurer in accordance with the Unclaimed Property Act:

- Clerk of District Court - one check for \$55 and one trust balance for \$42.
- County Register of Deeds - 14 checks totaling \$93 and unknown trust balances totaling \$121.
- County Sheriff - 557 outstanding checks totaling \$7,066.
- County Attorney - unknown trust balances totaling \$5,266.

We recommend all personal property, including uncashed checks and unclaimed trust balances, which remain unclaimed for more than three years be remitted to the State Treasurer in accordance with the Unclaimed Property Act.

Inventory Procedures

During our audit we reviewed the County inventory statements, we noted the following:

- The County Highway Department did not file an inventory statement for the year ended June 30, 2011.
- A camera listed on the County Sheriff's inventory statement could not be physically located.
- A 2009 Chevy Van purchased in August 2010 was not included on the County Sheriff's inventory statement.

Neb. Rev. Stat. § 23-347 (Reissue 2007) requires county officers to file with the county board within two calendar months after the close of each fiscal year an inventory statement of all county personal property in their custody and possession.

When annual inventory statements are not filed completely, accurately, and timely, the County is not in compliance with State statute, and there is an increased risk of loss, theft, or misuse of County property.

We recommend the County Board implement procedures to ensure all annual inventory statements are filed timely and accurately.

COUNTY BOARD

Contract Payments

During testing we noted that the cities of Cozad and Lexington were not paying for dispatch services according to the contracts on file. The contract states that each city will pay 5.75% of the communications facility budgeted costs on October 1st, January 1st, and April 1st, and then on June 15th pay an amount adjusted to reflect the balance of their individual 23% of the actual costs incurred during the fiscal year. The cities paid four payments of \$25,000 during fiscal year 2011.

Good internal controls and sound accounting practices require that payments received for services agree to current contracts. When payments received are not in compliance with the contracts, there is an increased risk of loss or misuse of County funds.

We recommend that County Board implement procedures to ensure all payments received are in compliance with current contracts on file.

Payroll Procedures

During testing of payroll claims, we noted the following:

- One individual who was paid from multiple budget functions did not have the correct amount of withholding taxes withheld per the information provided on the employee's W-4. Federal withholding taxes were under-withheld \$50 and State withholding taxes were under-withheld \$17 for the pay period tested.
- Withholdings for two individuals did not agree to the reporting status per the information provided on the employees' W-4. For one individual, Federal withholding taxes were over-withheld by \$286 and State withholding taxes were over-withheld by \$75; for the other individual Federal withholding taxes were over-withheld by \$200 and State withholding taxes were over-withheld by \$51 in the pay period tested.
- One individual hired after November 6, 1986, did not have Form I-9 on file.

Internal Revenue Service (IRS) Publication 15 (Circular E), *2011 Employer's Tax Guide*, outlines an employer's responsibility to withhold Federal income tax based on each employee's W-4 form. Additionally, the Department of Homeland Security – U.S. Citizenship and Immigration Services require that Form I-9, *Employment Eligibility Verification*, be completed to document that an employee, hired after November 6, 1986, is eligible to work in the United States. Form I-9 must be maintained for three years after the date of hire or one year after the date the employee is terminated, whichever is later.

We recommend the County Board implement procedures to ensure Federal income taxes are withheld according to the IRS' Circular E and information provided by employees on their W-4 forms. We also recommend that the County review its procedures to ensure all required employment forms are appropriately obtained and retained.

Deposit Coverage

During our audit we noted one day in January 2011 and six days in June 2011 where the County Board bank accounts did not have adequate pledged securities to fully secure bank deposits. The uncollateralized deposits ranged from \$32,740 to \$292,178.

Neb. Rev. Stat. § 77-2395 (Reissue 2009) states “the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured by the Federal Deposit Insurance Corporation, unless and until the depository has furnished to the custodial official securities, the market value of which are in an amount not less than one hundred two percent of the amount on deposit which is in excess of the amount so insured or guaranteed.”

When deposits are not fully secured at all times, the County Board is not in compliance with State statute and there is an increased risk of loss should financial institutions holding County deposits fail.

We recommend the County Board implement procedures to ensure bank accounts are adequately collateralized at all times.

Vehicle Purchase

During testing we noted the County over-paid \$2,100 for the purchase of a 2009 Chevy Express Van. The bid submitted was for \$17,100; however, the price paid for the van was \$19,200.

Good internal controls and sound accounting practices require that the amount paid for an item that was put out for bid, be the amount that was selected and approved by the County Board. When prices are not checked to the approved amount before payment is made, there is an increased risk of loss or misuse of County funds.

We recommend the County work with the dealership to get refunded the amount that was overpaid.

Claim Procedures

During our testing of vendor claims we noted the following:

- A \$58 bus ticket did not include supporting documentation and was filed five months after the expense occurred.
- A \$14,182 credit card claim was paid but did not include original receipts for the purchases made on the card.
- A \$16 meal expense reimbursement did not include an itemized receipt.

Good internal controls require the County Board ensure claims are filed in a reasonable amount of time and that adequate supporting documentation be maintained to support all expenditures approved. When adequate, supporting documentation is not obtained for all claims and claims are not submitted timely there is an increased risk that County funds will be lost or misused.

We recommend the County Board establish policies and procedures to ensure all claims contain proper supporting documentation and are paid in a timely manner.

Delinquent Property Taxes

We noted that the County Board did not have procedures in place to ensure vendors did not have delinquent personal property taxes before payment of claims.

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

When the County Board does not verify that vendors do not have delinquent personal property taxes, they are in noncompliance with State statute and there is an increased risk that claims are being paid when delinquent taxes should be deducted.

We recommend the County Board implement procedures to review claims to ensure appropriate deduction of any delinquent personal property taxes.

COUNTY CLERK

Cash Management

During testing we noted the following cash management issues in the County Clerk’s office:

- The County Clerk cashed personal checks from money on hand. For the period of January 2010 through January 2012 the auditor noted 11 instances of this procedure totaling \$87.
- Expenses totaling \$344 for items such as flowers, retirement plaques, postage, payments to the Department of Motor Vehicles were paid directly out of the Clerk’s account rather than going through the claim process.
- Money collected for fees was reconciled weekly; however, the money was only deposited on a monthly basis.
- One of eight checks observed during testing was not restrictively endorsed “For Deposit Only.”

Neb. Rev. Stat. § 23-1601 (Reissue 2007) states, “It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.” Neb. Rev. Stat. § 23-109 (Reissue 2007) states, “The county board shall have power to examine and settle all accounts against the county and all accounts concerning the receipts and expenditures of the county.”

Sound accounting practices and good internal controls require employees not use cash on hand for personal use even if it is replaced with personal checks and that money be deposited in a timely manner, and checks be restrictively endorsed upon receipt. There is an increased risk of loss, theft, or misuse of County funds when all monies are not deposited timely and in full.

We recommend the practice of cashing personal checks from money on hand cease immediately. We also recommend all expenses paid go through the claims process, money collected be deposited at least weekly, and checks be restrictively endorsed upon receipt.

Vending Machine Process

During review of the vending machine process we noted the following:

- Money collected from the vending machines was deposited inconsistently and untimely to a bank account, not the County Treasurer. The cash on hand at June 30, 2010, was \$386; at June 30, 2011, the balance had increased to \$2,550. Receipts during the year totaled \$5,024, but deposits totaled \$2,860 resulting in the increase to cash on hand.
- Vending machine expenses totaling \$4,165 were paid directly from the County Clerk bank account, without County Board approval.

Neb. Rev. Stat. § 23-1601 (Reissue 2007) states, “It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived and by any method of payment provided by section 77-1702, and all other money which is by law directed to be paid to him or her.” Neb. Rev. Stat. § 23-109 (Reissue 2007) states, “The county board shall have power to examine and settle all accounts against the county and all accounts concerning the receipts and expenditures of the county.”

Good internal controls require the County to establish policies and procedures to ensure all money collected is deposited to a bank and/or the County Treasurer in a timely manner and that all expenses are approved by the County Board. When money is not remitted to the County Treasurer and expenses are not approved by the County Board there is an increased risk of loss, theft, or misuse of County funds.

We recommend the County establish policies and procedures for the vending machine process including the timely deposit of all collections to the County Treasurer and approval of all expenses through the County Board’s claim process.

COUNTY SHERIFF

Balancing Procedures

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

At June 30, 2011, a listing of trust balances could not be provided for \$141 in the distress warrant account, and \$71 in the inmate account. When all monies received are not appropriately accounted for and there is a failure to determine asset-to-liability balancing variances, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff implement documented monthly balancing procedures and follow up on variances in a timely manner.

COUNTY TREASURER

Incomplete Accounting of Assets

The County Treasurer's daily balance sheets and semi-annual statement did not include the following accounts and their respective amounts as of June 30, 2011:

- The Railroad Transportation District bank account with a balance of \$379,265.
- The Spring Creek certificate of deposit with a balance of \$75,783.

Good internal control and sound business practices require all assets, and the related financial activity of such assets, be reflected on the County Treasurer's daily balance sheets and semi-annual statements in order to provide a complete and accurate presentation of all County assets. When all assets and related financial activity are not receipted and added to the accounting records, they do not provide a complete and accurate presentation of the County assets.

We recommend the County Treasurer's daily balance sheets and semi-annual statements include all assets held by the office and the financial activity related to such assets in order to provide complete and accurate office accountability.

Incorrect Commissions

We noted the County Treasurer was retaining a two percent commission for some Homestead Exemption and Property Tax Credit Distributions.

- Three of ten subdivisions selected for testing were charged a two percent collection commission for Homestead Exemption receipts.
- Five of ten subdivisions selected for testing were charged a two percent collection commission for Property Tax Credit receipts.

Neb. Rev. Stat. § 77-3523 (Reissue 2009) allows the county treasurer to retain a commission of one percent of all Homestead Exemption receipts distributed. Neb. Rev. Stat. § 77-4212 (Reissue 2009) allows the county treasurer to retain a commission of one percent of all Property Tax Credit receipts distributed.

We recommend the County Treasurer ensure that all subdivisions are charged the appropriate collection commissions for Homestead Exemption and Property Tax Credit receipts.

* * * * *

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

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

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

Sincerely,

Signed Original on File

Deann Haeffner, CPA
Assistant Deputy Auditor