

**AUDIT REPORT
OF
JEFFERSON COUNTY**

JULY 1, 2012 THROUGH JUNE 30, 2013

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the Auditor of Public Accounts.**

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September 23, 2013

JEFFERSON COUNTY

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JEFFERSON COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2013

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Michael Dux	Board of Commissioners	Jan. 2015
Bradley Grummert		Jan. 2017
Arthur Craig Jr.		Jan. 2015
Vicki Haskell	Assessor	Jan. 2015
Linda Bauer	Attorney	Jan. 2015
Sandra Stelling	Clerk Election Commissioner Register of Deeds	Jan. 2015
Rosanna Wiegert	Clerk of the District Court	Jan. 2015
Nels Sorensen	Sheriff	Jan. 2015
Leroy Bast	Treasurer	Jan. 2015
Kenneth Dodge	Veterans' Service Officer	Appointed
John McKee	Weed Superintendent Emergency Manager Planning & Zoning	Appointed
William Hansel	Highway Superintendent	Appointed



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JEFFERSON COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County as of and for the year ended June 30, 2013, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and aggregate remaining fund information of Jefferson County as of June 30, 2013; the respective changes in cash-basis financial position; and, when applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2013, on our consideration of Jefferson 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 considering Jefferson County's internal control over financial reporting and compliance.

Basis of Accounting

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

SIGNED ORIGINAL ON FILE

September 18, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor

JEFFERSON COUNTY
STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2013

	Governmental Activities
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 5,863,624
Investments (Note 1.D)	3,471
TOTAL ASSETS	\$ 5,867,095
NET ASSETS	
Restricted for:	
Visitor Promotion	\$ 16,086
911 Emergency Services	73,784
Drug Education	39
Law Enforcement	2,503
Debt Service	135,209
Community Development	179,387
Preservation of Records	2,459
Unrestricted	5,457,628
TOTAL NET ASSETS	\$ 5,867,095

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

JEFFERSON COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2013

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	\$ (1,893,400)	\$ 258,125	\$ 50,976	\$ (1,584,299)
Public Safety	(2,169,728)	379,223	52,775	(1,737,730)
Public Works	(2,896,227)	47,896	1,108,842	(1,739,489)
Health and Sanitation	(28,571)	-	-	(28,571)
Public Assistance	(97,370)	-	5,922	(91,448)
Culture and Recreation	(169,060)	-	-	(169,060)
Debt Payments	(456,951)	-	-	(456,951)
Total Governmental Activities	<u>\$ (7,711,307)</u>	<u>\$ 685,244</u>	<u>\$ 1,218,515</u>	<u>(5,807,548)</u>

General Receipts:

Property Taxes	5,371,186
Grants and Contributions Not Restricted to Specific Programs	512,338
Investment Income	40,447
Licenses and Permits	43,283
Miscellaneous	213,263
Total General Receipts	<u>6,180,517</u>
 Change in Net Assets	 372,969
Net Assets - Beginning	5,494,126
Net Assets - Ending	<u>\$ 5,867,095</u>

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

JEFFERSON COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents (Note 1.D)	\$ 833,184	\$ 230,267	\$ 3,334,863	\$ 1,465,310	\$ 5,863,624
Investments (Note 1.D)	3,471	-	-	-	3,471
TOTAL ASSETS	<u>\$ 836,655</u>	<u>\$ 230,267</u>	<u>\$ 3,334,863</u>	<u>\$ 1,465,310</u>	<u>\$ 5,867,095</u>
FUND BALANCES					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ 16,086	\$ 16,086
911 Emergency Services	-	-	-	73,784	73,784
Drug Education	-	-	-	39	39
Law Enforcement	-	-	-	2,503	2,503
Debt Service	-	-	-	135,209	135,209
Community Development	-	-	-	179,387	179,387
Preservation of Records	-	-	-	2,459	2,459
Committed to:					
Public Safety	-	-	-	389,926	389,926
Road Maintenance	-	230,267	-	219,524	449,791
Aid and Assistance	-	-	-	85,926	85,926
County Buildings	-	-	-	253,608	253,608
Equipment	-	-	-	26,863	26,863
Noxious Weeds	-	-	-	46,013	46,013
Culture & Recreations	-	-	-	12,605	12,605
Unemployment Benefits	-	-	-	21,378	21,378
Assigned to:					
Other Purposes	-	-	3,334,863	-	3,334,863
Unassigned	836,655	-	-	-	836,655
TOTAL CASH BASIS FUND BALANCES	<u>\$ 836,655</u>	<u>\$ 230,267</u>	<u>\$ 3,334,863</u>	<u>\$ 1,465,310</u>	<u>\$ 5,867,095</u>

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

JEFFERSON COUNTY
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BASIS FUND BALANCES**
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	General Fund	Road Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property Taxes	\$ 4,490,445	\$ -	\$ 454,541	\$ 426,200	\$ 5,371,186
Licenses and Permits	37,483	5,800	-	-	43,283
Interest	40,447	-	-	-	40,447
Intergovernmental	393,023	1,096,362	-	241,468	1,730,853
Charges for Services	300,548	1,605	-	383,091	685,244
Miscellaneous	2,235	55,783	45,000	110,245	213,263
TOTAL RECEIPTS	5,264,181	1,159,550	499,541	1,161,004	8,084,276
DISBURSEMENTS					
General Government	1,687,285	-	81,653	124,462	1,893,400
Public Safety	899,860	-	-	1,269,868	2,169,728
Public Works	34,955	2,654,093	-	207,179	2,896,227
Health and Sanitation	28,571	-	-	-	28,571
Public Assistance	86,414	-	-	10,956	97,370
Culture and Recreation	-	-	-	169,060	169,060
Debt Service:					
Principal Payments	-	-	-	245,000	245,000
Interest and Fiscal Charges	-	-	-	211,951	211,951
TOTAL DISBURSEMENTS	2,737,085	2,654,093	81,653	2,238,476	7,711,307
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,527,096	(1,494,543)	417,888	(1,077,472)	372,969
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,737,619	47,020	1,362,407	3,147,046
Transfers out	(2,328,038)	(546,730)	(112,848)	(159,430)	(3,147,046)
TOTAL OTHER FINANCING SOURCES (USES)	(2,328,038)	1,190,889	(65,828)	1,202,977	-
Net Change in Fund Balances	199,058	(303,654)	352,060	125,505	372,969
CASH BASIS FUND BALANCES - BEGINNING	637,597	533,921	2,982,803	1,339,805	5,494,126
CASH BASIS FUND BALANCES - ENDING	\$ 836,655	\$ 230,267	\$ 3,334,863	\$ 1,465,310	\$ 5,867,095

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

JEFFERSON COUNTY
**STATEMENT OF FIDUCIARY
 ASSETS AND LIABILITIES - CASH BASIS
 FIDUCIARY FUNDS**
 June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 275,887
 LIABILITIES	
Due to other governments	
State	112,103
Schools	113,565
Educational Service Units	2,403
Technical College	5,759
Natural Resource Districts	3,035
Fire Districts	2,618
Municipalities	30,897
Historical Society	274
Airport Authority	1,547
Others	3,686
TOTAL LIABILITIES	275,887
 TOTAL NET ASSETS	 \$ -

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2013

1. **Summary of Significant Accounting Policies**

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

A. Reporting Entity

Jefferson 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 V - The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region V (Region) consists of the following counties: Polk, Butler, Saunders, Seward, Lancaster, Otoe, Fillmore, Saline, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, York, and Richardson.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$26,571 toward the operation of the Region during fiscal year 2013. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Health Department – The County has entered into an agreement with Public Health Solutions (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, Cum. Supp. 2012).

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 2013. 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) (Cum. Supp. 2012). 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.

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 decision-making authority and has the authority, by resolution, to establish, modify or

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

Road Fund. This fund is used to account for costs associated with the repair and maintenance of roads and bridges, which is primarily funded by State tax receipts.

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

The County reports the following additional non-major governmental fund types:

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

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

Debt Service Funds. The Law Enforcement Building Bond Fund and the Highway Bonds Fund 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.

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 \$409,467 of restricted net assets, of which \$92,368 is restricted by enabling legislation.

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

On or before August 1, the county budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the 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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

2. **Deposits and Investments**

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

At year end, the County's carrying amount of deposits was \$5,863,624 for County funds and \$275,887 for Fiduciary funds. The bank balances for all funds totaled \$6,112,327. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2013, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments are stated at cost, which approximates market. Investments consisted of \$3,471 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a seven member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income which has accrued to each participant is converted as of the close of business of each calendar month into additional units which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participant's each time net income is determined, the net asset value remains at \$1.00 per unit. Securities held by NPAIT are not held in the County's name.

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.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Property Taxes** (Concluded)

The levy set in October 2012, for the 2012 taxes, which will be materially collected in May and September 2013, was set at \$.356928/\$100 of assessed valuation. The levy set in October 2011, for the 2011 taxes, which were materially collected in May and September 2012, was set at \$.396928/\$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 2012) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

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

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. **Retirement System** (Concluded)

For the year ended June 30, 2013, 82 employees contributed \$113,851, and the County contributed \$169,147. Contributions included \$3,255 in cash contributions towards the supplemental law enforcement plan for 11 law enforcement employees. Lastly, the County paid \$144 directly to 1 retired employee 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 79 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.

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.

	<u>NIRMA Coverage</u>	<u>Maximum Coverage</u>
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 2014. The County has not had to pay out any amounts that exceeded coverage provided by the pool in the last three fiscal years.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Transfers to	Transfers from				Total
	General Fund	Inheritance Fund	Road Fund	Nonmajor Funds	
Road Fund	\$ 1,737,619	\$ -	\$ -	\$ -	\$ 1,737,619
Inheritance Fund	25,000	-	-	22,020	47,020
Nonmajor Funds	565,419	112,848	546,730	137,410	1,362,407
Total	\$ 2,328,038	\$ 112,848	\$ 546,730	\$ 159,430	\$ 3,147,046

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.

In the year ended June 30, 2013, the County made a one-time transfer of \$366,730 from the Road Fund to the Highway Bond Fund to pay for debt service payments and a transfer of \$180,000 to the Road Bridge Escrow Fund for future projects.

7. Capital Leases Payable

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

	Computers	Ambulance	Excavator	Motor Grader	Dell Computers	Law Enforcement Equipment	Total
Balance July 1, 2012	\$ 1,165	\$ 55,262	\$ 9,760	\$ 422,169	\$ 24,758	\$ 7,158	\$ 520,272
Purchases	-	-	-	-	-	-	-
Payments	1,165	17,527	9,760	122,326	7,963	4,691	163,432
Balance June 30, 2013	\$ -	\$ 37,735	\$ -	\$ 299,843	\$ 16,795	\$ 2,467	\$ 356,840
Future Payments:							
Year							
2014	\$ -	\$ 19,923	\$ -	\$ 133,135	\$ 8,766	\$ 2,492	\$ 164,316
2015	-	19,922	-	133,135	8,766	-	161,823
2016	-	-	-	44,379	-	-	44,379
Total Payments	-	39,845	-	310,649	17,532	2,492	370,518
Less Interest	-	2,110	-	10,806	737	25	13,678
Present Value of Future Minimum Lease Payments	\$ -	\$ 37,735	\$ -	\$ 299,843	\$ 16,795	\$ 2,467	\$ 356,840
Carrying Value of the related Fixed Asset	\$ 6,539	\$ 93,238	\$ 111,000	\$ 787,204	\$ 24,758	\$ 17,962	\$ 1,040,701

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Limited Tax Refunding Bonds

The County issued bonds on June 30, 2010, in the amount of \$1,025,000 for the purpose of paying the costs of refinancing Tax Obligation Bond Series 2005. Principal payments are due December 15 annually with final maturity on December 15, 2025. Interest is payable semi-annually on June 15 and December 15 with rates ranging from 1.0% to 4.05%. The bond payable balance, as of June 30, 2013, was \$905,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2014	\$ 60,000	\$ 29,462	\$ 89,462
2015	60,000	28,323	88,323
2016	60,000	26,972	86,972
2017	65,000	25,311	90,311
2018	60,000	23,440	83,440
2019-2023	350,000	83,086	433,086
2024-2026	250,000	15,266	265,266
Total Payments	\$ 905,000	\$ 231,860	\$ 1,136,860

Highway Allocation Bonds

The County issued bonds on April 26, 2011, in the amount of \$4,875,000 to cover the cost of road improvements in the County. Principal payments are paid annually on May 1 with final maturity on May 1, 2031. Interest rates vary from 1% to 5.05%. The bond payable balance, as of June 30, 2013, was \$4,510,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

JEFFERSON COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Future Payments:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 190,000	\$ 179,125	\$ 369,125
2015	190,000	176,085	366,085
2016	195,000	172,095	367,095
2017	200,000	167,317	367,317
2018	205,000	162,018	367,018
2019-2023	1,135,000	701,440	1,836,440
2024-2028	1,390,000	449,940	1,839,940
2029-2031	1,005,000	102,205	1,107,205
Total Payments	<u>\$ 4,510,000</u>	<u>\$ 2,110,225</u>	<u>\$ 6,620,225</u>

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 4,757,372	\$ 4,757,372	\$4,490,445	\$ (266,927)
Licenses and Permits	34,100	34,100	37,483	3,383
Interest	50,200	50,200	40,447	(9,753)
Intergovernmental	128,133	128,133	393,023	264,890
Charges for Services	250,750	250,750	300,548	49,798
Miscellaneous	850	850	2,235	1,385
TOTAL RECEIPTS	<u>5,221,405</u>	<u>5,221,405</u>	<u>5,264,181</u>	<u>42,776</u>
DISBURSEMENTS				
General Government:				
County Board	69,561	69,561	68,603	958
County Clerk	120,415	120,415	117,445	2,970
County Treasurer	139,015	139,015	132,531	6,484
Register of Deeds	36,592	36,592	35,422	1,170
County Assessor	147,690	147,690	130,824	16,866
Election Commissioner	26,726	26,726	19,344	7,382
Planning and Zoning	50,628	50,628	46,800	3,828
Clerk of the District Court	92,049	92,049	90,494	1,555
County Court System	11,180	11,180	8,230	2,950
Building and Grounds	112,363	112,363	102,890	9,473
Agricultural Extension Agent	50,396	50,396	49,075	1,321
Miscellaneous	1,091,089	1,091,089	885,627	205,462
Public Safety:				
County Sheriff	548,783	548,783	216,063	332,720
County Attorney	112,311	112,311	99,955	12,356
County Jail	449,231	449,231	384,045	65,186
Civil Defense	114,090	114,090	105,820	8,270
Child Support Enforcement	27,650	27,650	24,591	3,059
Miscellaneous	71,835	71,835	69,386	2,449
Public Works:				
County Surveyor	35,000	35,000	34,955	45
Public Health:				
Miscellaneous	31,570	31,570	28,571	2,999
Public Assistance:				
Veterans' Service Officer	58,597	58,597	55,673	2,924
Miscellaneous	29,472	29,472	30,741	(1,269)
TOTAL DISBURSEMENTS	<u>3,426,243</u>	<u>3,426,243</u>	<u>2,737,085</u>	<u>689,158</u>

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,795,162	1,795,162	2,527,096	731,934
OTHER FINANCING SOURCES (USES)				
Transfers in	72,000	72,000	-	(72,000)
Transfers out	(2,221,250)	(2,221,250)	(2,328,038)	(106,788)
TOTAL OTHER FINANCING SOURCES (USES)	(2,149,250)	(2,149,250)	(2,328,038)	(178,788)
Net Change in Fund Balance	(354,088)	(354,088)	199,058	553,146
FUND BALANCE - BEGINNING	637,597	637,597	637,597	-
FUND BALANCE - ENDING	\$ 283,509	\$ 283,509	\$ 836,655	\$ 553,146

(Concluded)

JEFFERSON COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Licenses and Permits	\$ 4,000	\$ 4,000	\$ 5,800	\$ 1,800
Intergovernmental	969,136	969,136	1,096,362	127,226
Charges for Services	3,120	3,120	1,605	(1,515)
Miscellaneous	99,000	99,000	55,783	(43,217)
TOTAL RECEIPTS	1,075,256	1,075,256	1,159,550	84,294
DISBURSEMENTS	2,843,954	2,843,954	2,654,093	189,861
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,768,698)	(1,768,698)	(1,494,543)	274,155
OTHER FINANCING SOURCES (USES)				
Transfers in	1,814,000	1,814,000	1,737,619	(76,381)
Transfers out	(366,530)	(366,530)	(546,730)	(180,200)
TOTAL OTHER FINANCING SOURCES (USES)	1,447,470	1,447,470	1,190,889	(256,581)
Net Change in Fund Balance	(321,228)	(321,228)	(303,654)	17,574
FUND BALANCE - BEGINNING	533,921	533,921	533,921	-
FUND BALANCE - ENDING	\$ 212,693	\$ 212,693	\$ 230,267	\$ 17,574
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 100,000	\$ 100,000	\$ 454,541	\$ 354,541
Miscellaneous	-	-	45,000	45,000
TOTAL RECEIPTS	100,000	100,000	499,541	399,541
DISBURSEMENTS	3,057,823	3,057,823	81,653	2,976,170
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(2,957,823)	(2,957,823)	417,888	3,375,711
OTHER FINANCING SOURCES (USES)				
Transfers in	47,020	47,020	47,020	-
Transfers out	(72,000)	(72,000)	(112,848)	(40,848)
TOTAL OTHER FINANCING SOURCES (USES)	(24,980)	(24,980)	(65,828)	(40,848)
Net Change in Fund Balance	(2,982,803)	(2,982,803)	352,060	3,334,863
FUND BALANCE - BEGINNING	2,982,803	2,982,803	2,982,803	-
FUND BALANCE - ENDING	\$ -	\$ -	\$3,334,863	\$ 3,334,863

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD BRIDGE ESCROW FUND				
RECEIPTS	\$ 377	\$ 377	\$ 13,960	\$ 13,583
DISBURSEMENTS	159,000	159,000	33,059	125,941
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	180,000	80,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	180,000	80,000
Net Change in Fund Balance	(58,623)	(58,623)	160,901	219,524
FUND BALANCE - BEGINNING	58,623	58,623	58,623	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 219,524	\$ 219,524
EQUIPMENT RESERVE FUND				
RECEIPTS	\$ 15,000	\$ 15,000	\$ 3,600	\$ (11,400)
DISBURSEMENTS	18,824	18,824	1,918	16,906
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(950)	(950)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(950)	(950)
Net Change in Fund Balance	(3,824)	(3,824)	732	4,556
FUND BALANCE - BEGINNING	3,824	3,824	3,824	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,556	\$ 4,556
COMMUNICATION EQUIPMENT FUND				
RECEIPTS	\$ -	\$ -	\$ 22	\$ 22
DISBURSEMENTS	32,792	32,792	26,340	6,452
OTHER FINANCING SOURCES (USES)				
Transfers in	12,000	12,000	12,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	12,000	12,000	12,000	-
Net Change in Fund Balance	(20,792)	(20,792)	(14,318)	6,474
FUND BALANCE - BEGINNING	20,792	20,792	20,792	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 6,474	\$ 6,474

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMPUTER IT FUND				
RECEIPTS	\$ 32,000	\$ 32,000	\$ 32,000	\$ -
DISBURSEMENTS	66,699	66,699	60,203	6,496
OTHER FINANCING SOURCES (USES)				
Transfers in	34,495	34,495	37,248	2,753
Transfers out	-	-	(420)	(420)
TOTAL OTHER FINANCING SOURCES (USES)	34,495	34,495	36,828	2,333
Net Change in Fund Balance	(204)	(204)	8,625	8,829
FUND BALANCE - BEGINNING	204	204	204	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 8,829	\$ 8,829
EQUIPMENT VEHICLE FUND				
RECEIPTS	\$ -	\$ -	\$ 4,479	\$ 4,479
DISBURSEMENTS	18,065	18,065	13,623	4,442
OTHER FINANCING SOURCES (USES)				
Transfers in	7,000	7,000	7,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,000	7,000	7,000	-
Net Change in Fund Balance	(11,065)	(11,065)	(2,144)	8,921
FUND BALANCE - BEGINNING	11,065	11,065	11,065	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 8,921	\$ 8,921
FAIR FUND				
RECEIPTS	\$ 10,000	\$ 10,000	\$ 16,046	\$ 6,046
DISBURSEMENTS	103,057	103,057	92,576	10,481
OTHER FINANCING SOURCES (USES)				
Transfers in	193,000	193,000	133,000	(60,000)
Transfers out	(100,000)	(100,000)	(60,000)	40,000
TOTAL OTHER FINANCING SOURCES (USES)	93,000	93,000	73,000	(20,000)
Net Change in Fund Balance	(57)	(57)	(3,530)	(3,473)
FUND BALANCE - BEGINNING	16,135	16,135	16,135	-
FUND BALANCE - ENDING	\$ 16,078	\$ 16,078	\$ 12,605	\$ (3,473)

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYMENT SECURITY FUND				
RECEIPTS	\$ -	\$ -	\$ 12	\$ 12
DISBURSEMENTS	28,000	28,000	6,634	21,366
OTHER FINANCING SOURCES (USES)				
Transfers in	1,285	1,285	1,285	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,285	1,285	1,285	-
Net Change in Fund Balance	(26,715)	(26,715)	(5,337)	21,378
FUND BALANCE - BEGINNING	26,715	26,715	26,715	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,378</u>	<u>\$ 21,378</u>
MEDICAL RELIEF FUND				
RECEIPTS	\$ -	\$ -	\$ 28	\$ 28
DISBURSEMENTS	60,813	60,813	1,900	58,913
OTHER FINANCING SOURCES (USES)				
Transfers in	4,041	4,041	4,041	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,041	4,041	4,041	-
Net Change in Fund Balance	(56,772)	(56,772)	2,169	58,941
FUND BALANCE - BEGINNING	56,772	56,772	56,772	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,941</u>	<u>\$ 58,941</u>
INSTITUTIONS FUND				
RECEIPTS	\$ -	\$ -	\$ 22	\$ 22
DISBURSEMENTS	17,000	17,000	114	16,886
OTHER FINANCING SOURCES (USES)				
Transfers in	842	842	842	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	842	842	842	-
Net Change in Fund Balance	(16,158)	(16,158)	750	16,908
FUND BALANCE - BEGINNING	16,158	16,158	16,158	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,908</u>	<u>\$ 16,908</u>

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
VETERANS' AID FUND				
RECEIPTS	\$ -	\$ -	\$ 19	\$ 19
DISBURSEMENTS	19,000	19,000	8,942	10,058
OTHER FINANCING SOURCES (USES)				
Transfers in	8,155	8,155	8,155	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	8,155	8,155	8,155	-
Net Change in Fund Balance	(10,845)	(10,845)	(768)	10,077
FUND BALANCE - BEGINNING	10,845	10,845	10,845	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,077</u>	<u>\$ 10,077</u>
TRAFFIC DIVERSION FUND				
RECEIPTS	\$ 1,400	\$ 1,400	\$ 1,973	\$ 573
DISBURSEMENTS	3,118	3,118	250	2,868
Net Change in Fund Balance	(1,718)	(1,718)	1,723	3,441
FUND BALANCE - BEGINNING	1,718	1,718	1,718	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,441</u>	<u>\$ 3,441</u>
DRUG LAW ENFORCEMENT FUND				
RECEIPTS	\$ 24,961	\$ 24,961	\$ -	\$ (24,961)
DISBURSEMENTS	25,000	25,000	-	25,000
Net Change in Fund Balance	(39)	(39)	-	39
FUND BALANCE - BEGINNING	39	39	39	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
INTOXILYZER FUND				
RECEIPTS	\$ 1,500	\$ 1,500	\$ 1,078	\$ (422)
DISBURSEMENTS	5,604	5,604	1,811	3,793
Net Change in Fund Balance	(4,104)	(4,104)	(733)	3,371
FUND BALANCE - BEGINNING	4,104	4,104	4,104	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,371</u>	<u>\$ 3,371</u>

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CANINE FUND				
RECEIPTS	\$ 3,700	\$ 3,700	\$ 1,249	\$ (2,451)
DISBURSEMENTS	5,265	5,265	3,446	1,819
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	950	950
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	950	950
Net Change in Fund Balance	(1,565)	(1,565)	(1,247)	318
FUND BALANCE - BEGINNING	1,565	1,565	1,565	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318</u>	<u>\$ 318</u>
LAW ENFORCEMENT GRANT FUND				
RECEIPTS	\$ 14,386	\$ 14,386	\$ 1,243	\$ (13,143)
DISBURSEMENTS	15,000	15,000	-	15,000
Net Change in Fund Balance	(614)	(614)	1,243	1,857
FUND BALANCE - BEGINNING	614	614	614	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,857</u>	<u>\$ 1,857</u>
CRIME AGAINST CHILDREN FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	646	646	-	646
Net Change in Fund Balance	(646)	(646)	-	646
FUND BALANCE - BEGINNING	646	646	646	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646</u>	<u>\$ 646</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
RECEIPTS	\$ 34,141	\$ 34,141	\$ 33,589	\$ (552)
DISBURSEMENTS	180,939	180,939	1,000	179,939
Net Change in Fund Balance	(146,798)	(146,798)	32,589	179,387
FUND BALANCE - BEGINNING	146,798	146,798	146,798	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,387</u>	<u>\$ 179,387</u>

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY FUND				
RECEIPTS	\$ 36,000	\$ 36,000	\$ 36,792	\$ 792
DISBURSEMENTS	46,866	46,866	37,879	8,987
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(4,665)	(4,665)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(4,665)	(4,665)
Net Change in Fund Balance	(10,866)	(10,866)	(5,752)	5,114
FUND BALANCE - BEGINNING	10,866	10,866	10,866	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 5,114	\$ 5,114
911 WIRELESS FUND				
RECEIPTS	\$ 27,000	\$ 27,000	\$ 50,408	\$ 23,408
DISBURSEMENTS	58,922	58,922	16,325	42,597
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,665	2,665
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	2,665	2,665
Net Change in Fund Balance	(31,922)	(31,922)	36,748	68,670
FUND BALANCE - BEGINNING	31,922	31,922	31,922	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 68,670	\$ 68,670
EMERGENCY MANAGEMENT FUND				
RECEIPTS	\$ 64,200	\$ 64,200	\$ 83,412	\$ 19,212
DISBURSEMENTS	236,026	236,026	38,922	197,104
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	28	28
Transfers out	-	-	(2,351)	(2,351)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(2,323)	(2,323)
Net Change in Fund Balance	(171,826)	(171,826)	42,167	213,993
FUND BALANCE - BEGINNING	171,826	171,826	171,826	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 213,993	\$ 213,993

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT OPERATING FUND				
RECEIPTS	\$ 485,036	\$ 485,036	\$ 111,213	\$ (373,823)
DISBURSEMENTS	565,524	565,524	457,563	107,961
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	313,963	313,963
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	313,963	313,963
Net Change in Fund Balance	(80,488)	(80,488)	(32,387)	48,101
FUND BALANCE - BEGINNING	95,478	95,478	95,478	-
FUND BALANCE - ENDING	<u>\$ 14,990</u>	<u>\$ 14,990</u>	<u>\$ 63,091</u>	<u>\$ 48,101</u>
LAW ENFORCEMENT BUILDING BOND FUND				
RECEIPTS	\$ 18,000	\$ 18,000	\$ 18,245	\$ 245
DISBURSEMENTS	225,959	225,959	90,995	134,964
OTHER FINANCING SOURCES (USES)				
Transfers in	63,600	63,600	63,600	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	63,600	63,600	63,600	-
Net Change in Fund Balance	(144,359)	(144,359)	(9,150)	135,209
FUND BALANCE - BEGINNING	144,359	144,359	144,359	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,209</u>	<u>\$ 135,209</u>
CITY-COUNTY BUILDING FUND				
RECEIPTS	\$ -	\$ -	\$ 21	\$ 21
DISBURSEMENTS	69,795	69,795	56,000	13,795
OTHER FINANCING SOURCES (USES)				
Transfers in	5,417	5,417	5,417	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,417	5,417	5,417	-
Net Change in Fund Balance	(64,378)	(64,378)	(50,562)	13,816
FUND BALANCE - BEGINNING	64,378	64,378	64,378	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,816</u>	<u>\$ 13,816</u>

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
NATURAL DISASTER FUND				
RECEIPTS	\$ 285,267	\$ 285,267	\$ 7,450	\$ (277,817)
DISBURSEMENTS	300,000	300,000	112,848	187,152
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	112,848	112,848
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	112,848	112,848
Net Change in Fund Balance	(14,733)	(14,733)	7,450	22,183
FUND BALANCE - BEGINNING	14,733	14,733	14,733	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 22,183	\$ 22,183
FAIR BUILDING FUND				
RECEIPTS	\$ -	\$ -	\$ 39	\$ 39
DISBURSEMENTS	129,000	129,000	66,477	62,523
OTHER FINANCING SOURCES (USES)				
Transfers in	117,200	117,200	77,200	(40,000)
Transfers out	(100,000)	(100,000)	(40,000)	60,000
TOTAL OTHER FINANCING SOURCES (USES)	17,200	17,200	37,200	20,000
Net Change in Fund Balance	(111,800)	(111,800)	(29,238)	82,562
FUND BALANCE - BEGINNING	119,125	119,125	119,125	-
FUND BALANCE - ENDING	\$ 7,325	\$ 7,325	\$ 89,887	\$ 82,562
COUNTY BUILDING FUND				
RECEIPTS	\$ -	\$ -	\$ 21	\$ 21
DISBURSEMENTS	135,850	135,850	625	135,225
OTHER FINANCING SOURCES (USES)				
Transfers in	8,215	8,215	8,215	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	8,215	8,215	8,215	-
Net Change in Fund Balance	(127,635)	(127,635)	7,611	135,246
FUND BALANCE - BEGINNING	127,635	127,635	127,635	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 135,246	\$ 135,246

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT ADDITION REMODEL FUND				
RECEIPTS	\$ -	\$ -	\$ 22	\$ 22
DISBURSEMENTS	33,198	33,198	18,561	14,637
OTHER FINANCING SOURCES (USES)				
Transfers in	7,000	7,000	7,000	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	7,000	7,000	7,000	-
Net Change in Fund Balance	(26,198)	(26,198)	(11,539)	14,659
FUND BALANCE - BEGINNING	26,198	26,198	26,198	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 14,659	\$ 14,659
VISITOR PROMOTION FUND				
RECEIPTS	\$ 9,000	\$ 9,000	\$ 16,747	\$ 7,747
DISBURSEMENTS	18,346	18,346	10,007	8,339
Net Change in Fund Balance	(9,346)	(9,346)	6,740	16,086
FUND BALANCE - BEGINNING	9,346	9,346	9,346	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 16,086	\$ 16,086
NOXIOUS WEED FUND				
RECEIPTS	\$ 45,277	\$ 45,277	\$ 50,641	\$ 5,364
DISBURSEMENTS	86,548	86,548	61,072	25,476
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,220	220
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,000	20,000	20,220	220
Net Change in Fund Balance	(21,271)	(21,271)	9,789	31,060
FUND BALANCE - BEGINNING	36,224	36,224	36,224	-
FUND BALANCE - ENDING	\$ 14,953	\$ 14,953	\$ 46,013	\$ 31,060

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AMBULANCE FUND				
RECEIPTS	\$ 640,754	\$ 640,754	\$ 671,431	\$ 30,677
DISBURSEMENTS	685,648	685,648	649,255	36,393
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(22,020)	(22,020)	(51,044)	(29,024)
TOTAL OTHER FINANCING SOURCES (USES)	(22,020)	(22,020)	(51,044)	(29,024)
Net Change in Fund Balance	(66,914)	(66,914)	(28,868)	38,046
FUND BALANCE - BEGINNING	105,923	105,923	105,923	-
FUND BALANCE - ENDING	\$ 39,009	\$ 39,009	\$ 77,055	\$ 38,046
PRESERVATION/ MODERNIZATION FUND				
RECEIPTS	\$ 3,500	\$ 3,500	\$ 2,459	\$ (1,041)
DISBURSEMENTS	3,500	3,500	-	3,500
Net Change in Fund Balance	-	-	2,459	2,459
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,459	\$ 2,459
FEDERAL FORFEITURE FUND				
RECEIPTS	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
DISBURSEMENTS	25,000	25,000	-	25,000
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
AMBULANCE EQUIPMENT FUND				
RECEIPTS	\$ 1,825	\$ 1,825	\$ 2,783	\$ 958
DISBURSEMENTS	7,000	7,000	3,401	3,599
Net Change in Fund Balance	(5,175)	(5,175)	(618)	4,557
FUND BALANCE - BEGINNING	5,175	5,175	5,175	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,557	\$ 4,557

(Continued)

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY BONDS FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	366,530	366,730	366,730	-
OTHER FINANCING SOURCES (USES)				
Transfers in	366,530	366,730	366,730	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	366,530	366,730	366,730	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

(Concluded)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Road Bridge Escrow Fund	Equipment Reserve Fund	Communication Equipment Fund	Computer IT Fund	Equipment Vehicle Fund	Fair Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ 22	\$ -	\$ 5	\$ 181
Intergovernmental	5,959	-	-	-	-	2
Charges for Services	-	-	-	-	-	-
Miscellaneous	8,001	3,600	-	32,000	4,474	15,863
TOTAL RECEIPTS	13,960	3,600	22	32,000	4,479	16,046
DISBURSEMENTS						
General Government	-	-	-	60,203	-	-
Public Safety	-	1,918	26,340	-	13,623	-
Public Works	33,059	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	92,576
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	33,059	1,918	26,340	60,203	13,623	92,576
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(19,099)	1,682	(26,318)	(28,203)	(9,144)	(76,530)
OTHER FINANCING SOURCES (USES)						
Transfers in	180,000	-	12,000	37,248	7,000	133,000
Transfers out	-	(950)	-	(420)	-	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	180,000	(950)	12,000	36,828	7,000	73,000
Net Change in Fund Balances	160,901	732	(14,318)	8,625	(2,144)	(3,530)
FUND BALANCES - BEGINNING	58,623	3,824	20,792	204	11,065	16,135
FUND BALANCES - ENDING	\$ 219,524	\$ 4,556	\$ 6,474	\$ 8,829	\$ 8,921	\$ 12,605
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	6,474	-	-	-
Road Maintenance	219,524	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	4,556	-	8,829	8,921	-
Noxious Weeds	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	-	12,605
Unemployment Benefits	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 219,524	\$ 4,556	\$ 6,474	\$ 8,829	\$ 8,921	\$ 12,605

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Employment Security Fund	Medical Relief Fund	Institutions Fund	Veterans' Aid Fund	Traffic Diversion Fund	Drug Law Enforcement Fund
RECEIPTS						
Property Taxes	\$ 12	\$ 23	\$ 8	\$ 19	\$ -	\$ -
Intergovernmental	-	5	14	-	-	-
Charges for Services	-	-	-	-	1,973	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	12	28	22	19	1,973	-
DISBURSEMENTS						
General Government	6,634	-	-	-	-	-
Public Safety	-	-	-	-	250	-
Public Works	-	-	-	-	-	-
Public Assistance	-	1,900	114	8,942	-	-
Culture and Recreation	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,634	1,900	114	8,942	250	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(6,622)	(1,872)	(92)	(8,923)	1,723	-
OTHER FINANCING SOURCES (USES)						
Transfers in	1,285	4,041	842	8,155	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,285	4,041	842	8,155	-	-
Net Change in Fund Balances	(5,337)	2,169	750	(768)	1,723	-
FUND BALANCES - BEGINNING	26,715	56,772	16,158	10,845	1,718	39
FUND BALANCES - ENDING	\$ 21,378	\$ 58,941	\$ 16,908	\$ 10,077	\$ 3,441	\$ 39
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	39
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	-	-	3,441	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	58,941	16,908	10,077	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Noxious Weeds	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	-	-
Unemployment Benefits	21,378	-	-	-	-	-
TOTAL FUND BALANCES	\$ 21,378	\$ 58,941	\$ 16,908	\$ 10,077	\$ 3,441	\$ 39

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Intoxilyzer Fund	Canine Fund	Law Enforcement Grant Fund	Crime Against Children Fund	Community Development Block Grant Fund	911 Emergency Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,792
Intergovernmental	-	-	1,243	-	-	-
Charges for Services	1,078	-	-	-	-	-
Miscellaneous	-	1,249	-	-	33,589	-
TOTAL RECEIPTS	1,078	1,249	1,243	-	33,589	36,792
DISBURSEMENTS						
General Government	-	-	-	-	1,000	-
Public Safety	1,811	3,446	-	-	-	37,879
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,811	3,446	-	-	1,000	37,879
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(733)	(2,197)	1,243	-	32,589	(1,087)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	950	-	-	-	-
Transfers out	-	-	-	-	-	(4,665)
TOTAL OTHER FINANCING SOURCES (USES)	-	950	-	-	-	(4,665)
Net Change in Fund Balances	(733)	(1,247)	1,243	-	32,589	(5,752)
FUND BALANCES - BEGINNING	4,104	1,565	614	646	146,798	10,866
FUND BALANCES - ENDING	\$ 3,371	\$ 318	\$ 1,857	\$ 646	\$ 179,387	\$ 5,114
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	5,114
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	1,857	646	-	-
Debt Service	-	-	-	-	-	-
Community Development	-	-	-	-	179,387	-
Preservation of Records	-	-	-	-	-	-
Committed to:						
Public Safety	3,371	318	-	-	-	-
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Noxious Weeds	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 3,371	\$ 318	\$ 1,857	\$ 646	\$ 179,387	\$ 5,114

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	911 Wireless Fund	Emergency Management Fund	Law Enforcement Operating Fund	Law Enforcement Building Bond Fund	City- County Building Fund	Natural Disaster Fund
RECEIPTS						
Property Taxes	\$ 50,408	\$ -	\$ -	\$ 161	\$ 21	\$ -
Intergovernmental	-	79,188	109,613	18,084	-	7,450
Charges for Services	-	4,200	-	-	-	-
Miscellaneous	-	24	1,600	-	-	-
TOTAL RECEIPTS	50,408	83,412	111,213	18,245	21	7,450
DISBURSEMENTS						
General Government	-	-	-	-	56,000	-
Public Safety	16,325	38,922	457,563	574	-	-
Public Works	-	-	-	-	-	112,848
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Principal Payments	-	-	-	60,000	-	-
Interest and Fiscal Charges	-	-	-	30,421	-	-
TOTAL DISBURSEMENTS	16,325	38,922	457,563	90,995	56,000	112,848
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	34,083	44,490	(346,350)	(72,750)	(55,979)	(105,398)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,665	28	313,963	63,600	5,417	112,848
Transfers out	-	(2,351)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,665	(2,323)	313,963	63,600	5,417	112,848
Net Change in Fund Balances	36,748	42,167	(32,387)	(9,150)	(50,562)	7,450
FUND BALANCES - BEGINNING	31,922	171,826	95,478	144,359	64,378	14,733
FUND BALANCES - ENDING	\$ 68,670	\$ 213,993	\$ 63,091	\$ 135,209	\$ 13,816	\$ 22,183
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	68,670	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	135,209	-	-
Community Development	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Committed to:						
Public Safety	-	213,993	63,091	-	-	22,183
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	13,816	-
Equipment	-	-	-	-	-	-
Noxious Weeds	-	-	-	-	-	-
Culture & Recreations	-	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 68,670	\$ 213,993	\$ 63,091	\$ 135,209	\$ 13,816	\$ 22,183

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Fair Building Fund	County Building Fund	Law Enforcement Addition Remodel Fund	Visitor Promotion Fund	Noxious Weed Fund	Ambulance Fund
RECEIPTS						
Property Taxes	\$ 39	\$ 21	\$ 22	\$ 16,747	\$ -	\$ 321,712
Intergovernmental	-	-	-	-	-	19,910
Charges for Services	-	-	-	-	46,291	327,090
Miscellaneous	-	-	-	-	4,350	2,719
TOTAL RECEIPTS	39	21	22	16,747	50,641	671,431
DISBURSEMENTS						
General Government	-	625	-	-	-	-
Public Safety	-	-	18,561	-	-	649,255
Public Works	-	-	-	-	61,072	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	66,477	-	-	10,007	-	-
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	66,477	625	18,561	10,007	61,072	649,255
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(66,438)	(604)	(18,539)	6,740	(10,431)	22,176
OTHER FINANCING SOURCES (USES)						
Transfers in	77,200	8,215	7,000	-	20,220	-
Transfers out	(40,000)	-	-	-	-	(51,044)
TOTAL OTHER FINANCING SOURCES (USES)	37,200	8,215	7,000	-	20,220	(51,044)
Net Change in Fund Balances	(29,238)	7,611	(11,539)	6,740	9,789	(28,868)
FUND BALANCES - BEGINNING	119,125	127,635	26,198	9,346	36,224	105,923
FUND BALANCES - ENDING	\$ 89,887	\$ 135,246	\$ 14,659	\$ 16,086	\$ 46,013	\$ 77,055
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ 16,086	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-
Committed to:						
Public Safety	-	-	-	-	-	77,055
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	89,887	135,246	14,659	-	-	-
Equipment	-	-	-	-	-	-
Noxious Weeds	-	-	-	-	46,013	-
Culture & Recreations	-	-	-	-	-	-
Unemployment Benefits	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 89,887	\$ 135,246	\$ 14,659	\$ 16,086	\$ 46,013	\$ 77,055

(Continued)

JEFFERSON COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Preservation/ Modernization Fund	Ambulance Equipment Fund	Highway Bonds Fund	Total Nonmajor Governmental Funds
RECEIPTS				
Property Taxes	\$ -	\$ 7	\$ -	\$ 426,200
Intergovernmental	-	-	-	241,468
Charges for Services	2,459	-	-	383,091
Miscellaneous	-	2,776	-	110,245
TOTAL RECEIPTS	2,459	2,783	-	1,161,004
DISBURSEMENTS				
General Government	-	-	-	124,462
Public Safety	-	3,401	-	1,269,868
Public Works	-	-	200	207,179
Public Assistance	-	-	-	10,956
Culture and Recreation	-	-	-	169,060
Principal Payments	-	-	185,000	245,000
Interest and Fiscal Charges	-	-	181,530	211,951
TOTAL DISBURSEMENTS	-	3,401	366,730	2,238,476
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,459	(618)	(366,730)	(1,077,472)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	366,730	1,362,407
Transfers out	-	-	-	(159,430)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	366,730	1,202,977
Net Change in Fund Balances	2,459	(618)	-	125,505
FUND BALANCES - BEGINNING	-	5,175	-	1,339,805
FUND BALANCES - ENDING	\$ 2,459	\$ 4,557	\$ -	\$ 1,465,310
FUND BALANCES:				
Restricted for:				
Visitor Promotion	\$ -	\$ -	\$ -	\$ 16,086
911 Emergency Services	-	-	-	73,784
Drug Education	-	-	-	39
Law Enforcement	-	-	-	2,503
Debt Service	-	-	-	135,209
Community Development	-	-	-	179,387
Preservation of Records	2,459	-	-	2,459
Committed to:				
Public Safety	-	-	-	389,926
Road Maintenance	-	-	-	219,524
Aid and Assistance	-	-	-	85,926
County Buildings	-	-	-	253,608
Equipment	-	4,557	-	26,863
Noxious Weeds	-	-	-	46,013
Culture & Recreations	-	-	-	12,605
Unemployment Benefits	-	-	-	21,378
TOTAL FUND BALANCES	\$ 2,459	\$ 4,557	\$ -	\$ 1,465,310

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2013

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superin- tendent	Highway Superin- tendent	Veterans' Service Officer
BALANCES JULY 1, 2012	\$ 330	\$ 8,356	\$ 38,788	\$ 9,955	\$ 2,420	\$ 1,940	\$ 851	\$ 10,505
RECEIPTS								
Licenses and Permits	870	-	-	985	-	-	5,800	-
Intergovernmental	-	-	-	1,244	-	-	-	-
Charges for Services	10,126	54,999	13,286	63,650	1,398	47,123	1,485	-
Miscellaneous	-	-	-	12,036	-	36	55,616	9,376
State Fees	698	59,093	16,404	299	-	-	-	-
Other Liabilities	-	-	319,288	74,469	28,025	-	735	-
TOTAL RECEIPTS	11,694	114,092	348,978	152,683	29,423	47,159	63,636	9,376
DISBURSEMENTS								
Payments to County Treasurer	11,040	55,180	14,028	77,239	1,973	46,291	62,901	-
Payments to State Treasurer	700	62,117	15,987	329	-	-	-	-
Other Liabilities	-	-	345,862	76,646	27,420	-	747	9,255
TOTAL DISBURSEMENTS	11,740	117,297	375,877	154,214	29,393	46,291	63,648	9,255
BALANCES JUNE 30, 2013	<u>\$ 284</u>	<u>\$ 5,151</u>	<u>\$ 11,889</u>	<u>\$ 8,424</u>	<u>\$ 2,450</u>	<u>\$ 2,808</u>	<u>\$ 839</u>	<u>\$ 10,626</u>
BALANCES CONSIST OF:								
Due to County Treasurer	\$ 209	\$ 3,670	\$ 469	\$ 5,036	\$ 325	\$ 2,758	\$ -	\$ 10,616
Petty Cash	-	-	100	2,700	1,000	50	839	-
Due to State Treasurer	75	1,481	1,368	37	-	-	-	-
Due to Others	-	-	9,952	651	1,125	-	-	10
BALANCES JUNE 30, 2013	<u>\$ 284</u>	<u>\$ 5,151</u>	<u>\$ 11,889</u>	<u>\$ 8,424</u>	<u>\$ 2,450</u>	<u>\$ 2,808</u>	<u>\$ 839</u>	<u>\$ 10,626</u>

(Continued)

JEFFERSON COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2013

	County Fair	County Ambulance	County Planning and Zoning	County Board	County Emergency Management	County Assessor	Total
BALANCES JULY 1, 2012	\$ 6,295	\$ 271,271	\$ -	\$ 55,626	\$ -	\$ 25	\$ 406,362
RECEIPTS							
Licenses and Permits	-	-	-	-	-	-	7,655
Intergovernmental	-	-	-	-	-	-	1,244
Charges for Services	13,632	332,084	3,075	-	4,200	-	545,058
Miscellaneous	-	-	-	78,738	24	-	155,826
State Fees	-	-	-	-	-	-	76,494
Other Liabilities	26,563	-	-	14,166	-	-	463,246
TOTAL RECEIPTS	40,195	332,084	3,075	92,904	4,224	-	1,249,523
DISBURSEMENTS							
Payments to County Treasurer	15,863	327,564	3,075	-	4,224	-	619,378
Payments to State Treasurer	-	-	-	-	-	-	79,133
Other Liabilities	30,627	618	-	124,028	-	-	615,203
TOTAL DISBURSEMENTS	46,490	328,182	3,075	124,028	4,224	-	1,313,714
BALANCES JUNE 30, 2013	<u>\$ -</u>	<u>\$ 275,173</u>	<u>\$ -</u>	<u>\$ 24,502</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 342,171</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ -	\$ 275,173	\$ -	\$ 21,002	\$ -	\$ -	\$ 319,258
Petty Cash	-	-	-	3,500	-	25	8,214
Due to State Treasurer	-	-	-	-	-	-	2,961
Due to Others	-	-	-	-	-	-	11,738
BALANCES JUNE 30, 2013	<u>\$ -</u>	<u>\$ 275,173</u>	<u>\$ -</u>	<u>\$ 24,502</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 342,171</u>

(Concluded)

JEFFERSON COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED
FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY

June 30, 2013

Item	2008	2009	2010	2011	2012
Tax Certified by Assessor					
Real Estate	\$ 11,833,212	\$ 12,331,972	\$ 12,792,474	\$ 13,583,414	\$ 14,256,560
Personal and Specials	1,682,626	2,440,396	3,027,387	3,350,353	4,306,425
Total	13,515,838	14,772,368	15,819,861	16,933,767	18,562,985
Corrections					
Additions	10,616	4,662	40,493	3,039	2,629
Deductions	(32,017)	(43,377)	(88,626)	(6,511)	(2,187)
Net Additions/ (Deductions)	(21,401)	(38,715)	(48,133)	(3,472)	442
Corrected Certified Tax	13,494,437	14,733,653	15,771,728	16,930,295	18,563,427
Net Tax Collected by					
County Treasurer during					
Fiscal Year Ending:					
June 30, 2009	7,969,491	-	-	-	-
June 30, 2010	5,497,438	8,604,716	-	-	-
June 30, 2011	12,092	6,091,014	9,234,375	-	-
June 30, 2012	5,433	14,112	6,493,023	10,031,797	-
June 30, 2013	4,256	10,449	18,422	6,855,613	11,110,379
Total Net Collections	13,488,710	14,720,291	15,745,820	16,887,410	11,110,379
Total Uncollected Tax	\$ 5,727	\$ 13,362	\$ 25,908	\$ 42,885	\$ 7,453,048
Percentage Uncollected Tax	0.04%	0.09%	0.16%	0.25%	40.15%



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JEFFERSON COUNTY

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

Board of Commissioners
Jefferson County, Nebraska

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated September 18, 2013. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

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

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

Additional Items

We also noted certain matters that we reported to management of Jefferson County in a separate letter dated September 18, 2013.

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

September 18, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor



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September 18, 2013

Board of Commissioners
Jefferson County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Jefferson County (County) for the fiscal year ended June 30, 2013, and have issued our report thereon dated September 18, 2013. 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.

Unclaimed Property

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 the District Court – 1 outstanding check totaling \$15.
- County Attorney – 1 outstanding check totaling \$30.
- County Sheriff – 24 outstanding checks totaling \$493.
- County Ambulance – 7 outstanding checks totaling \$931.

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.

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

COUNTY ATTORNEY

Records Not Maintained for Payment Plans

We noted that the County Attorney's office does not have an official record of payment plans granted to individuals owing money for bad checks.

Sound business practices and good internal control require the County Attorney to maintain documentation regarding any payment plans. When there is not an official record regarding agreed upon payment plans, there is an increased risk the payment plan will be misplaced, individual will not follow the payment plan, or funds will not be collected. This was also noted in the prior audit.

We recommend the County Attorney maintain an official record of any agreed upon payment plans.

Timeliness of Deposits

Sound business practices and good internal controls require all deposits to the bank or the County Treasurer be made in a timely manner.

During testing we noted checks and cash received were not deposited timely. We noted 23 receipts which were not deposited within twenty days of being received.

When deposits are not made in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the County Attorney implement procedures to ensure deposits are performed in a timely manner, at least once a week.

COUNTY BOARD

Bidding Procedures

A claim totaling \$64,800 for asphalt paving at the fairgrounds did not have adequate evidence of the County having secured appropriate bids.

Neb. Rev. Stat. § 23-3108 (Reissue 2012) states:

...purchases of personal property or services by the county board or purchasing agent shall be made: (a) Through the competitive sealed bidding process prescribed in section 23-3111 if the estimated value of the purchase is twenty thousand dollars or more;...

When bidding requirements are not followed, the County is not in compliance with State statute.

We recommend the County Board ensure bidding procedures are followed on all purchases requiring bids.

County Vehicle Usage

During our audit we noted that County employees who commute to work with County vehicles do not have this benefit added as a taxable wage.

Internal Revenue Service (IRS) Publication 15-B outlines that employees allowed to use County vehicles for commuting and personal use must have the benefit added as a taxable wage to the employee unless the vehicle meets specific qualifications. The vehicles driven by the County employees do not meet the specific qualifications outlined by the IRS; therefore, should be included as a taxable wage. The IRS requires employees who commute utilizing nonqualified vehicles be assessed \$1.50 for each commute trip, or \$3.00 per day.

We recommend the County Board follow IRS requirements and include the \$3.00 per day as a wage, or discontinue allowing the employee to use a County vehicle for personal/commuting purposes.

COUNTY FAIR

Bank Reconciliation Procedures

During testing of the County Fair bank records, we noted there was a negative reconciled book balance of \$164 as of June 30, 2013.

Sound accounting practices include performing bank reconciliations on a timely basis and following up on variances noted between book and bank balances. When variances are not resolved in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the County Fair perform bank reconciliations on a timely basis and follow up on all variances.

* * * * *

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 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. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

SIGNED ORIGINAL ON FILE

Deann Haeffner, CPA
Assistant Deputy Auditor