

**AUDIT REPORT
OF
SAUNDERS COUNTY**

JULY 1, 2011 THROUGH JUNE 30, 2012

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the Auditor of Public Accounts.**

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Issued on February 20, 2013

SAUNDERS COUNTY

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SAUNDERS COUNTY

LIST OF COUNTY OFFICIALS

At June 30, 2012

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Doris Karloff	Board of Supervisors	Jan. 2013
Dave Lutton		Jan. 2015
Craig Breunig		Jan. 2015
Scott Sukstorf		Jan. 2013
Leroy Hanson		Jan. 2015
Darren Martin		Jan. 2015
Ed Rastovski		Jan. 2013
Cathy Gusman	Assessor	Jan. 2015
Scott Tingelhoff	Attorney	Jan. 2015
Patti Lindgren	Clerk Election Commissioner	Jan. 2015
Paul Johnson	Clerk of the District Court	Jan. 2015
Don Clark	Register of Deeds	Jan. 2015
Kevin Stukenholtz	Sheriff	Jan. 2015
Patricia Hunter	Treasurer	Jan. 2015
Herbert Barnes	Veterans' Service Officer	Appointed
Ed Sladky	Weed Superintendent	Appointed
Steve Mika	Highway Superintendent	Appointed
George Borreson	Planning & Zoning	Appointed
Pam Lausterer	Youth Services	Appointed
Terry Miller	Emergency Manager	Appointed
Jerry Charles	Surveyor	Appointed
Thomas Klein	Public Defender	Appointed



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SAUNDERS COUNTY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Saunders County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County, as of and for the year ended June 30, 2012, 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 consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly we express no such opinion. 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 generally accepted in the United States of America.

The financial statements referred to above include only the primary government of the County which consists of all funds, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America, as applied to the County's cash basis of accounting, require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the cash basis financial position of the reporting entity of the County as of June 30, 2012, and the changes in its cash basis financial position and its cash flows, where applicable, for the year then ended in conformity with the basis of accounting described in Note 1.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective cash position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Saunders County, as of June 30, 2012, and the respective changes in cash basis financial position 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 February 12, 2013, on our consideration of Saunders County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, 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 information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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.

SIGNED ORIGINAL ON FILE

February 12, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor

SAUNDERS COUNTY
STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents (Note 1.D)	\$ 12,335,965
TOTAL ASSETS	<u>\$ 12,335,965</u>
NET ASSETS	
Restricted for:	
Visitor Promotion	\$ 8,553
911 Emergency Services	236,524
Drug Education	2,049
Debt Service	5,132,591
Unrestricted	6,956,248
TOTAL NET ASSETS	<u>\$ 12,335,965</u>

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

SAUNDERS COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2012

Functions:	Cash Disbursements	Program Cash Receipts		Net (Disbursement)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities:				
General Government	\$ (4,231,323)	\$ 697,711	\$ 112,926	\$ (3,420,686)
Public Safety	(4,436,903)	1,460,216	101,791	(2,874,896)
Public Works	(3,206,085)	-	2,314,319	(891,766)
Health and Sanitation	(83,239)	-	-	(83,239)
Public Assistance	(230,286)	2,967	54,036	(173,283)
Culture and Recreation	(38,641)	-	-	(38,641)
Debt Payments	(2,219,309)	-	-	(2,219,309)
Total Governmental Activities	<u><u>\$ (14,445,786)</u></u>	<u><u>\$ 2,160,894</u></u>	<u><u>\$ 2,583,072</u></u>	<u><u>(9,701,820)</u></u>

General Receipts:

Property Taxes	8,796,578
Grants and Contributions Not Restricted to Specific Programs	2,347,304
Investment Income	85,646
Licenses and Permits	175,254
Miscellaneous	260,156
Total General Receipts	<u><u>11,664,938</u></u>
 Change in Net Assets	 1,963,118
Net Assets - Beginning	10,372,847
Net Assets - Ending	<u><u>\$ 12,335,965</u></u>

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

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

June 30, 2012

	General Fund	Road Fund	Health Services Bond Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents (Note 1.D)	\$ 2,978,553	\$ 1,143,395	\$ 4,463,753	\$ 1,366,304	\$ 2,383,960	\$ 12,335,965
TOTAL ASSETS	\$ 2,978,553	\$ 1,143,395	\$ 4,463,753	\$ 1,366,304	\$ 2,383,960	\$ 12,335,965
FUND BALANCES						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ 8,553	\$ 8,553
911 Emergency Services	-	-	-	-	236,524	236,524
Drug Education	-	-	-	-	2,049	2,049
Debt Service	-	-	4,463,753	-	668,838	5,132,591
Committed to:						
Law Enforcement	-	-	-	-	80,211	80,211
Road Maintenance	-	1,143,395	-	-	438,054	1,581,449
Aid and Assistance	-	-	-	-	101,408	101,408
County Buildings	-	-	-	-	638,037	638,037
Child Support Enforcement	-	-	-	-	41,534	41,534
Youth Camp	-	-	-	-	3,693	3,693
Flood Control	-	-	-	-	162,309	162,309
Emergency Management	-	-	-	-	2,750	2,750
Assigned to:						
Other Purposes	-	-	-	1,366,304	-	1,366,304
Unassigned	2,978,553	-	-	-	-	2,978,553
TOTAL CASH BASIS FUND BALANCES	\$ 2,978,553	\$ 1,143,395	\$ 4,463,753	\$ 1,366,304	\$ 2,383,960	\$ 12,335,965

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

SAUNDERS COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	General Fund	Road Fund	Health Services Bond Fund	Inheritance Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property Taxes	\$ 6,867,808	\$ -	\$ 827	\$ 678,736	\$ 1,249,207	\$ 8,796,578
Licenses and Permits	175,254	-	-	-	-	175,254
Interest	46,960	-	35,636	-	3,050	85,646
Intergovernmental	841,361	2,458,282	1,380,000	-	250,733	4,930,376
Charges for Services	2,124,683	-	-	-	36,211	2,160,894
Miscellaneous	57,789	14,630	17,682	-	170,055	260,156
TOTAL RECEIPTS	<u>10,113,855</u>	<u>2,472,912</u>	<u>1,434,145</u>	<u>678,736</u>	<u>1,709,256</u>	<u>16,408,904</u>
DISBURSEMENTS						
General Government	4,076,765	-	20,261	77,589	56,708	4,231,323
Public Safety	3,544,204	-	-	-	892,699	4,436,903
Public Works	137,369	2,811,634	-	-	257,082	3,206,085
Health and Sanitation	83,239	-	-	-	-	83,239
Public Assistance	156,728	-	-	-	73,558	230,286
Culture and Recreation	22,000	-	-	-	16,641	38,641
Debt Service:						
Principal Payments	-	-	586,941	-	365,852	952,793
Interest and Fiscal Charges	-	-	954,865	-	311,651	1,266,516
TOTAL DISBURSEMENTS	<u>8,020,305</u>	<u>2,811,634</u>	<u>1,562,067</u>	<u>77,589</u>	<u>1,974,191</u>	<u>14,445,786</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,093,550</u>	<u>(338,722)</u>	<u>(127,922)</u>	<u>601,147</u>	<u>(264,935)</u>	<u>1,963,118</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	11,486	690,261	-	-	508,746	1,210,493
Transfers out	(1,199,007)	-	-	-	(11,486)	(1,210,493)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,187,521)</u>	<u>690,261</u>	<u>-</u>	<u>-</u>	<u>497,260</u>	<u>-</u>
Net Change in Fund Balances	906,029	351,539	(127,922)	601,147	232,325	1,963,118
CASH BASIS FUND BALANCES - BEGINNING	<u>2,072,524</u>	<u>791,856</u>	<u>4,591,675</u>	<u>765,157</u>	<u>2,151,635</u>	<u>10,372,847</u>
CASH BASIS FUND BALANCES - ENDING	<u>\$ 2,978,553</u>	<u>\$ 1,143,395</u>	<u>\$ 4,463,753</u>	<u>\$ 1,366,304</u>	<u>\$ 2,383,960</u>	<u>\$ 12,335,965</u>

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

SAUNDERS COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
CASH BASIS
FIDUCIARY FUNDS
June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,827,964
LIABILITIES	
Due to other governments	
State	362,544
Schools	2,502,897
Educational Service Units	5,128
Technical College	21,874
Natural Resource Districts	17,213
Fire Districts	21,528
Municipalities	80,018
Agricultural Society	2,993
Drainage Districts	56,074
Townships	102,482
Sanitary and Improvement Districts	620,607
Others	34,606
TOTAL LIABILITIES	3,827,964
TOTAL NET ASSETS	\$ -

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

Saunders County, Nebraska (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by 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.

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

Joint Organization.

Behavioral Health Region V – The County has entered into an agreement with surrounding counties and the Nebraska 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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

County contributed \$88,967 toward the operation of the Region during fiscal year 2012. 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.

Health Department – The County has entered into an agreement with Three Rivers 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 make any contributions toward the operation of the Department during fiscal year 2012. 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 and the Hospital. 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 County is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segment is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to 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.

SAUNDERS 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 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.

Health Services Bond Fund. This fund accounts for property taxes designated for the payment of long-term debt principal, interest, and related costs associated with bonds issued for the construction of hospital facilities.

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 Center and Jail Bond Fund accounts for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

D. Assets and Net Assets

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

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

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

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

Compensated Absences. Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as 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 \$5,379,717 of restricted net assets, of which \$247,126 is restricted by enabling legislation.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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.

Excess of Disbursements Over Appropriations. For the year ended June 30, 2012, disbursements exceeded budgeted appropriations in the District Judge, Building and Grounds, Sheriff Grant, and Surveyor functions of the General Fund by \$17, \$1,962, \$1,641, and \$81, respectively. These over-expenditures were funded by the available fund balance in the General Fund.

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 \$12,335,965 for County funds and \$3,827,964 for Fiduciary funds. The bank balances for all funds totaled \$15,849,839. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2012, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Property Taxes

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

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

The levy set in October 2011, for the 2011 taxes, which will be materially collected in May and September 2012, was set at \$.30000/\$100 of assessed valuation. The levy set in October 2010, for the 2010 taxes, which were materially collected in May and September 2011, was set at \$.34437/\$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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Retirement System** (Concluded)

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, 2012, 201 employees contributed \$258,861 and the County contributed \$384,737. Contributions included \$6,815 in cash contributions towards the supplemental law enforcement plan for 19 law enforcement employees. Lastly, the County paid \$1,264 directly to 12 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.

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.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Risk Management (Concluded)

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Worker's Compensation Claim	\$ 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 2013. 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, 2012, consisted of the following:

Transfers to	Transfers from		Total
	General Fund	Nonmajor Funds	
Road Fund	\$ 690,261	\$ -	\$ 690,261
General Fund	-	11,486	11,486
Nonmajor Funds	508,746	-	508,746
Total	<u>\$ 1,199,007</u>	<u>\$ 11,486</u>	<u>\$ 1,210,493</u>

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

7. Capital Leases Payable

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

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Capital Leases Payable (Concluded)

	Snogo Snowblower
Balance July 1, 2011	\$ 75,476
Purchases	-
Payments	17,413
Balance June 30, 2012	\$ 58,063
Future Payments:	
Year	
2013	\$ 21,472
2014	21,472
2015	21,473
Total Payments	64,417
Less Interest	6,354
Present Value of Future Minimum Lease Payments	\$ 58,063
Carrying Value of the related Fixed Asset	\$ 92,000

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

Hospital Bonds. The County issued bonds in November 2005 in the amount of \$9,400,000 and in January 2006 in the amount of \$12,740,000; a total of \$22,140,000 for the purpose of paying the costs of acquiring a site and constructing and equipping a new hospital clinic and long-term care facility. During fiscal year 2012, the County Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2012, was \$20,445,000. 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 as well as proceeds from said facility will be used to pay off the bonds. Complete financial statements of the Hospital can be obtained from the Hospital's administrative offices.

SAUNDERS COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

Future Payments:

Year	Principal	Interest	Total
2013	\$ 485,000	\$ 437,077	\$ 922,077
2014	665,000	540,025	1,205,025
2015	695,000	526,869	1,221,869
2016	710,000	512,317	1,222,317
2017	725,000	496,378	1,221,378
2018-2022	3,905,000	2,260,096	6,165,096
2023-2027	4,385,000	1,817,709	6,202,709
2028-2032	4,075,000	1,209,461	5,284,461
2033-2036	4,800,000	422,120	5,222,120
Total Payments	<u>\$ 20,445,000</u>	<u>\$ 8,222,052</u>	<u>\$ 28,667,052</u>

Law Enforcement Center Bond The County issued bonds in December 2006 in the amount of \$7,990,000 and in January 2007 in the amount of \$5,000,000; a total of \$12,990,000 for the purpose of paying the costs of acquiring a site and constructing and equipping a new law enforcement facility. During fiscal year 2012, the County Board partially refinanced both of these bonds. The bond payable balance, as of June 30, 2012, was \$11,410,000. 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
2013	\$ 665,000	\$ 234,266	\$ 899,266
2014	750,000	231,546	981,546
2015	780,000	227,335	1,007,335
2016	765,000	221,349	986,349
2017	785,000	213,393	998,393
2018-2022	4,060,000	868,989	4,928,989
2023-2027	3,605,000	340,885	3,945,885
Total Payments	<u>\$ 11,410,000</u>	<u>\$ 2,337,763</u>	<u>\$ 13,747,763</u>

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 7,263,266	\$ 7,263,266	\$ 6,867,808	\$ (395,458)
Licenses and Permits	158,200	158,200	175,254	17,054
Interest	90,000	90,000	46,960	(43,040)
Intergovernmental	268,451	268,451	841,361	572,910
Charges for Services	2,400,465	2,400,465	2,124,683	(275,782)
Miscellaneous	55,000	55,000	57,789	2,789
TOTAL RECEIPTS	10,235,382	10,235,382	10,113,855	(121,527)
DISBURSEMENTS				
General Government:				
County Board	159,898	159,898	156,633	3,265
County Clerk	130,800	130,800	130,222	578
County Treasurer	305,805	305,805	304,756	1,049
Register of Deeds	98,150	98,150	98,103	47
County Assessor	200,000	200,000	129,358	70,642
Election Commissioner	92,310	92,310	73,474	18,836
Building and Zoning	82,843	82,843	82,843	-
Board of Equalization	13,250	13,250	11,079	2,171
Clerk of the District Court	93,258	93,258	91,998	1,260
District Judge	38,817	38,817	38,834	(17)
Public Defender	174,000	174,000	172,396	1,604
Building and Grounds	160,156	176,156	178,118	(1,962)
Agricultural Extension Agent	78,000	78,000	77,991	9
Clerk of the District Court IV-D	42,220	42,220	37,007	5,213
Unemployment Compensation	25,000	25,000	2,896	22,104
Miscellaneous	3,713,400	3,679,900	2,491,057	1,188,843
Public Safety:				
County Sheriff	1,032,136	1,032,136	1,019,313	12,823
County Attorney	292,796	292,796	292,790	6
Jail	1,886,643	1,886,643	1,696,577	190,066
Dodge County Jail	347,050	347,050	189,045	158,005
Building Security	85,640	85,640	79,555	6,085
County Attorney IV-D	133,704	133,704	133,590	114
County Attorney Grant	16,551	16,551	3,170	13,381
County Sheriff Grant	25,000	25,000	26,641	(1,641)
Miscellaneous	119,879	119,879	103,523	16,356

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
DISBURSEMENTS (Continued)				
Public Works:				
County Surveyor	86,271	86,271	86,352	(81)
Noxious Weed Control	51,043	51,043	51,017	26
Public Health:				
Miscellaneous	80,226	80,226	83,239	(3,013)
Public Assistance:				
Veterans' Service Officer	43,713	43,713	43,566	147
Institutions	10,000	68,750	68,541	209
Relief - Medical	25,000	28,750	28,548	202
Miscellaneous	64,000	19,000	16,073	2,927
Culture and Recreation:				
Miscellaneous	22,000	22,000	22,000	-
TOTAL DISBURSEMENTS	<u>9,729,559</u>	<u>9,729,559</u>	<u>8,020,305</u>	<u>1,709,254</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS				
	<u>505,823</u>	<u>505,823</u>	<u>2,093,550</u>	<u>1,587,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,486	11,486	11,486	-
Transfers out	<u>(1,307,109)</u>	<u>(1,307,109)</u>	<u>(1,199,007)</u>	<u>108,102</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,295,623)</u>	<u>(1,295,623)</u>	<u>(1,187,521)</u>	<u>108,102</u>
Net Change in Fund Balance	(789,800)	(789,800)	906,029	1,695,829
FUND BALANCE - BEGINNING	<u>2,072,524</u>	<u>2,072,524</u>	<u>2,072,524</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,282,724</u>	<u>\$ 1,282,724</u>	<u>\$ 2,978,553</u>	<u>\$ 1,695,829</u>

(Concluded)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND				
RECEIPTS				
Intergovernmental	\$ 1,900,000	\$ 1,900,000	\$ 2,458,282	\$ 558,282
Miscellaneous	24,000	24,000	14,630	(9,370)
TOTAL RECEIPTS	1,924,000	1,924,000	2,472,912	548,912
DISBURSEMENTS	3,406,117	3,406,117	2,811,634	594,483
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(1,482,117)	(1,482,117)	(338,722)	1,143,395
OTHER FINANCING SOURCES (USES)				
Transfers in	690,261	690,261	690,261	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	690,261	690,261	690,261	-
Net Change in Fund Balance	(791,856)	(791,856)	351,539	1,143,395
FUND BALANCE - BEGINNING	791,856	791,856	791,856	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,143,395</u>	<u>\$ 1,143,395</u>
HEALTH SERVICES BOND FUND				
RECEIPTS				
Taxes	\$ 400	\$ 400	\$ 827	\$ 427
Interest	50,000	50,000	35,636	(14,364)
Intergovernmental	-	-	1,380,000	1,380,000
Miscellaneous	1,380,015	1,380,015	17,682	(1,362,333)
TOTAL RECEIPTS	1,430,415	1,430,415	1,434,145	3,730
DISBURSEMENTS	6,022,090	6,022,090	1,562,067	4,460,023
Net Change in Fund Balance	(4,591,675)	(4,591,675)	(127,922)	4,463,753
FUND BALANCE - BEGINNING	4,591,675	4,591,675	4,591,675	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,463,753</u>	<u>\$ 4,463,753</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INHERITANCE FUND				
RECEIPTS				
Taxes	\$ 302,500	\$ 302,500	\$ 678,736	\$ 376,236
TOTAL RECEIPTS	302,500	302,500	678,736	376,236
DISBURSEMENTS	1,067,657	1,067,657	77,589	990,068
Net Change in Fund Balance	(765,157)	(765,157)	601,147	1,366,304
FUND BALANCE - BEGINNING	765,157	765,157	765,157	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 1,366,304	\$ 1,366,304
				(Concluded)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHILD SUPPORT AGREEMENT - ATTORNEY FUND				
RECEIPTS	\$ 1,000	\$ 1,000	\$ 15,421	\$ 14,421
DISBURSEMENTS	53,048	53,048	25,935	27,113
Net Change in Fund Balance	(52,048)	(52,048)	(10,514)	41,534
FUND BALANCE - BEGINNING	52,048	52,048	52,048	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 41,534	\$ 41,534
VISITOR PROMOTION FUND				
RECEIPTS	\$ 9,500	\$ 9,500	\$ 7,711	\$ (1,789)
DISBURSEMENTS	13,745	13,745	8,306	5,439
Net Change in Fund Balance	(4,245)	(4,245)	(595)	3,650
FUND BALANCE - BEGINNING	4,245	4,245	4,245	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,650	\$ 3,650
VISITOR IMPROVEMENT FUND				
RECEIPTS	\$ 9,500	\$ 9,500	\$ 7,711	\$ (1,789)
DISBURSEMENTS	14,692	14,692	8,000	6,692
Net Change in Fund Balance	(5,192)	(5,192)	(289)	4,903
FUND BALANCE - BEGINNING	5,192	5,192	5,192	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,903	\$ 4,903
VETERANS' AID FUND				
RECEIPTS	\$ 900	\$ 900	\$ 615	\$ (285)
DISBURSEMENTS	96,951	96,951	-	96,951
Net Change in Fund Balance	(96,051)	(96,051)	615	96,666
FUND BALANCE - BEGINNING	96,051	96,051	96,051	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 96,666	\$ 96,666

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
TRANSPORTATION FUND				
RECEIPTS	\$ 54,676	\$ 54,676	\$ 57,382	\$ 2,706
DISBURSEMENTS	89,505	89,505	73,558	15,947
OTHER FINANCING SOURCES (USES)				
Transfers in	30,258	30,258	15,761	(14,497)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	30,258	30,258	15,761	(14,497)
Net Change in Fund Balance	(4,571)	(4,571)	(415)	4,156
FUND BALANCE - BEGINNING	4,571	4,571	4,571	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,156	\$ 4,156
SENIOR CITIZEN SERVICES FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(11,486)	(11,486)	(11,486)	-
TOTAL OTHER FINANCING SOURCES (USES)	(11,486)	(11,486)	(11,486)	-
Net Change in Fund Balance	(11,486)	(11,486)	(11,486)	-
FUND BALANCE - BEGINNING	11,486	11,486	11,486	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
DIVERSION PROGRAM FUND				
RECEIPTS	\$ 68,955	\$ 68,955	\$ 70,751	\$ 1,796
DISBURSEMENTS	164,066	164,066	151,736	12,330
OTHER FINANCING SOURCES (USES)				
Transfers in	90,415	90,415	85,886	(4,529)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	90,415	90,415	85,886	(4,529)
Net Change in Fund Balance	(4,696)	(4,696)	4,901	9,597
FUND BALANCE - BEGINNING	4,696	4,696	4,696	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 9,597	\$ 9,597

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STOP FUND				
RECEIPTS	\$ 10,101	\$ 10,101	\$ 15,094	\$ 4,993
DISBURSEMENTS	40,163	40,163	16,409	23,754
Net Change in Fund Balance	(30,062)	(30,062)	(1,315)	28,747
FUND BALANCE - BEGINNING	30,062	30,062	30,062	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,747</u>	<u>\$ 28,747</u>
DRUG LAW ENFORCEMENT FUND				
RECEIPTS	\$ 3,801	\$ 3,801	\$ -	\$ (3,801)
DISBURSEMENTS	7,939	7,939	2,089	5,850
Net Change in Fund Balance	(4,138)	(4,138)	(2,089)	2,049
FUND BALANCE - BEGINNING	4,138	4,138	4,138	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049</u>	<u>\$ 2,049</u>
DRUG TESTING FUND				
RECEIPTS	\$ 301	\$ 301	\$ -	\$ (301)
DISBURSEMENTS	2,183	2,183	666	1,517
Net Change in Fund Balance	(1,882)	(1,882)	(666)	1,216
FUND BALANCE - BEGINNING	1,882	1,882	1,882	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,216</u>	<u>\$ 1,216</u>
FEDERAL DRUG ENFORCEMENT FUND				
RECEIPTS	\$ 9,501	\$ 9,501	\$ -	\$ (9,501)
DISBURSEMENTS	11,607	11,607	-	11,607
Net Change in Fund Balance	(2,106)	(2,106)	-	2,106
FUND BALANCE - BEGINNING	2,106	2,106	2,106	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ 2,106</u>
FEDERAL GRANT FUND				
RECEIPTS	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
DISBURSEMENTS	10,000	10,000	-	10,000
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 WIRELESS SERVICE FUND				
RECEIPTS	\$ 41,500	\$ 41,500	\$ 42,670	\$ 1,170
DISBURSEMENTS	75,842	75,842	5,800	70,042
Net Change in Fund Balance	(34,342)	(34,342)	36,870	71,212
FUND BALANCE - BEGINNING	34,342	34,342	34,342	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,212</u>	<u>\$ 71,212</u>
EMERGENCY MANAGEMENT FUND				
RECEIPTS	\$ 27,144	\$ 27,144	\$ 21,483	\$ (5,661)
DISBURSEMENTS	52,394	52,394	42,021	10,373
OTHER FINANCING SOURCES (USES)				
Transfers in	25,250	25,250	23,288	(1,962)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	25,250	25,250	23,288	(1,962)
Net Change in Fund Balance	-	-	2,750	2,750
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 2,750</u>
CORRECTIONAL CENTER COMMISSARY FUND				
RECEIPTS	\$ 110,001	\$ 110,001	\$ 110,850	\$ 849
DISBURSEMENTS	130,961	130,961	106,576	24,385
Net Change in Fund Balance	(20,960)	(20,960)	4,274	25,234
FUND BALANCE - BEGINNING	20,960	20,960	20,960	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,234</u>	<u>\$ 25,234</u>
LAW ENFORCEMENT CENTER & JAIL BOND FUND				
RECEIPTS	\$ 1,017,870	\$ 1,017,870	\$ 1,030,659	\$ 12,789
DISBURSEMENTS	1,220,555	1,220,555	714,506	506,049
Net Change in Fund Balance	(202,685)	(202,685)	316,153	518,838
FUND BALANCE - BEGINNING	352,685	352,685	352,685	-
FUND BALANCE - ENDING	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 668,838</u>	<u>\$ 518,838</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY BUILDING FUND				
RECEIPTS	\$ 72,452	\$ 72,452	\$ 56,224	\$ (16,228)
DISBURSEMENTS	721,303	721,303	17,038	704,265
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	50,000	-	(50,000)
Net Change in Fund Balance	(598,851)	(598,851)	39,186	638,037
FUND BALANCE - BEGINNING	598,851	598,851	598,851	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 638,037	\$ 638,037
LAW ENFORCEMENT & JUDICIAL CENTER CONSTRUCTION FUND				
RECEIPTS	\$ 10	\$ 10	\$ 1	\$ (9)
DISBURSEMENTS	4,149	4,149	4,140	9
Net Change in Fund Balance	(4,139)	(4,139)	(4,139)	-
FUND BALANCE - BEGINNING	4,139	4,139	4,139	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
FLOOD CONTROL PROJECTS FUND				
RECEIPTS	\$ 275,020	\$ 275,020	\$ 173,255	\$ (101,765)
DISBURSEMENTS	439,074	439,074	200,000	239,074
Net Change in Fund Balance	(164,054)	(164,054)	(26,745)	137,309
FUND BALANCE - BEGINNING	189,054	189,054	189,054	-
FUND BALANCE - ENDING	\$ 25,000	\$ 25,000	\$ 162,309	\$ 137,309
YOUTH CAMP FUND				
RECEIPTS	\$ 7,011	\$ 7,011	\$ 3,753	\$ (3,258)
DISBURSEMENTS	7,286	7,286	335	6,951
Net Change in Fund Balance	(275)	(275)	3,418	3,693
FUND BALANCE - BEGINNING	275	275	275	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,693	\$ 3,693

(Continued)

SAUNDERS COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>E911 EMERGENCY SERVICES FUND</u>				
RECEIPTS	\$ 75,301	\$ 75,301	\$ 87,801	\$ 12,500
DISBURSEMENTS	240,933	240,933	88,121	152,812
Net Change in Fund Balance	(165,632)	(165,632)	(320)	165,312
FUND BALANCE - BEGINNING	165,632	165,632	165,632	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,312</u>	<u>\$ 165,312</u>
<u>NRD LAKE WANAHOO PROJECT FUND</u>				
RECEIPTS	\$ 2,000,000	\$ 2,000,000	\$ -	\$ (2,000,000)
DISBURSEMENTS	2,243,284	2,243,284	243,284	2,000,000
Net Change in Fund Balance	(243,284)	(243,284)	(243,284)	-
FUND BALANCE - BEGINNING	243,284	243,284	243,284	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>COMMUNICATION TOWER FUND</u>				
RECEIPTS	\$ 25,500	\$ 25,500	\$ -	\$ (25,500)
DISBURSEMENTS	39,733	39,733	5,922	33,811
Net Change in Fund Balance	(14,233)	(14,233)	(5,922)	8,311
FUND BALANCE - BEGINNING	14,233	14,233	14,233	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,311</u>	<u>\$ 8,311</u>
<u>COURT APPOINTED SPECIAL ADVOCATE FUND</u>				
RECEIPTS	\$ 7,501	\$ 7,501	\$ 2,641	\$ (4,860)
DISBURSEMENTS	8,113	8,113	2,667	5,446
Net Change in Fund Balance	(612)	(612)	(26)	586
FUND BALANCE - BEGINNING	612	612	612	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586</u>	<u>\$ 586</u>
<u>CANINE (K-9) FUND</u>				
RECEIPTS	\$ -	\$ -	\$ 5,000	\$ 5,000
DISBURSEMENTS	-	-	-	-
Net Change in Fund Balance	-	-	5,000	5,000
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
SPECIAL ROAD FUND				
RECEIPTS	\$ 75	\$ 75	\$ 234	\$ 159
DISBURSEMENTS	294,037	294,037	257,082	36,955
OTHER FINANCING SOURCES (USES)				
Transfers in	293,962	293,962	256,848	(37,114)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	293,962	293,962	256,848	(37,114)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -
ROAD/BRIDGE SINKING FUND				
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	438,054	438,054	-	438,054
OTHER FINANCING SOURCES (USES)				
Transfers in	126,963	126,963	126,963	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	126,963	126,963	126,963	-
Net Change in Fund Balance	(311,091)	(311,091)	126,963	438,054
FUND BALANCE - BEGINNING	311,091	311,091	311,091	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 438,054	\$ 438,054

(Concluded)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	Child Support Agreement - Attorney Fund	Visitor Promotion Fund	Visitor Improvement Fund	Veterans' Aid Fund	Transportation Fund
RECEIPTS					
Property Taxes	\$ -	\$ 7,711	\$ 7,711	\$ -	\$ -
Interest	-	-	-	615	-
Intergovernmental	15,421	-	-	-	54,036
Charges for Services	-	-	-	-	2,967
Miscellaneous	-	-	-	-	379
TOTAL RECEIPTS	<u>15,421</u>	<u>7,711</u>	<u>7,711</u>	<u>615</u>	<u>57,382</u>
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	25,935	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	73,558
Culture and Recreation	-	8,306	8,000	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>25,935</u>	<u>8,306</u>	<u>8,000</u>	<u>-</u>	<u>73,558</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(10,514)</u>	<u>(595)</u>	<u>(289)</u>	<u>615</u>	<u>(16,176)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	15,761
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,761</u>
Net Change in Fund Balances	(10,514)	(595)	(289)	615	(415)
FUND BALANCES - BEGINNING	<u>52,048</u>	<u>4,245</u>	<u>5,192</u>	<u>96,051</u>	<u>4,571</u>
FUND BALANCES - ENDING	<u>\$ 41,534</u>	<u>\$ 3,650</u>	<u>\$ 4,903</u>	<u>\$ 96,666</u>	<u>\$ 4,156</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ 3,650	\$ 4,903	\$ -	\$ -
911 Emergency Services	-	-	-	-	-
Drug Education	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	96,666	4,156
County Buildings	-	-	-	-	-
Child Support Enforcement	41,534	-	-	-	-
Youth Camp	-	-	-	-	-
Flood Control	-	-	-	-	-
Emergency Management	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 41,534</u>	<u>\$ 3,650</u>	<u>\$ 4,903</u>	<u>\$ 96,666</u>	<u>\$ 4,156</u>

(Continued)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	Senior Citizen Services Fund	Diversion Program Fund	STOP Fund	Drug Law Enforcement Fund	Drug Testing Fund	Federal Drug Enforcement Fund
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	49	-	-	-
Intergovernmental	-	62,154	-	-	-	-
Charges for Services	-	8,597	15,045	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL RECEIPTS	<u>-</u>	<u>70,751</u>	<u>15,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	-	151,736	16,409	2,089	666	-
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>-</u>	<u>151,736</u>	<u>16,409</u>	<u>2,089</u>	<u>666</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>-</u>	<u>(80,985)</u>	<u>(1,315)</u>	<u>(2,089)</u>	<u>(666)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	85,886	-	-	-	-
Transfers out	(11,486)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,486)</u>	<u>85,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,486)	4,901	(1,315)	(2,089)	(666)	-
FUND BALANCES - BEGINNING	<u>11,486</u>	<u>4,696</u>	<u>30,062</u>	<u>4,138</u>	<u>1,882</u>	<u>2,106</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 9,597</u>	<u>\$ 28,747</u>	<u>\$ 2,049</u>	<u>\$ 1,216</u>	<u>\$ 2,106</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	-	-	-
Drug Education	-	-	-	2,049	-	-
Debt Service	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	9,597	28,747	-	1,216	2,106
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Youth Camp	-	-	-	-	-	-
Flood Control	-	-	-	-	-	-
Emergency Management	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 9,597</u>	<u>\$ 28,747</u>	<u>\$ 2,049</u>	<u>\$ 1,216</u>	<u>\$ 2,106</u>

(Continued)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	911 Wireless Service Fund	Emergency Management Fund	Correctional Center Commissary Fund	Law Enforcement Center & Jail Bond Fund	County Building Fund
RECEIPTS					
Property Taxes	\$ 42,670	\$ -	\$ -	\$ 914,199	\$ 44,723
Interest	-	-	-	1,349	1,033
Intergovernmental	-	21,483	-	73,850	4,941
Charges for Services	-	-	-	-	2
Miscellaneous	-	-	110,850	41,261	5,525
TOTAL RECEIPTS	<u>42,670</u>	<u>21,483</u>	<u>110,850</u>	<u>1,030,659</u>	<u>56,224</u>
DISBURSEMENTS					
General Government	-	-	-	37,003	17,038
Public Safety	5,800	42,021	106,576	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	365,852	-
Interest and Fiscal Charges	-	-	-	311,651	-
TOTAL DISBURSEMENTS	<u>5,800</u>	<u>42,021</u>	<u>106,576</u>	<u>714,506</u>	<u>17,038</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>36,870</u>	<u>(20,538)</u>	<u>4,274</u>	<u>316,153</u>	<u>39,186</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	23,288	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>23,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	36,870	2,750	4,274	316,153	39,186
FUND BALANCES - BEGINNING	<u>34,342</u>	<u>-</u>	<u>20,960</u>	<u>352,685</u>	<u>598,851</u>
FUND BALANCES - ENDING	<u>\$ 71,212</u>	<u>\$ 2,750</u>	<u>\$ 25,234</u>	<u>\$ 668,838</u>	<u>\$ 638,037</u>
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	71,212	-	-	-	-
Drug Education	-	-	-	-	-
Debt Service	-	-	-	668,838	-
Committed to:					
Law Enforcement	-	-	25,234	-	-
Road Maintenance	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	638,037
Child Support Enforcement	-	-	-	-	-
Youth Camp	-	-	-	-	-
Flood Control	-	-	-	-	-
Emergency Management	-	2,750	-	-	-
TOTAL FUND BALANCES	<u>\$ 71,212</u>	<u>\$ 2,750</u>	<u>\$ 25,234</u>	<u>\$ 668,838</u>	<u>\$ 638,037</u>

(Continued)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	Law Enforcement & Judicial Center	Flood Control Projects Fund	Youth Camp Fund	E911 Emergency Services Fund	NRD Lake Wanahoo Project Fund	Communication Tower Fund
RECEIPTS						
Property Taxes	\$ -	\$ 154,641	\$ -	\$ 77,552	\$ -	\$ -
Interest	1	-	3	-	-	-
Intergovernmental	-	18,614	-	-	-	-
Charges for Services	-	-	-	9,600	-	-
Miscellaneous	-	-	3,750	649	-	-
TOTAL RECEIPTS	<u>1</u>	<u>173,255</u>	<u>3,753</u>	<u>87,801</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS						
General Government	-	-	-	-	-	-
Public Safety	4,140	200,000	-	88,121	243,284	5,922
Public Works	-	-	-	-	-	-
Public Assistance	-	-	-	-	-	-
Culture and Recreation	-	-	335	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>4,140</u>	<u>200,000</u>	<u>335</u>	<u>88,121</u>	<u>243,284</u>	<u>5,922</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,139)</u>	<u>(26,745)</u>	<u>3,418</u>	<u>(320)</u>	<u>(243,284)</u>	<u>(5,922)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,139)	(26,745)	3,418	(320)	(243,284)	(5,922)
FUND BALANCES - BEGINNING	<u>4,139</u>	<u>189,054</u>	<u>275</u>	<u>165,632</u>	<u>243,284</u>	<u>14,233</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 162,309</u>	<u>\$ 3,693</u>	<u>\$ 165,312</u>	<u>\$ -</u>	<u>\$ 8,311</u>
FUND BALANCES:						
Restricted for:						
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 Emergency Services	-	-	-	165,312	-	-
Drug Education	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Committed to:						
Law Enforcement	-	-	-	-	-	8,311
Road Maintenance	-	-	-	-	-	-
Aid and Assistance	-	-	-	-	-	-
County Buildings	-	-	-	-	-	-
Child Support Enforcement	-	-	-	-	-	-
Youth Camp	-	-	3,693	-	-	-
Flood Control	-	162,309	-	-	-	-
Emergency Management	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 162,309</u>	<u>\$ 3,693</u>	<u>\$ 165,312</u>	<u>\$ -</u>	<u>\$ 8,311</u>

(Continued)

SAUNDERS COUNTY
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BASIS FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2012

	Court Appointed Special Advocate	Canine (K-9) Fund	Special Road Fund	Road/ Bridge Sinking Fund	Total Nonmajor Governmental Funds
RECEIPTS					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,249,207
Interest	-	-	-	-	3,050
Intergovernmental	-	-	234	-	250,733
Charges for Services	-	-	-	-	36,211
Miscellaneous	2,641	5,000	-	-	170,055
TOTAL RECEIPTS	2,641	5,000	234	-	1,709,256
DISBURSEMENTS					
General Government	2,667	-	-	-	56,708
Public Safety	-	-	-	-	892,699
Public Works	-	-	257,082	-	257,082
Public Assistance	-	-	-	-	73,558
Culture and Recreation	-	-	-	-	16,641
Debt Service:					
Principal Payments	-	-	-	-	365,852
Interest and Fiscal Charges	-	-	-	-	311,651
TOTAL DISBURSEMENTS	2,667	-	257,082	-	1,974,191
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(26)	5,000	(256,848)	-	(264,935)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	256,848	126,963	508,746
Transfers out	-	-	-	-	(11,486)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	256,848	126,963	497,260
Net Change in Fund Balances	(26)	5,000	-	126,963	232,325
FUND BALANCES - BEGINNING	612	-	-	311,091	2,151,635
FUND BALANCES - ENDING	\$ 586	\$ 5,000	\$ -	\$ 438,054	\$ 2,383,960
FUND BALANCES:					
Restricted for:					
Visitor Promotion	\$ -	\$ -	\$ -	\$ -	\$ 8,553
911 Emergency Services	-	-	-	-	236,524
Drug Education	-	-	-	-	2,049
Debt Service	-	-	-	-	668,838
Committed to:					
Law Enforcement	-	5,000	-	-	80,211
Road Maintenance	-	-	-	438,054	438,054
Aid and Assistance	586	-	-	-	101,408
County Buildings	-	-	-	-	638,037
Child Support Enforcement	-	-	-	-	41,534
Youth Camp	-	-	-	-	3,693
Flood Control	-	-	-	-	162,309
Emergency Management	-	-	-	-	2,750
TOTAL FUND BALANCES	\$ 586	\$ 5,000	\$ -	\$ 438,054	\$ 2,383,960

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES
For the Year Ended June 30, 2012

	County Clerk	Register of Deeds	Clerk of the District Court	County Sheriff	County Attorney	Weed Superintendent	Highway Superintendent
BALANCES JULY 1, 2011	\$ 16,924	\$ 21,481	\$ 83,777	\$ 30,989	\$ 415	\$ -	\$ 100
RECEIPTS							
Property Taxes	9,990	-	-	65,706	-	-	-
Licenses and Permits	6,035	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	154,463
Charges for Services	5,161	160,514	38,617	1,226,920	1,306	750	-
Miscellaneous	-	-	-	153,396	-	-	39,951
State Fees	1,594	171,277	38,993	1,009	-	-	-
Other Liabilities	-	-	512,776	912,031	71,156	-	-
TOTAL RECEIPTS	22,780	331,791	590,386	2,359,062	72,462	750	194,414
DISBURSEMENTS							
Payments to County Treasurer	24,847	156,584	36,396	1,413,302	1,251	750	194,414
Payments to State Treasurer	1,933	169,371	36,359	1,075	-	-	-
Other Liabilities	-	-	495,566	929,279	71,172	-	-
TOTAL DISBURSEMENTS	26,780	325,955	568,321	2,343,656	72,423	750	194,414
BALANCES JUNE 30, 2012	<u>\$ 12,924</u>	<u>\$ 27,317</u>	<u>\$ 105,842</u>	<u>\$ 46,395</u>	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ 100</u>
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 393	\$ 13,285	\$ 4,102	\$ 31,976	\$ 186	\$ -	\$ -
Petty Cash	12,500	500	200	4,400	200	-	100
Due to State Treasurer	31	13,532	4,786	82	-	-	-
Due to Others	-	-	96,754	9,937	68	-	-
BALANCES JUNE 30, 2012	<u>\$ 12,924</u>	<u>\$ 27,317</u>	<u>\$ 105,842</u>	<u>\$ 46,395</u>	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ 100</u>

(Continued)

**SAUNDERS COUNTY
SCHEDULE OF OFFICE ACTIVITIES**

For the Year Ended June 30, 2012

	Veterans' Service Officer	County Surveyor	County Youth Services	County Planning and Zoning	County Transportation	Total
BALANCES JULY 1, 2011	\$ 7,666	\$ -	\$ 100	\$ 100	\$ 44	\$ 161,596
RECEIPTS						
Property Taxes	-	-	-	-	-	75,696
Licenses and Permits	-	-	-	79,295	-	85,330
Intergovernmental	-	-	62,154	-	53,821	270,438
Charges for Services	-	5	10,187	-	3,126	1,446,586
Miscellaneous	7	-	6,391	-	577	200,322
State Fees	-	-	-	-	-	212,873
Other Liabilities	-	-	-	-	-	1,495,963
TOTAL RECEIPTS	<u>7</u>	<u>5</u>	<u>78,732</u>	<u>79,295</u>	<u>57,524</u>	<u>3,787,208</u>
DISBURSEMENTS						
Payments to County Treasurer	-	5	77,142	79,295	57,568	2,041,554
Payments to State Treasurer	-	-	-	-	-	208,738
Other Liabilities	1,102	-	1,015	-	-	1,498,134
TOTAL DISBURSEMENTS	<u>1,102</u>	<u>5</u>	<u>78,157</u>	<u>79,295</u>	<u>57,568</u>	<u>3,748,426</u>
BALANCES JUNE 30, 2012	<u>\$ 6,571</u>	<u>\$ -</u>	<u>\$ 675</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 200,378</u>
BALANCES CONSIST OF:						
Due to County Treasurer	\$ 6,571	\$ -	\$ 225	\$ -	\$ -	\$ 56,738
Petty Cash	-	-	100	100	-	18,100
Due to State Treasurer	-	-	-	-	-	18,431
Due to Others	-	-	350	-	-	107,109
BALANCES JUNE 30, 2012	<u>\$ 6,571</u>	<u>\$ -</u>	<u>\$ 675</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 200,378</u>

(Concluded)

SAUNDERS COUNTY
SCHEDULE OF TAXES CERTIFIED AND COLLECTED FOR
ALL POLITICAL SUBDIVISIONS IN THE COUNTY
June 30, 2012

Item	2007	2008	2009	2010	2011
Tax Certified by Assessor					
Real Estate	\$28,992,459	\$32,215,287	\$33,975,671	\$35,819,663	\$39,184,525
Personal and Specials	1,582,401	1,814,229	2,017,895	1,725,891	1,821,926
Total	30,574,860	34,029,516	35,993,566	37,545,554	41,006,451
Corrections					
Additions	573,424	606,025	400,580	55,001	192,465
Deductions	(1,000,456)	(1,112,136)	(935,132)	(609,102)	(40,085)
Net Additions/ (Deductions)	(427,032)	(506,111)	(534,552)	(554,101)	152,380
Corrected Certified Tax	30,147,828	33,523,405	35,459,014	36,991,453	41,158,831
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2008	17,074,580	-	-	-	-
June 30, 2009	12,940,603	19,143,755	-	-	-
June 30, 2010	44,648	14,335,030	20,413,156	-	-
June 30, 2011	28,803	38,858	15,032,680	21,765,253	-
June 30, 2012	17,878	2,474	8,639	15,197,785	24,128,948
Total Net Collections	30,106,512	33,520,117	35,454,475	36,963,038	24,128,948
Total Uncollected Tax	\$ 41,316	\$ 3,288	\$ 4,539	\$ 28,415	\$17,029,883
Percentage Uncollected Tax	0.14%	0.01%	0.01%	0.08%	41.38%



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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SAUNDERS 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 Supervisors
Saunders County, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saunders County as of and for the year ended June 30, 2012, and have issued our report thereon dated February 12, 2013. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Saunders County Hospital, a component unit of Saunders County. Except as noted above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

We also noted certain matters that we reported to management of Saunders County in a separate letter dated February 12, 2013.

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

SIGNED ORIGINAL ON FILE

February 12, 2013

Deann Haeffner, CPA
Assistant Deputy Auditor



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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February 12, 2013

Board of Supervisors
Saunders County, Nebraska

Dear Supervisors:

We have audited the basic financial statements of Saunders County (County) for the fiscal year ended June 30, 2012, and have issued our report thereon dated February 12, 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.

CLERK OF THE DISTRICT COURT

Trust Balances Not Current

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) states that personal property held by a court, public entities or political subdivision which remain unclaimed for more than three years is presumed abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2009) requires such items to be reported to the Nebraska State Treasurer before November 1 of each year as of June 30 next proceeding. Good internal control and sound accounting practices require that old case balances be reviewed regularly and proper action be taken to finalize the cases.

During our audit we noted all ten trust balances tested were not current and no action had been taken to remit these funds to the proper party. We also noted 157 cases with an outstanding balance of \$15 each. This \$15 represents a complete record fee which should be remitted to the County Treasurer after the case has been properly finalized. When case balances are not reviewed and followed up in a timely manner, there is an increased risk of loss or misuse of funds.

We recommend the Clerk of the District Court review the Monthly Case Balance Report and take the proper action needed on old case balances.

County Clerk of the District Court's Response: Thank you. We accept the recommendations and they have now been implemented.

COUNTY BOARD

Inventory Statements Not Signed by the County Board

Neb. Rev. Stat. § 23-347 (Reissue 2012) states that the County Board in each county shall examine each inventory statement and, if the statement is correct and proper, the County Board shall file each inventory statement with the County Clerk to be filed as a public record.

During our audit, we noted the County Board had not signed any of the inventory statements that were submitted by August 30, 2012. When inventory statements are not examined, there is an increased risk of loss or misuse of County property.

We recommend the County Board verify the inventory statements and sign the statements to indicate the verification has been performed.

Expenditures Exceeded Budgets

Neb. Rev. Stat. § 23-916 (Reissue 2012) states that after the adoption of the county budget, no officer, department or other expending agency shall expend or contract to be expended any money, or incur any liability, which involves the expenditure of money not provided for in the budget.

During our audit we noted four office functions in the General Fund which were overspent. They are as follows:

- District Judge - \$17
- Building and Grounds - \$1,962
- Sheriff Grant - \$1,641
- Surveyor - \$81

When expenditures exceed budget authority, there is noncompliance with State statute and an increased risk of misuse of funds.

We recommend the County implement procedures to ensure expenditures do not exceed the amounts approved in the adopted budget.

COUNTY ASSESSOR

Tax Corrections

Neb. Rev. Stat. § 77-1616 (Reissue 2009) states that the tax list shall be completed and delivered to the County Treasurer on or before November 22. Good internal controls require that the list certified be complete and accurate.

During our audit we noted that the 2011 taxes were certified on December 1, 2011, nine days late. We also noted 289 tax corrections, totaling \$178,291, were completed and approved during the December 2011 and January 2012 timeframe. When large numbers of corrections are needed to the certified tax list, there is an increased risk errors will go undetected.

We recommend that all taxes be certified by November 22 of each year in accordance with State statute and the County Assessor work to ensure the tax list is complete and accurate.

COUNTY SHERIFF

Balancing Procedures

On June 30, 2012, the County Sheriff's office assets were short office liabilities by \$113. Additionally, the bank balance exceeded the reconciled book balance by \$2,999 in the County Sheriff's Correctional Facility account. Bank reconciliations were not being performed on a monthly basis. A similar comment was noted in our prior year report.

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.

When there is a failure to determine asset-to-liability balancing variances, or reconcile bank balances to book balances, there is an increased risk of loss, theft, or misuse of funds allowing errors to more easily go undetected.

We recommend the County Sheriff perform documented monthly balancing procedures, including a timely follow up on any unexplained variances.

County Sheriff's Response: Our office has been working with our contracted vendor in an effort to resolve the issues. Vendor related software issues have been a major contributor and additional measures have been implemented to prevent further occurrences.

* * * * *

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